

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/74/2024/DD/26/INF/2024/DC/2158/2025]

In the matter of:

CA. Hiral Krunal Brahmbhatt (M. NO. 145886)

M/s. VCA & Associates (FRN 114414W)

3rd Floor, Samy AK Status

Jai Sainath Marg

Vadodara, Gujarat – 390007.

...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. Dinesh C Jain (M. No. 041235)

Counsel for the Respondent: Adv. Hardik V Vora

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 District Panchayat Mahisagar, Lunawada (Panchayat and Rural Housing Department, Gujarat) (herein after known as "DPML") for engagement of Financial Audit Services - Audit Report, Review of financial statements, Financial Reporting Framework 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 VCA & Associates (FRN 114414W), Vadodara, 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, it was 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 an e-mail dated 30th 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. Hiral Brahmhatt (M. No. 145886), (hereinafter referred to as the "**Respondent**") vide her letter dated 15th July 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/3467844 dated 23 rd May 2023 for financial audit services of District Panchayat Mahisagar Lunawada (Panchayat and Rural Housing Department, Gujrat) 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 12th 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/2023/B/3467844 dated 23rd May 2023 for financial audit services of District Panchayat Mahisagar Lunawada (Panchayat and Rural Housing Department, Gujrat) 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 On perusal of the bid documents and material available on record, following was noted:

- a) The bid document for the tender "Financial Audit Services - Audit Report, Review of financial statements, Financial Reporting Framework" of Panchayats and Rural Housing Department Gujarat bears document no. GEM/2023/B/3467844 dated 23rd May 2023 which was filed by the Respondent firm.
- b) Estimated bid value of the tender document was Rs. 2,50,000/-.
- c) The Respondent firm quoted the amount of Rs. 1,06,000/- in the bid document as indicated in data provided by TMD.

3.1.4 It was noted that tender was exclusively reserved for Chartered Accountants. It was further observed that the estimated value of the assignment of 2,50,000/- was mentioned in the bid document instead of minimum bid fee. Further, being a statutory audit assignment (where no minimum fee was separately mentioned), even if it is assumed that the estimated bid value was to be treated as minimum fee, it can be sufficiently concluded that quoting any amount below this amount (i.e. Rs. 2,50,000/- in the instant case) by the CA firm would tantamount to professional misconduct and violation of the Council's tender Guidelines. The Respondent firm quoted Rs. 1,06,000/- which was below even the estimated bid amount as mentioned in the tender document.

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- 3.1.5 It was further observed that despite being afforded sufficient and multiple opportunities, the Respondent failed to submit her written statement or place on record any material in her defence in response to the allegations.
- 3.1.6 It was further observed that the Respondent firm 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 firm 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, 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	-----
3.	Date of Prima Facie Opinion Formed by Director (Discipline)	12 th June 2025
4.	Written Submissions by the Respondent after Prima Facie Opinion	22 nd January 2026

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

5.1 The Respondent in her submissions dated 22nd January 2026, inter-alia, stated as under:

a) Services for which tender was issued was not exclusively reserved for Chartered Accountants:

In Part C of Para 2.14.1.6(iv) of the Code of Ethics, Volume II (Revised 2020), it has been stated that members are not prohibited from responding to tenders and requests made by users of professional work, subject to such conditions as may be issued by the Council from time to time. Guidelines No. 1 CA(7)/03/2016 dated 7th April 2016 relating to tenders have been issued by the Council. The relevant extract of Part C of Para 2.14.1.6(iv) of the Code of Ethics, Volume II (Revised 2020) is reproduced below:

*"(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."*

"(4) Tenders which are open to other professionals apart from CAs may be responded to by a member, even though in the tender document, only CAs may have been invited to respond."

b) Extract of Guideline No. 1-CA(7)/03/2016 dated 07.04.2016 is also reproduced hereunder:

"(i) 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."

c) The attention is also invited to Frequently Asked Questions (FAQs) on Responding to Tenders issued by the Hon'ble Council. Relevant extracts of FAQ No. 3 & 4 are reproduced hereunder:

"3. Whether a member of the Institute in practice can respond to tenders floated in exclusive areas of practice of Chartered Accountants?"

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 by statute viz. audit and attestation services such as audit under Companies Act 2013, Income Tax Act 1961, etc. It is clarified that 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 of

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the Institute in practice may respond to tenders as mentioned above wherever the minimum fee of the assignment is prescribed in the tender document itself
4. *Whether a member of 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.*

A member of the Institute in practice can respond to such tenders."

- d) In the present case, the tender has been issued by the District Panchayat Mahisagar, Lunawada, and the scope of work has been related to audit and verification services in respect of District Rural Development Agencies (DRDAs). DRDAs are administered under the Ministry of Rural Development, Government of India, and the accounting and audit framework is governed by the Revised Accounting Procedure/Guidelines issued by the said Ministry. As per these Guidelines on DRDA Administration (2008, amended in 2018), the annual accounts of a DRDA are required to be audited by a "Chartered Accountant or any other auditor appointed for the purpose." Thus, the audit is not required to be conducted solely by a Chartered Accountant. The relevant extract is reproduced hereunder:

"D) Audit of the Accounts

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

- e) Further, as per Para 5.2 of the Guidelines on DRDA Administration (2008, amended in 2018), DRDAs are registered under the Societies Registration Act, 1860. Accordingly, the provisions of the said Act are also applicable. Under Section 12D(4) (inserted vide Societies Registration (Gujarat Amendment) Act, 1978), it has been provided that the accounts of a society are required to be audited annually by a Chartered Accountant or by such other person as may be authorized by the State Government. The relevant extract is reproduced below:

"(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, or by such other persons as may be authorised in this behalf by the State Government."

Thus, even at the statutory level, the audit of societies such as DRDAs is not exclusively reserved for Chartered Accountants. Additionally, authority to conduct or cause audit of DRDA accounts has been retained by the Comptroller and Auditor General of India (C&AG), either directly or through State Government machinery. Further, internal audit mechanisms such as the Chief Audit Officer (CAO) and audits under the supervision of the District Development Officer (DDO) or other competent authorities are also provided for.



- f) Accordingly, it is submitted that the audit of DRDA accounts is not a service exclusively reserved for members of the Institute under any statute but is a permissible engagement which may be undertaken by auditors appointed in accordance with applicable Governmental Rules and Guidelines.
- g) Practical infeasibility of prescription of minimum bid value in Tender Documents:
It has been alleged that the notification dated 07.04.2016 issued by the Institute has been contravened. It is submitted that practical difficulties are faced in the implementation of this requirement by users of professional services, particularly in Government and Public Sector tenders. Professional services are ordinarily procured through competitive bidding mechanisms aimed at achieving value for money, and in such processes, prescription or disclosure of minimum professional fees is uncommon and often impractical, as it may restrict competition and increase the burden on the public exchequer.
- h) Internal budgetary considerations of tendering authorities may be inadvertently disclosed if minimum fees are specified, which is generally avoided in competitive procurement environments. Consequently, minimum fees are often not prescribed and evaluation mechanisms based on technical and financial parameters are adopted instead. Professional expertise is required for determination of minimum fees, as such fees are required to be commensurate with factors such as size, value, volume, manpower requirement and nature of work, and it would be unreasonable to expect Government Departments or service users to possess the technical expertise necessary for such determination. Such an exercise inherently involves professional judgment, which ordinarily rests with practicing professionals. In view of the above practical realities, the absence of a prescribed minimum fee in the tender document ought not to be treated as a deliberate deviation from the Institute's Guidelines, but should rather be regarded as a reflection of prevailing procurement practices. No role or control was exercised by the Respondent in framing the tender conditions and that participation in the tender was undertaken in a bona fide and practical manner, without any intention to violate Professional Standards or the Guidelines of the Institute.
- i) Quoted Professional Fees are in accordance minimum fees prescribed/ Recommended by ICAI:
Minimum Recommended Scale of Fees for professional assignments is issued from time to time by the Committee for Members in Practice (CMP) of ICAI, with the objective of maintaining professional standards and quality of work. Indicative minimum fees are prescribed under these scales for various services such as tax audits, statutory audits under the Companies Act, GST compliance, certifications, representations and registrations, with classification based on the nature of assignments and categories of cities. Upon perusal of the Revised Minimum Recommended Scale of Fees, it is noted that no specific minimum fee has been prescribed for audits of Government organizations such as District Rural Development Agencies (DRDAs).



- j) Without Prejudice Alternative approach may be please adopted:
No work was awarded pursuant to the said tender and, consequently, no professional assignment was executed and no benefit was derived. Further, no prejudice has been caused either to the Tendering authority, to fellow members of the profession, or to the dignity and standing of the Institute.
- k) In view of the above facts and circumstances, and considering the absence of any mala fide intent, absence of any actual harm or gain, and the voluntary corrective steps taken, it is humbly prayed that a lenient and compassionate view may be adopted by this Hon'ble Committee and that initiation or continuation of any disciplinary proceedings may be refrained from, in the interest of justice, equity and proportionality.

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

6.2 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.

6.3 At the hearing held on 25th January 2026, the Committee noted that the Respondent along with her Counsel was present before it through video conferencing. The Respondent was administered on Oath. The Committee enquired from the Respondent as to whether she was aware of the charge(s) alleged against her to which she replied in the affirmative. She pleaded Not Guilty to the charge(s) levelled against her and chose to argue her case before the Committee. Thereafter, the Counsel for the Respondent presented the Respondent's line of defence, inter-alia, stating that the tender was issued by the District Panchayat Mahisagar Lunawada (Panchayat and Rural Housing Department, Gujarat). 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. Her 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, her 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 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 charge against the Respondent is that the Respondent firm participated in a Tender bid no. GEM/2023/B/3467844 dated 23rd May 2023 for financial audit services of District Panchayat Mahisagar Lunawada (Panchayat and Rural Housing Department, Gujrat) 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 23rd May 2023 wherein following details were mentioned along with other details:

S. No.	Particulars	Details
1	Tender Floating Authority	District Panchayat Mahisagar Lunawada (Panchayat and Rural Housing Department, Gujrat)
2	Item Category	Financial Audit Services - Audit report, Review of Financial Statements, Financial Reporting Framework; CAG Empaneled Audit or CA Firm
3	Estimated Bid Value	Rs. 2,50,000/-
4	Technical Specifications a. Scope of Work: Audit Report, Review of financial statements, Financial Reporting Framework 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. 2,50,000/-	Rs. 1,06,000/-

- 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. the District Panchayat Mahisagar Lunawada (Panchayat and Rural Housing Department, Gujarat) 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."

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

7.4 To substantiate her case, the Respondent, inter-alia, also brought on record the following:

- a) copy of Registration Certificate of District Rural Development Office, Mahisagar Lunawada
- b) copy of the relevant extract of Societies Registration (Gujarat Amendment) Act 1978
- c) copy of Guidelines on DRDA Administration

7.5 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.**"*

7.6 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)**

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7.7 The Committee noted that the District Rural Development Office, Mahisagar, Lunawada is duly registered under the Society Registration Act (21st of 1860) on 25th June 2014.

7.8 Further, 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."

7.9 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."***

7.10 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.

7.11 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)

7.12 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.

7.13 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 7.13 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

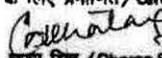
Sd/-
(CMA. CHANDRA WADHWA)
(GOVERNMENT NOMINEE)

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

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

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

DATE: 11.02.2026
PLACE: NEW DELHI

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

Charan Singh / Charan Singh
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भारतीय चरणीय लेखाकार संस्थान
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