

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/77/2024/DD/29/INF/2024/DC/2161/2025]

In the matter of:

CA. Bijal Harishkumar Patel (M.No.186926)
Of M/S AB NP & Co. LLP (FRN W100642), in Re:
1001- 05 10th Floor
Samanvay Silver
8/S Hotel Royal Orchid Central
Mujmahuda Circle
Akot A - Mujmahuda Road
Vadodara - 390 020(Gujarat).

...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 Videoconferencing):

Counsel for the Respondent: CA. Ankit Maheshwari

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 Rural Development Department, Gujarat for engagement of Financial Audit Services- 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. A B N P & Co. LLP (FRN. W100642), Vadodra, Gujarat (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.

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- 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 and email dated 31st May 2024 were sent to the Respondent firm 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. Bijal Harishkumar Patel (M.No.186926), (hereinafter referred to as the "Respondent") vide his email dated 12th June 2024 had 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/2023/B/3410259 for financial audit services of Rural Development Department, Gujarat 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 21st JULY, 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/2023/B/3410259 for financial audit services of Rural Development Department, Gujarat 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).

"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 observed that the Respondent in her written statement dated 20th June 2024, inter-alia, mentioned as under:

- a) The estimated bid amount specified in the tender document was Rs. 2,10,000/- and after considering the multiple factors including the number of persons involved and the hours required, her firm quoted a bid price of Rs. 1,77,000/- and was ranked H5 among the participants.
- b) They have not contravened any provisions of the Act or any Guidelines issued by the Council. Her firm merely quoted a price marginally lower than the estimated bid price and was not awarded the tender.

3.1.4 It was noted that the tender floated by Rural Development Department, Gujarat for engagement of Financial Audit Services was exclusively reserved for Chartered Accountants as in the 'Scope of Work', in the first line itself, it was mentioned that, "Chartered Accountant is required to certify/ comment on the following in all the Audit Report".

3.1.5 It is observed that the estimated value of the assignment of Rs. 2, 10,000/- was mentioned in the Bid Document instead of minimum bid fee. It is also noted that the Respondent had quoted a bid price of Rs. 1,77,000/- and mentioned that her firm had not contravened any provisions of the Act or any Guidelines issued by the Council as her firm merely quoted a price marginally lower than the estimated bid price. In this context, it was pertinent to refer to the tender guidelines issued by the Institute of Chartered Accountants of India (ICAI), which categorically state that a Chartered Accountant in practice shall not respond to any tender for services exclusively reserved for Chartered Accountants-such as audit and attestation services-unless the tender document explicitly prescribes a minimum fee for the assignment. Therefore, in the absence of a prescribed minimum fee in the tender, participation by the Respondent in such tender was in contravention of the ICAI's Tender Guidelines.

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3.1.6 It was further observed that the Respondent was obligated to ensure full compliance with the Tender Guidelines issued by the ICAI prior to participating in the aforementioned tender process. However, in the present case, it appears that the Respondent failed entirely to adhere to these mandatory requirements. Further to above, in absence of any minimum fee mentioned in the tender document, even if, it is assumed that the estimated bid amount stated in the tender document was to be interpreted as the minimum fee, it is important to highlight that, in accordance with the provisions outlined above, quoting any amount lower than the prescribed minimum would constitute a violation of Tender Guidelines issued by ICAI.

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	20 th June 2024
3.	Date of Prima Facie Opinion Formed by Director (Discipline)	21 st July 2025
4.	Written Submissions by the Respondent after Prima Facie Opinion	N.A.

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

5.1 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 at the request of Respondent
2.	25 th January 2026	Heard and concluded

5.2 At the hearing held on 7th January 2026, the Committee noted that the Respondent, vide her email dated 05th January 2026, had requested an adjournment on the ground that she is not available to join the hearing due to the extremely short notice making it impossible for her to prepare and submit a comprehensive reply within the stipulated time, and also to make the necessary arrangements to appear before the Hon'ble Committee. Since the request for adjournment of hearing had been received for the first time, the Committee, keeping in view of the principles of natural justice, acceded to the request of the Respondent for adjournment. Accordingly, the hearing in the case was adjourned at the request of the Respondent.

5.3 At the hearing held on 25th January 2026, the Committee noted that the Counsel for the Respondent was present before it through video conferencing. Thereafter, on being asked by the Committee to present the case of the Respondent, the Counsel for the Respondent presented her line of defence, inter-alia, stating that the tender was issued by the DRDA Administration under the Ministry of Rural Development. He submitted that the tender and DRDA Guidelines expressly permit the audit to be conducted by a Chartered Accountant or any other auditor, and therefore the audit was not exclusively reserved for Chartered Accountants. He further submitted that under the Part C of Para 2.14.1.6(iv) of the Code of Ethics, participation in tenders is permissible where either a minimum fee is prescribed or where statutes allow persons other than Chartered Accountants to conduct the audit. His case falls under the latter exception, and hence the ICAI restriction on tender participation was not applicable. Reliance was placed on DRDA Guidelines permitting appointments of empaneled auditors, CAG, or other auditors, as well as on the Societies Registration Act 1860, which also allows audits by persons other than Chartered Accountants. Accordingly, his participation in the tender was in compliance with statutory provisions and the ICAI Code of Ethics, and that the estimated tender value was irrelevant in view of the applicable exception. On consideration of the submissions made, the Committee posed certain questions to the Counsel for Respondent which were responded to by him. Thereafter, upon perusal of the documents on record and on consideration of the submissions vis-à-vis facts of the case, the Committee decided to conclude the hearing in the case.

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

6.1 At the outset, the Committee noted that the charge against the Respondent is that the Respondent firm participated in a Tender bid no. GEM/2023/B/3410259 for financial audit services of Rural Development Department, Gujarat in violation of Tender Guidelines issued by ICAI.

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- 6.2 The Committee on perusal of the Bid document noted that the tender was floated on 3rd May 2023 wherein following details were mentioned along with other details: -

S. No.	Particulars	Details
1	Tender Floating Authority	Rural Development Gujrat
2	Item Category	Financial Audit Services- Audit Report; CAG empaneled Audit or CA firm
3	Estimated Bid Value	Rs. 2,10,000/-
4	Technical Specifications a. Scope of Work: 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. 2,10,000/-	Rs. 1,77,000/-

- 6.3 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. the Rural Development Department, Gujrat is under the purview of Government of Gujrat which is administered by Ministry of Rural Development, Government of India and the accounting framework is governed by the Revised Accounting Procedures/ Guidelines issued by the said Ministry. The Guidelines on DRDA administration 2008(amended in 2018) state that the annual accounts of DRDA are required to be audited by "Chartered Accountant within the meaning of Institute of Chartered Accountants Act, 1949 or by such other persons as may be authorised in this behalf by the State Government."

He also stated that the scope of work pertained to audit related and verification services in respect of District Rural Development Agencies (DRDAs).

- 6.4 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:

"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)

- 6.5 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:

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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)

- 6.6 The Committee also noted that in respect of the same Tendering Authority i.e. Rural Development Department, Gujrat, disciplinary cases against other Chartered Accountants had also been filed wherein it was clearly noted that the District Rural Development Agency, Tapi – Vyara was duly registered under Registration of Co-Operative Societies Act (21st of 1860) on 6th September 2009.
- 6.7 The Committee further noted that para 5.2 of the Guidelines on DRDA Administration issued in 2008 and amended in 2018, states as under:

"5.2 The DRDA shall be a registered society registered under a Societies Registration Act or a distinct cell in the Zilla Parishad having a separate identity.

Also, Section 12D(4) of the Societies Registration Act 1860 (inserted vide Societies Registration (Gujarat Amendment) Act, 1978, provides as under:

"12D. Maintenance of accounts and their balancing and auditing.-

(1) Every governing body entrusted with the management or the affairs of a society registered under this Act (not being a public trust within the meaning of the Bombay Public Trusts Act, 1950(Bom. XXIX of 1950)) shall keep regular accounts.

.....
(4) The accounts shall be audited annually in such manner as may be prescribed by rules, by a person who is a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949) or by such other persons as may be authorised in this behalf by the State Government."

- 6.8 The Committee further perused the Guidelines on DRDA Administration, Ministry of Rural Development, Government of India, 2008 which inter-alia, states as hereunder:

"D) AUDIT OF THE ACCOUNTS

i) The Project Director should cause the annual accounts of the DRDA to be prepared by a not later than 30th June comprising Receipt and Payment Account, Income and date Expenditure Account and Balance Sheet. After approval by the Governing Body, **he shall have the accounts audited by the Chartered Accountant or any other auditor appointed for the purpose. A copy of such audit report (duly signed by auditor) alongwith the annual statement of accounts certified by the auditor and the Chairman of the DRDA thereon should be furnished simultaneously to Government of India and the State Government not later than 30th September.**"

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6.9 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 as per the governing Statute.

6.10 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.

.....

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)

6.11 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 governing Statute, 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.

6.12 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.

7. 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 6.1 to Para 6.12 as above	Not Guilty- Item (1) of Part II of Second Schedule

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8. 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 Second Schedule to the Chartered Accountants Act, 1949.

ORDER:

9. 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

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