



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

[PR/808/2022/DD/17/2023/BOD/727/2024]

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. Arpit Taneja (M. No. 544209)

Hem Kunj, E-537, Ranjeet Nagar

Bharatpur.....Respondent

[PR/808/2022/DD/17/2023/BOD/727/2024]

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. Arpit Taneja (M. No. 544209) 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. Arpit Taneja (M. No. 544209) 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. Arpit Taneja (M. No. 544209) 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)**

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

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निष्ठादाय सिवली / Bhawan Nath Thuri
कार्यकारी अधिकारी / Executive Officer
अनुशासनिक निदेशालय / Disciplinary Directorate
संस्थान का सचिव / Secretary
The Institute of Chartered Accountants of India
आइसीआईए, बंगला, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

Sd/-

**CA. Priti Savla
(Member)**

CA. Sunil Kumar (M. No 075294)-Vs- CA. Arpit Taneja (M. No. 544209)

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: (PRESENT THROUGH VIDEO CONFERENCE)

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

IN THE MATTER OF:

CA. Sunil Kumar (M. No. 075294)

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

Complainant

Versus

CA. Arpit Taneja (M. No. 544209)

Hem Kunj, E-537, Ranjeet Nagar
Bharatpur.....

Respondent

Date of Final Hearing : 28th October 2024
Place of Final Hearing : New Delhi

PARTY (PRESENT THROUGH VIDEO CONFERENCE)

Respondent : CA. Arpit Taneja

FINDINGS:

BRIEF BACKGROUND:

1. The Complainant was the tax auditor of M/s. Divyansh Associates, a proprietary firm (hereinafter "**Firm/Client**") for the financial year 2017-18 and the Respondent has conducted tax audit of the firm for the financial year 2018-19.

CHARGE ALLEGED:

2. The Respondent has performed the audit of the firm without obtaining No Objection Certificate from the Complainant or communicating with the previous auditor / outgoing auditor.

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BRIEF OF PROCEEDING HELD:

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

Date of Hearing	Status of Hearing
28th October 2024	Matter heard and concluded

BRIEF SUBMISSIONS OF THE RESPONDENT

4. The Respondent submitted that all the communications with respect to the Firm with CA. Sunil Kumar were done verbally and verbal requests for No Objection Certificate were made multiple times but the same was evaded by the Complainant every time with malicious intent. All the facts which were mentioned in his earlier replies are to be considered as part and parcel of his written statement.
5. The Respondent also submitted that Complainant has initiated a separate legal proceeding and sent a legal notice dated 31st March 2023 to him, citing the reply submitted by Respondent to the Institute dated 1st February 2023. The Respondent also asserted that the case is sub-judice with the Hon'ble Board of Discipline but the Complainant has used all ways and means to put pressure on the Respondent by using all the available Government and Judicial machinery.
6. The Respondent doubted the supporting documents used by the Complainant while submitting the complaint because the supporting documents attached to the complaint are not public documents and the same have not been provided to the Complainant either by the Client or by the Respondent. Further, a separate legal proceeding has been initiated by the Client against the Complainant. Client has served a legal notice to the Complainant for unauthorized access to the highly privileged and confidential information /documents.
7. Furthermore, the Respondent submitted that he had an employment opportunity to work with one of the large audit firms in the past. During this tenure, the Respondent learned the importance of maintaining the audit documents from the appointment of auditor till the conclusion of the audit procedures. In a similar manner, the Respondent is trying to maintain the documentation, deliverables, client satisfaction etc. but an exceptional incident like this happened considering the personal relationship and health of the fellow professionals. The non-submission of the documents is the way to harass the Respondent and to create unnecessary pressure upon the Respondent.
8. The Respondent, while reiterating the facts, informed the Board that an audit was done for the financial year 2018-19. In 2020, the Complainant's son, Mr.

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Kanishk Mittal became a qualified Chartered Accountant and started his practice in the town. In the previous two years, he was not able to perform his duties, most of the clients moved from him to other fellow Chartered Accountants. Now, just to make the practice establish for his son the Complainant is doing the legal proceedings against the Respondent.

OBSERVATIONS OF THE BOARD:

9. At the outset, the Board noted that the Complainant chose not to appear and submitted no further documents or evidence before it. The Complainant vide email dated 26th October 2024 informed that he has already submitted the required reply and documents with respect to the instant case.
10. Upon review of the documents/evidence presented by both the parties and as per allegation, wherein the Complainant alleged that the Respondent has performed the audit of the firm without obtaining a No Objection Certificate from the Complainant or communicating with him in writing, the Board noted the provision of Item (8) of Part I of the First Schedule of the Chartered Accountants Act, 1949 as under:

"A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he –

(8) accepts a position as auditor previously held by another chartered accountant or a certified auditor who has been issued certificate under the Restricted Certificate Rules, 1932 without first communicating with him in writing".

Thus, from the bare perusal of the aforesaid statutory provision, it is clear that before accepting the position of an auditor in any organization, a practicing Chartered Accountant shall be required to communicate with the outgoing auditor in writing and any violation of this provision will make a Chartered Accountant liable for misconduct.

11. The Board noted that at the time of the hearing, the Respondent submitted that the Complainant himself requested the Respondent to take over the audit of the firm because the Complainant was unable to do the audit due to the Complainant's health reasons. As the Respondent considers the Complainant as his Guardian and had cordial family relations with him, the Respondent accepted the tax audit of the firm for the financial year 2018-2019 without complying with the required statutory due procedure as mandated by Item (8) of Part-I of the First Schedule of the Chartered Accountants Act, 1949.
12. The Board noted that it is the statutory duty of the incoming auditor to communicate in writing to the outgoing auditor before acceptance of the position of an auditor previously held by the outgoing auditor. The Board further noted that, on the question of why there was no written communication by the Respondent with the Complainant regarding the issuance of No Objection Certificate from the outgoing auditor, the Respondent's submissions are void of any documentary evidence.



13. Thus, keeping in view the required statutory protocol, the submissions made by the parties and the documents on record, the Board is of the considered view that the Respondent is 'Guilty' of the charge that he has performed the audit of the firm without obtaining No Objection Certificate from the Complainant or communicating with the previous auditor / outgoing auditor in writing.

CONCLUSION:

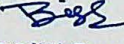
14. Thus, in conclusion, in the considered opinion of the Board, the Respondent is 'Guilty' of Professional Misconduct falling within the meaning of Item (8) of Part-I of the First Schedule to the Chartered Accountants Act, 1949.

Sd/-
CA. Rajendra Kumar P
Presiding Officer

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

Date: 14-12-2024

सही प्रतिलिपि होने के लिए प्रमाणित
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बिष्व नाथ तिवारी / Bishwa Nath Tiwari
कार्यकारी अधिकारी / Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
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