

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2025-26)]
[Constituted under Section 21B of the Chartered Accountants Act, 1949]

Findings under Rule 18(17) and Rule 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007

[PPR/MISC/TMD/72/2024/DD/24/INF/2024/DC/2156/2025]

In the matter of:

CA. Khurram Javed (M. NO. 539535)
(of M/s G K Sureka & Co., (FRN 513018C))
104, Baidyanath Palace,
Jagdeo Path, Baily Road
Pillar No. 10
PATNA, BIHAR 800014.

...Respondent

MEMBERS PRESENT:

CA. Charanjot Singh Nanda, Presiding Officer (in Person)
CMA. Chandra Wadhwa, Government Nominee (in Person)
CA. Mahesh Shah, Government Nominee (in Person)
CA. Pramod Jain, Member (in Person)
CA. Ravi Kumar Patwa, Member (through Videoconferencing)

Date of Final Hearing: 25th January 2026

PARTIES PRESENT (through Video Conferencing):

Respondent: CA. Khurram Javed (M. No. 041235)

1. BACKGROUND OF THE CASE:

- 1.1 The Tender Monitoring Directorate of ICAI (hereinafter referred to as "Informant/ TMD") which monitors the tenders floated by the organizations for professional services rendered by Chartered Accountants during the course of its functioning, came across a tender floated by Chacha Nehru Bal Chikitsalaya, New Delhi for engagement of Financial Audit Services, Review of Financial Statements, Financial Reporting Framework and Audit Report wherein certain bidders quoted fee which was less than estimated bid value. The TMD deliberated on the matter at its meeting held on 5th February 2024 wherein it was decided, to refer the matter to the Director (Discipline) for investigation under section 21 of the Chartered Accountants Act, 1949. Accordingly, the TMD vide its letter dated 15th April 2024 referred the matter to the Director (Discipline) against certain CA firms including the firm M/s G K Sureka & Co., (FRN 513018C) Patna (hereinafter referred to as "Respondent firm") for violation of Tender Guidelines issued by ICAI. The aforesaid act of the Respondent firm has been alleged to be against the Tender Guidelines issued by the ICAI which falls under the Professional Misconduct within the meaning of Item (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949.

- 1.2 On consideration of the matter, the Director (Discipline) decided to treat the same as "Information" within the meaning of Rule 7 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.
- 1.3 Accordingly, in terms of the provision of sub-rule (1) of Rule (8) read with Rule 11 of the aforesaid Rules, an "Information" letter dated 24th May 2024 followed by letter dated 30th May 2024 were sent to the Respondent firm, followed by remainder dated 4th April 2025 and 22nd May 2025 with a request to disclose the name of the member(s) answerable to the Information and arrange to submit the written statement along with a declaration in the prescribed format duly signed by such member(s) answerable to the Information. In response, CA. Khurram Javed (M. No. 539535), (hereinafter referred to as the "Respondent") vide his letter dated 22nd May 2025 declared himself as the member answerable in the matter.

2. **CHARGE IN BRIEF:**

S.No.	Charge(s)	Prima Facie Opinion of the Director (Discipline)	Applicable Item of the Schedule to the Chartered Accountants Act 1949
1.	The Respondent firm participated in a Tender bid no. GEM/2022/B/2729167 for Financial Audit Services, Review of financial Statements, Financial Reporting Framework and Audit Report of Chacha Nehru Bal Chikitsalaya, New Delhi in violation of Tender Guidelines issued by ICAI.	Guilty	Item (1) of Part II of the Second Schedule

3. **RELEVANT ISSUES DISCUSSED IN THE PRIMA FACIE OPINION DATED 10TH JUNE 2025, FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF, ARE GIVEN BELOW: -**

3.1 **With respect to charge that the Respondent firm participated in a Tender bid no. GEM/2022/B/2729167 for Financial Audit Services, Review of financial Statements, Financial Reporting Framework and Audit Report of Chacha Nehru Bal Chikitsalaya, New Delhi in violation of Tender Guidelines issued by ICAI**

- 3.1.1 In this regard it is noted that a notification dated 7th April 2016 has been issued by Institute in Part III, Section 4 of the Gazette of India (Extraordinary) which, inter-alia, provides as under:

"A member of the Institute in practice shall not respond to any tender issued by an organization or user of professional services in areas of services which are exclusively reserved for chartered accountants, such as audit and attestation services. However, such restriction shall not be applicable where minimum fee of the assignment is prescribed in the tender document itself or where the areas are open to other professionals along with the Chartered Accountants."

3.1.2 It is further noted that in Para 2.14.1.6(iv) of the Code of Ethics Volume - II (Revised 2020) relating to some forms of soliciting work which the Council has prohibited states as under:

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C *Responding to Tenders, Advertisements and Circulars:*

.....
 (3) *A member of the Institute in practice shall not respond to any tender in areas of services which are exclusively reserved for Chartered Accountants by statute viz. Audit and Attestation Services such as Audit under Companies Act, 2013, Income Tax Act, 1961, etc. In any state under the local statute, if audit and attestation services are exclusively meant for Chartered Accountants only, the member will not be allowed to respond to such tender. However, a member may respond to tenders as mentioned above wherever the minimum fee of the assignment is prescribed in the tender document itself. The fees quoted by the member shall not be less than the minimum fee mentioned in the tender.*

.....
 (8), *Non-adherence to these guidelines could lead to disciplinary action as this is a Council decision.*

3.1.3 It was noted in the current matter that the tender floated by Chacha Nehru Bal Chikitsalaya, New Delhi for engagement of Financial Audit Services, Review of financial Statements, Financial Reporting Framework and Audit Report was exclusively reserved for the Chartered Accountants as per the Bid document. Furthermore, in the 'Scope of Work', it was mentioned that "*The correctness and quality of accounts and other reports will have to be certified by Chartered Accountant*". Furthermore, in the 'Additional Terms & Conditions for Audit', there is the reference of the 'Chartered Accountant' at many places.

3.1.4 It was observed that the 'Estimated bid value' of the assignment of Rs. 60,000/- was mentioned in the Bid Document No. GEM/2022/B/2729167 instead of a clearly defined 'Minimum bid fee'. Furthermore, the Respondent firm proceeded to apply for the tender despite being aware that it was exclusively reserved for Chartered Accountants and that no separate or specific minimum fee was mentioned.

3.1.5 In absence of any other fee in the tender, even if it was construed that the estimated bid value of Rs. 60,000/- constituted the minimum fee, even then any firm quoting below this amount would be engaging in professional misconduct and violating the Council's Tender Guidelines. Accordingly, even if the estimated bid value mentioned in the tender document is taken as the minimum fee, the Respondent was not permitted to quote an amount lower than Rs.60,000/-. It is however noted that the Respondent firm in the said tender quoted Rs.59,550/- for the underlying assignment, which was lower than the estimated bid value.

3.1.6 Upon careful consideration of the Respondent's submissions, it was observed that the same were devoid of merit. This was for the following reasons:

- a) Regarding the Respondent's submissions that he always checks the difference between minimum and estimated fees, it was observed that in this case, the tender did not mention any minimum fee. Even if, the estimated bid value in the tender is assumed as the minimum fee, the Respondent was still not allowed to quote less than Rs. 60,000/- as the Respondent Firm quoted fee of Rs. 59,550/-.

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- b) As regards, the Respondent's claim of visiting the office or sending emails to clarify the fees, it was observed that the same holds no merits, as no documentary evidence is produced on record by the Respondent and such informal actions cannot replace the mandatory requirement of the tender Guidelines of ICAI. Further, merely stating that the contract was for a short duration of three months also does not justify the violation, particularly when the Respondent has failed to provide any documentary evidence to show that he officially communicated with the tendering authority regarding the minimum fee or obtained any written confirmation in this regard.
- c) Furthermore, the claim that the work was limited to only two returns and not reserved for CAs also appears incorrect, because the tender document clearly shows that it involved audit and certification work meant only for Chartered Accountants. The tender document specifically asked for CAG empanelled CA firms, and the mention of 'Chartered Accountant' at many places in the 'Scope of work' of the bid document confirms this.
- d) Regarding the Respondent's submission that the Respondent Firm declined to undertake additional work when the client increased the scope and referred to a letter in support, wherein the Respondent Firm had refused to file the Salary TDS return for Quarter-4 due to the requirement of mapping data from previous quarters, it is noted that the said letter refers to a different GEM contract number, GEMC:511687723747049. However, the GEM contract number relevant to the present matter is GEM/2022/B/2729167. This mismatch in contract numbers indicates that the letter cited by the Respondent pertains to a separate engagement and cannot be relied upon to justify or support their conduct in the current case. Lastly, presumably, even if the Respondent Firm later refused extra work, it does not impact the instant matter, because the violation happened when the Respondent Firm responded to the tender in the first place.

3.1.7 Accordingly, upon consideration of all facts and the Respondent's submissions, it was viewed that the Respondent Firm, by participating in the tender which was exclusively reserved for Chartered Accountants and having no mention of minimum fee or by quoting a fee lower than the estimated bid value (even if estimated bid value be assumed as minimum fee) violated the express provisions of the ICAI's Tender Guidelines dated 7th April 2016.

3.2 Accordingly, the Director (Discipline) in his Prima Facie Opinion held the Respondent Guilty of Professional Misconduct falling within the meaning of Item (1) of Part II of the Second Schedule. The said Item of the Schedule to the Act, states as under:

Item (1) of Part II of Second Schedule:

PART II: Professional misconduct in relation to members of the Institute generally

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he—

"(1) contravenes any of the provisions of this Act or the regulations made thereunder or any guidelines issued by the Council"

3.3 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee at its meeting held on 2nd December 2025. The Committee on consideration of the same, concurred with the reasons given against the charge and thus, agreed with the Prima Facie opinion of the Director (Discipline) that the Respondent is GUILTY of Professional Misconduct falling within the meaning of Item (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949 and accordingly, decided to proceed further under Chapter V of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

4. **DATE(S) OF WRITTEN SUBMISSIONS/PLEADINGS BY PARTIES:**

4.1 The relevant details of the filing of documents in the instant case by the parties are given below:

S. No.	Particulars	Date
1.	Date of 'Information' letter	24 th May 2024
2.	Date of Written Statement filed by the Respondent	22 nd May 2025
3.	Date of Prima Facie Opinion formed by Director (Discipline)	10 th June 2025
4.	Written Submissions by the Respondent after Prima Facie Opinion	3 rd January 2026

5. **WRITTEN SUBMISSIONS FILED BY THE RESPONDENT:**

5.1 The Respondent in his submission dated 3rd January 2026, inter-alia, stated as under:

5.1.1 The GeM tender was found to contain a generic, standardized scope including voucher checking, GST compliance, income-tax compliance, balance sheet preparation, etc. However, during pre-bidding discussions, it was agreed that the actual scope was mostly limited only to:

- a) Checking of GSTR-7 (GST TDS); and
- b) Checking of Income-tax TDS returns (quarterly).

Checking of cash, vouchers and balance sheet heads was undertaken only incidentally to the filing of TDS and GST returns, so as to ensure that no payment was excluded for TDS deduction under the Income-tax and GST laws. Accordingly, no accounting, audit, balance sheet, P&L, voucher checking or other work was ever allotted, undertaken or billed. The generic scope was part of a GeM template and was not reflective of the real engagement. The same was confirmed after a visit to the client's office, which is situated approximately 3 km away from our office.

5.1.2 The fees were quoted only for the above-mentioned limited compliance checking work and not for the entire generic tender scope. Accordingly, the quoted fees cannot be compared with the estimated fees applicable for comprehensive audit or accounting assignments. The quotation was made in good faith, based on the limited scope, time involvement and professional effort required. No intention to undercut fees or violate ethical norms was ever present.

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- 5.1.3 At the time of filing the first TDS return, when the issue of Salary TDS Return (Form 24Q – Q4, F.Y. 2022-23) arose, the expanded work was formally declined in writing vide email dated 17.04.2023, citing non-availability of prior-quarter data, a large number of deductees and system constraints. This clearly establishes that additional work was not accepted at lower fees and that professional prudence was exercised. Reference is made to the email dated 17th April 2023 addressed to the tendering authorities expressing inability to undertake the previous CA's work, which led to discontinuance of the engagement, as no work remained after exclusion of the TDS scope. The client officially replied stating that Income-tax TDS compliance could be excluded from the GeM contract and that the contract value would be proportionately reduced. After completion of the limited checking work, no further work remained. No further contact was made by the client after approaching the previous CA, and the engagement ended automatically. The work was lost rather than any benefit being gained.
- 5.1.4 The allegation has arisen from an incorrect assumption based on the entire generic tender scope and terminology used in the GeM tender as pre-templates, whereas the engagement was limited, transparent and short-lived.

6. **BRIEF FACTS OF THE PROCEEDINGS:**

- 6.1 The Committee noted that the instant case was fixed for hearing on following dates:

S. No.	Date	Status of Hearing
1.	7 th January 2026	Adjourned due to paucity of time
2.	25 th January 2026	Heard and concluded

- 6.2 At the hearing held on 7th January 2026, the Committee noted that the consideration of case was adjourned due to paucity of time.
- 6.3 At the hearing held on 25th January 2026, the Committee noted the Respondent was present before it through video conferencing. The Respondent was administered on Oath. The Committee enquired from the Respondent as to whether he was aware of the charge(s) alleged against him to which he replied in the affirmative. He pleaded Not Guilty to the charge(s) levelled against him and chose to argue his case before the Committee. Thereafter, the Respondent presented his line of defence, inter alia, stating that the tender was issued by the Chacha Nehru Bal Chikitsalaya, New Delhi. On the Gem Portal tender had come in which a predefined standard format was used, whereas the tender was for internal audit. Its only work was TDS and GST return filing. The Respondent did not file TDS and GST return and the assignment work was discontinued. On consideration of the submissions made, the Committee posed certain questions to the Respondent which were responded to by him. On consideration of the submissions made, the Committee posed certain questions to the Respondent which were responded to by them. Thereafter, upon perusal of the documents on record and on consideration of the oral and written submissions of the Respondent vis-à-vis facts of the case, the Committee decided to conclude the hearing in the case.

7. **FINDINGS OF THE COMMITTEE: -**

- 7.1 At the outset, the Committee noted that the Respondent firm participated in a Tender bid no. GEM/2022/B/2729167 for Financial Audit Services, Review of financial Statements, Financial Reporting Framework and Audit Report of Chacha Nehru Bal Chikitsalaya, New Delhi in violation of Tender Guidelines issued by ICAI.
- 7.2 The Committee on perusal of the Bid document noted that the tender was floated on 22nd November 2022 wherein following details were mentioned along with other details:

S. No.	Particulars	Details
1	Tender Floating Authority	Health And Family Welfare Department Delhi, Chacha Nehru Bal Chikitsalaya
2	Item Category	Financial Audit Services• Review of Financial Statements, Financial Reporting Framework, Audit report; CAG Empaneled Audit or CA Firm
3	Estimated Bid Value	Rs. 60,000/-
4	Technical Specifications a. Scope of Work: Review of Financial Statements, Financial Reporting Framework, Audit Report b. Type of Financial Audit: CAG Empaneled Audit or CA Firm	

Minimum Bid Value in the tender document	Bid quoted by the Respondent
Estimated bid value - Rs. 60,000/-	Rs. 59,550/-

- 7.3 The Committee noted that it is the case of the Respondent that the area of work for which the Respondent participated in the Tender was not exclusively reserved for Chartered Accountants. The Tendering Authority in the instant case, i.e. Chacha Nehru Bal Chikitsalaya, New Delhi has used a standardized template of GeM portal and on clarifications it was evident that the said tender was for tax consultant/ internal audit assignment which is open for other Professionals also.
- 7.4 To substantiate his case, the Respondent, inter-alia, also brought on record the following:
- a) An email dated 19th April 2023 from the Respondent to the previous auditor with a copy to the tendering authority officials for obtaining No Objection Certificate from him with a reference to the appointment as '**Internal auditor/ tax consultant of CNBC**' and his reply thereto

- b) An email dated 17th April 2023 from the Respondent to the tendering authority officials with respect to the Salary Tax return for the FY 2022-23.
- c) A letter dated 1st May 2023 addressed to his firm in response to the aforesaid communication with the following subject and contents:

"Sub: Regarding exclusion of scope of the Income Tax Compliance like TDS checking, filing & checking of TDS return from the GeM contract no. GEMC-511687723747049.

This is with reference to your letter dated 17.04.2023 wherein your firm expressed inability to file TDS return of 4th Quarter of 2022-23 due to the reasons stated in the said letter. In this connection, I am directed to inform you that based on the complications/problems expressed by your firm in the letter referred to above, matter was placed before the committee for their recommendations and on the recommendations of Committee, Director, CNBC has approved that the scope of the Income Tax Compliance like TDS checking, filing & checking of TDS return may be excluded from the GeM contract no. GEMC-511687723747049 awarded to your firm. Accordingly, the proportionate amount of Rs. 20,000/- will be deducted from the total contract value of Rs. 59,550/-."

- 7.5 The Committee also perused the scope of work annexed to Tender document and noted the following:

"AUDITING- Summary

ANNEXURE-A

Voucher Checking

Income Tax Compliance like, Tax Deduction at Source checking, filing & checking of TDS return.

GST Compliance and filing & checking GST return.

Bills Checking

Cash/ Bank book checking

Balance Sheet preparation

Income & Expenditure/ Profit & Loss Account

Receipt and payment Account

Vendors/ Ledgers scrutiny

Reports including ledgers, funds flow statement and final account (profit and loss account,

Balance sheet quarterly, Half yearly and annual final accounts) along with necessary schedules as Tax Audit and as per Corporate Office Guidelines.

Financials representation in the Yearly Meetings.

The correctness and quality of accounts and other reports will have to be certified by the Chartered Accountants."

- 7.6 The Committee in this regard noted that a notification dated 7th April 2016 has been issued by Institute in Part III, Section 4 of the Gazette of India (Extraordinary), which states as under:

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*"A member of the Institute in practice shall not respond to any tender issued by an organization or user of professional services in areas of services which are exclusively reserved for chartered accountants, such as audit and attestation services. However, such restriction shall not be applicable where minimum fee of the assignment is prescribed in the tender document itself or **where the areas are open to other professionals along with the Chartered Accountants.**" (emphasis provided)*

7.7 The Committee further noted that in Para 2.14.1.6(iv) of the Code of Ethics Volume - II (Revised 2020) relating to some forms of soliciting work which the Council has prohibited states as under:

A

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C Responding to Tenders, Advertisements and Circulars:

*(3) A member of the Institute in practice shall not respond to any tender in areas of services which are exclusively reserved for Chartered Accountants by statute viz. Audit and Attestation Services such as Audit under Companies Act, 2013, Income Tax Act, 1961, etc. **In any state under the local statute, if audit and attestation services are exclusively meant for Chartered Accountants only, the member will not be allowed to respond to such tender.** However, a member may respond to tenders as mentioned above wherever the minimum fee of the assignment is prescribed in the tender document itself. The fees quoted by the member shall not be less than the minimum fee mentioned in the tender.*

(8), Non-adherence to these Guidelines could lead to disciplinary action as this is a Council decision.

....." (emphasis provided)

7.8 The Committee on perusal of the communication exchanged between the Respondent firm, previous auditor and tendering authority noted that the said assignment was for tax consultation/ internal audit purposes which could be performed by person/professionals other than Chartered Accountant also.

7.9 Thus, the Committee held that the Respondent has been able to substantiate that the area of work in respect of which the Respondent had responded to by bidding in the tender, was open to other professionals/persons along with the Chartered Accountants.

7.10 The Committee also perused the FAQs issued by the Tender Monitoring Directorate (TMD), which, inter-alia, provide as under:

"5 What are the exclusively reserved areas for Chartered Accountants?"

Ans. Exclusively reserved areas for Chartered Accountants are those which are reserved by the statute viz. Audit and Attestation Services such as audit under Companies Act, 2013, Income Tax Act, 1961, etc.

.....

7 What are the non-exclusive areas for Chartered Accountants?

Ans. All those areas are non-exclusive for Chartered Accountants which are not reserved under any statute or provision of any law or where any statute or provision of law opens such areas to other professionals along with Chartered Accountants.

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9 Whether a Member of the Institute in practice can respond to such tenders which are open to other professionals apart from CAs. However, in the tender document, only CAs have been invited to respond.

Ans. Yes, the Member of the Institute can respond to such tenders. (emphasis provided)

7.11 Thus, the Committee after detailed deliberations and examining the documents on record, with respect to the charge(s) alleged against the Respondent was of the view that the since the area of work in respect of which the Respondent had responded to by bidding in the tender, was open to other professionals/persons along with the Chartered Accountants as per the scope of work, the Respondent could respond to the tender in respect of which the charge is alleged. Thus, by responding to the alleged tender, the Respondent did not contravene the Tender Guidelines issued by ICAI.

7.12 Accordingly, the Committee held the Respondent **NOT Guilty** of Professional Misconduct falling within the meaning of Item (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949.

8. **CONCLUSION:**

In view of the findings stated in the above paras, vis-à-vis material on record, the Committee gives its Findings as under:

CHARGE (AS PER PFO)	FINDINGS	DECISION OF THE COMMITTEE
S.no. 1 of Para 2 as above	Para 7.1 to Para 7.12 as above	Not Guilty- Item (1) of Part II of Second Schedule

9. In view of the above observations, considering the submissions and material on record, the Committee held the Respondent **NOT GUILTY** of Professional Misconduct falling within the meaning of Item (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949.

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ORDER:

10. Accordingly, in terms of Rule 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee passes an Order for closure of this case against the Respondent.

Sd/-
(CA. CHARANJOT SINGH NANDA)
PRESIDING OFFICER

Sd/-
(CMA. CHANDRA WADHWA)
(GOVERNMENT NOMINEE)

Sd/-
(CA. MAHESH SHAH)
(GOVERNMENT NOMINEE)

Sd/-
(CA. PRAMOD JAIN)
(MEMBER)

Sd/-
(CA. RAVI KUMAR PATWA)
(MEMBER)

DATE: 10.02.2026
PLACE: NEW DELHI

प्रमाणित होने के लिए प्रमाणित / Certified to be True Copy


नीलम पुंडीर / Neelam Pundir
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनात्मक निर्देशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
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