



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

[PR/162/2023/DD/200/2023/BOD/753/2024]

ORDER UNDER SECTION 21A (3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 15 (1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

IN THE MATTER OF:

CA. Sunil Kumar (M. No 075294)

Alora House, Near Surjeet School, Namak Katra

Bharatpur.....Complainant

Versus

CA. Rajendra Agrawal (M. No 088531)

Garg Rajendra and Company, Radhika Nandan, Be-Narain Gate

Bharatpur.....Respondent

[PR/162/2023/DD/200/2023/BOD/753/2024]

MEMBERS PRESENT (IN PERSON):

CA. Rajendra Kumar P, Presiding Officer

Ms. Dolly Chakrabarty (IAAS, Retd.), Government Nominee

CA. Priti Savla, Member

Date of hearing and passing of Order: 29th July 2025

1. The Board of Discipline, vide its findings dated 10th February 2025, was of the view that CA. Rajendra Agrawal (M. No 088531) is **GUILTY** of Professional Misconduct falling within the meaning of Item (8) of Part I of the First Schedule under the Chartered Accountants Act, 1949.
2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against CA. Rajendra Agrawal (M. No 088531) and communication dated 16th July 2025 was addressed to him thereby granting him an opportunity of being heard on 29th July 2025 which was exercised by him by being present through video conferencing. He confirmed receipt of the findings of the Board.
3. Thus, upon consideration of the facts of the case, the consequent misconduct of CA. Rajendra Agrawal (M. No 088531) and keeping in view his representation before it, the Board decided to impose a **Fine of Rs.25,000/-** (Rs. Twenty-Five Thousand only) upon him.

Sd/-

**CA. Rajendra Kumar P
(Presiding Officer)**

Sd/-

**Ms. Dolly Chakrabarty (IAAS, Retd.)
(Government Nominee)**

सत्यमेव जयते / Certified to be True Copy

Sd/-

**CA. Priti Savla
(Member)**
विष्णुनाथ तिवारी / Vishnu Nath Tiwari
कार्यकारी अधिकारी / Executive Officer
अनुशासनसम्वन्धक निदेशालय / Disciplinary Directorate
भारतीय सत्यादी सेवाकार संस्थान
The Institute of Chartered Accountants of India
आई.सी.ए.आई. भवन, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

CA. Sunil Kumar (M. No 075294)-Vs- CA. Rajendra Agrawal (M. No 088531)

BOARD OF DISCIPLINE

(Constituted under Section 21A of the Chartered Accountants Act 1949)

FINDINGS UNDER RULE 14 (9) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATION OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

CORAM: (IN PERSON)

CA. Rajendra Kumar P, Presiding Officer
Ms. Dolly Chakrabarty, Government Nominee
CA. Priti Savla, Member

IN THE MATTER OF:

CA. Sunil Kumar (M. No 075294)

Alora House, Near Surjeet School
Namak Katra
Bharatpur.....

Complainant

Versus

CA. Rajendra Agrawal (M. No 088531)

Garg Rajendra and Company
Radhika Nandan, Be-Narain Gate
Bharatpur.....

Respondent

Date of Final hearing : 25th January 2025
Place of Final hearing : 'ICAI Bhawan' Jodhpur

PARTIES PRESENT

Respondent : CA. Rajendra Agarwal (Through VC)

FINDINGS:

BACKGROUND OF CASE:

1. The facts of the instant case as elucidated in the complaint dated 26th March 2023 are that the Complainant had carried out the Tax Audit of M/s Arora Tyres (hereinafter referred to as the "**Entity**") for the Financial Year 2015-16 while for the year 2016-17 the Respondent was appointed as Tax Auditor of the Entity without prior communication with the Complainant in writing, performed the Tax Audit assignment of the Entity for the Financial Year 2016-17 in violation of Item (8) of Part I of First Schedule to the Chartered Accountants Act, 1949.



CHARGE ALLEGED:

2. The Complainant alleged that the Respondent had, without prior communication with the Complainant in writing, performed the Tax Audit assignment of the Entity for the Financial Year 2016-17 in violation of Item (8) of Part I of First Schedule to the Chartered Accountants Act, 1949.

BRIEF OF PROCEEDINGS HELD:

3. The details of the hearing fixed and held in the matter are given as under:

| Date of Hearing | Status of hearing(s) |
|-------------------------------|----------------------------------|
| 25 th January 2025 | The case is heard and concluded. |

OBSERVATION OF THE BOARD

4. The matter was heard ex-parte against the Complainant CA. Sunil Kumar, as he failed to appear before the Board without providing any prior communication or intimation regarding his absence despite delivery of due notice. The Respondent, however, was present through Video Conference and made submissions before the Board in his defence.
5. Upon examination of the Respondent's submissions, it is observed that the Respondent admitted to not having communicated in writing with the Complainant regarding obtaining a No Objection Certificate (NOC) before undertaking the audit for which the Complainant was the previous auditor. The Respondent justified this omission by stating that the client had already approached him after the Complainant had declined to perform the required work. The Respondent further explained that due to his longstanding personal relationship with the Complainant, he believed there was no need for formal communication in this matter.
6. The Board considered the provisions of the Code of Ethics of ICAI, which clearly mandate written communication with the previous auditor before accepting an audit assignment. This procedure is essential to maintain professional decorum and ensure ethical compliance. The Respondent's failure to adhere to this mandatory requirement constitutes a breach of the prescribed Ethical guidelines.
7. The Board observed that while the Respondent expressed an understanding of the procedural lapse and assured adherence to the Code of Ethics in future, the fact remains that the Respondent has admitted to the violation. Such admission, coupled with the absence of any contradiction, establishes the Respondent's non-compliance with the ethical standards set forth by the Institute.
8. Considering the above, the Board is of the view that the Respondent has failed to fulfil the professional obligation of obtaining a written NOC from the Complainant before



undertaking the audit assignment. Consequently, the Respondent is held Guilty of violating the statutory requirements under the Chartered Accountants Act, 1949.

CONCLUSION:

9. Thus, in conclusion, in the considered opinion of the Board the Respondent is the **Guilty** of Professional Misconduct falling within the meaning of Item (8) of Part-I of the First Schedule to the Chartered Accountants Act, 1949.

Sd/-
CA. Rajendra Kumar P
Presiding Officer

Sd/-
Dolly Chakrabarty, IAAS (Retd.)
Government Nominee

Sd/-
CA. Priti Savla
Member

Date: 10-02-2025

प्रमाणित सत्य प्रतिनिधि / Certified true copy

सीए अंशुल कुमार / CA. Anshul Kumar
सहायक निदेशक / Assistant Director
अनुशासनालय / Disciplinary Directorate
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