

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/67/2024/DD/19/INF/2024/DC/2154/2025]

In the matter of:

CA. Nitin Chandgothiya (M. No. 436886)
 (M/s. Agarwal Manoj Nidhi & Associates (FRN: 019011C))
 Moti Mill Compound
 G.T. Road
 Aligarh, Uttar Pradesh – 202001.

... Respondent

MEMBERS PRESENT:

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

Date of Final Hearing: 04th February 2026

PARTIES PRESENT (through Video Conferencing):

Respondent: CA. Nitin Chandgothiya (M. No. 436886)
Counsel for Respondent: CA. Mohita Khanna

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 Northern Regional Power Committee, Ministry of Power for engagement of Financial Audit Services - Review of Financial Statements, Financial Reporting Frame work 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. Agarwal Manoj Nidhi & Associates (FRN 019011C), (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 mail dated 27th May 2024 and 29th 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. Nitin Chandgothiya (M. No. 436886), (hereinafter referred to as the "**Respondent**") vide his letter dated 27th May 2024 received on 4th June 2024 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/3533649 for Financial Audit Services, Review of financial Statements, Financial Reporting Framework and Audit Report of Northern Regional Committee Ministry of Power 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/2023/B/3533649 for Financial Audit Services, Review of financial Statements, Financial Reporting Framework and Audit Report of Northern Regional Power Committee Ministry of Power 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:

"A
B

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 that the tender floated by Northern Regional Power Committee, Ministry of Power for engagement of Financial Audit Services for Review of Financial Statements, Financial Reporting Framework, Audit Report was exclusively reserved for Chartered Accountants.

3.1.4 It was observed that the estimated value of the assignment of Rs. 44,000/- was mentioned in the Bid Document instead of minimum bid fee. It was also noted that the Respondent in his submissions had mentioned that since only estimated bid value was mentioned in the bid document hence, the quoted bid amount by the bidder could have been higher or lower than the estimated bid value depending upon the estimated cost of the bidders. However, in this regard it is observed that in absence of any clear mention regarding minimum fee, the presumption and deciding any amount as a minimum fee at his own assumption and presumption by the Respondent cannot be accepted.

3.1.5 It was noted that the Respondent had himself admitted that only estimated bid value was mentioned in the bid document which was approximate perception of the fee but was not the minimum prescribed fee. In this context, it was noted that the Respondent applied for the tender despite knowing the fact that it was exclusively reserved for Chartered Accountants and that no separate or specific minimum fee was mentioned in it.

3.1.6 It was further noted that the Respondent had mentioned in his submissions that as per the terms and conditions of the Contacts, the bidding rates which were required to be quoted were excluding GST. In this regard, it was noted that cost sheet submitted by the Respondent does not indicate that the quoted amount is exclusive of GST. It was further noted that the basis for comparison or evaluation of amounts under any document should remain consistent. Accordingly, both amounts i.e., estimated bid value mentioned in the tender and the amount quoted by the Respondent, must either be inclusive of Goods and Services Tax or exclusive thereof. Further, even if Respondent's quotation inclusive of GST i.e., Rs 34,810/- is assumed as bid amount, even then the same is still less than the estimated bid value of Rs 44,000/-.

(N)

3.1.7 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, the Respondent failed entirely to adhere to these mandatory requirements.

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 to the Chartered Accountants Act 1949. 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	13 th June 2024
3.	Date of Prima Facie Opinion formed by Director (Discipline)	10 th June 2025
4.	Written Submissions by the Respondent after Prima Facie Opinion	1 st February 2026

5. WRITTEN SUBMISSIONS FILED BY THE RESPONDENT:

5.1 The Respondent in his submission dated 1st February 2026, inter-alia, stated as under:

5.1.1 Although the tender in question was floated by reserving participation for Chartered Accountants, upon perusal of the Bye-laws of the NRPC Fund, it was found that the audit of the NRPC Fund is not an exclusive area of practice reserved for Chartered Accountants. In this regard, Bye-law No. 6 of the NRPC Fund is found to be relevant and is reproduced below:

"6. VERIFICATION OF ACCOUNTS:

The 'NRPC-FUND' account for each financial year shall be audited annually by officer(s) nominated by the Chairperson, or any other officer authorised by the Chairperson, NRPC. The statement of audited accounts shall be placed before the 'NRPC Meeting' for information."

5.1.2 The Respondent stated that although the tender invited only Chartered Accountants to bid, the nature of the service itself is not exclusively reserved for Chartered Accountants, as the accounts of the NRPC Fund are permitted to be audited by any officer nominated or authorised by the Chairperson, NRPC.

5.1.3 It is further observed that participation in the said tender is covered under FAQ No. 4 dated 7th April 2016 issued by the ICAI, which provides as under:

"FAQ 4: 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.

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

5.1.4 The Respondent emphasized that the Government e-Marketplace (GeM) functions as the National Public Procurement Portal and operates as an end-to-end online marketplace for procurement by Central and State Government departments, public sector undertakings, autonomous institutions, and local bodies. It is further stated that GeM operates as an intermediary between the buyer, namely NRPC, and the seller, being the bidder, i.e., M/s Agarwal Manoj Nidhi & Associates. As per the FAQs issued and made available on the GeM portal, the estimated bid value includes GST. Consequently, it is clarified that the total estimated value was inclusive of 18% GST, whereas the bidding amount was required to be quoted excluding GST, as provided under Point 1.4.6 of the "Conditions of Contract" on Page A-11 of the PFO.

5.1.5 Thus, it is evident that there is no violation of Tender Guidelines issued by ICAI as the firstly, the 'estimated bid value' quoted in the tender is not the 'minimum prescribed fee' and secondly, although the tender invited only Chartered Accountants to bid, but such area is not exclusive the domain area reserved for CAs as any officer nominated or authorised by Chairperson, NRPC can audit the accounts of "NRPC-FUND".

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 the Respondent
2.	25 th January 2026	Adjourned at the request of the Respondent
3.	4 th February 2026	Heard and concluded

6.2 At the hearing held on 7th January 2026, the Committee noted that the Respondent, vide his email dated 05th January 2026, had requested an adjournment on the ground that he is not available to join the hearing due to short notice and currently he is pre-occupied with his professional commitments. 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, vide his email dated 22nd January 2026 requested an adjournment on the ground that a function in his sister's family has been arranged by her In-laws and the Respondent along with his family members are invited for the same and thus, he is unable to attend the hearing fixed for 25th January 2026. Looking into the grounds on which request for adjournment of hearing had been made by the Respondent, the Committee, keeping in view of the principles of natural justice, acceded to the request of the Respondent for adjournment.

6.4 At the hearing held on 04th February 2026, the Committee noted that the Respondent along with his Counsel 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 Counsel for the Respondent presented the Respondent's line of defence, inter-alia, stating that the estimated bid value was not the minimum prescribed professional fee and, as per the bid documents, the same was declared only for limited purposes such as determining eligibility criteria relating to turnover, past performance, projects and experience. She stated that it had no relevance to the price to be quoted by the bidders. The Respondent also placed on record the bye-laws of the NRPC Fund. She referred to Bye-law No. 6 (at page 10), which provided that the audit assignment was not the exclusive domain of Chartered Accountants and that any person nominated or authorised by the Chairperson of NRPC could audit the Fund. He was entitled to rely upon FAQ No. 4 issued by ICAI on 7th April 2016, which clarified that members may respond to tenders in cases where the assignment is not exclusively reserved for Chartered Accountants and other professionals are also eligible to undertake such work. 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/2023/B/3533649 for Financial Audit Services, Review of Financial Statements, Financial Reporting Framework and Audit Report of Northern Regional Power Committee Ministry of Power 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 9th June 2023 wherein following details were mentioned along with other details:

S. No.	Particulars	Details
1	Tender Floating Authority	Northern Regional Power Committee Ministry Of Power, Ministry Of Power
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. 44,000/-
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. 44,000/-	Rs. 29,500/-

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. Northern Regional Power Committee is under Ministry of Power and the Bye-laws of NRPC Fund states that to conduct the financial audit of the NRPC, person shall be appointed by officer(s) nominated by chairperson, NRPC or by any other officer authorized by Chairperson, NRPC.

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

- Byelaws of NRPC Fund,
- FAQ of GeM portal which states that:
"Does estimated Bid value includes GST?
Yes, estimated bid value includes GST. GeM has now provided an option to the buyer to choose whether they want to print the Estimated Bid Value in the bid document or not."

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." (emphasis provided)

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

8

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)

7.7 The Committee perused the Byelaws for NRPC fund as submitted by the Respondent and noted as under:

"In pursuance of Govt of India, Ministry of Power Resolution dated 25th May 2005 & Amendment Resolution dated 29th Nov., 2005 Regional Power Committee have been constituted in place of Regional Electricity Boards. Accordingly, Northern Regional Electricity Board (NREB) starts functioning as Northern Regional Power Committee (NRPC) with effect from 1-4-2006. Ministry of Power vide letter No A-60016/59/2005-Adm. I dated 23-2-2006 has directed that the activities of Regional Power Committees (RPCs) will be fully financed by the Constituent Members with effect from 01-04-2006. Therefore, during 1" meeting of NRPC Board held on 3-6-06, it was decided that each member may contribute Rs. 8 lakh for the financial year 2006-07 towards the annual expenditure of NRPC Secretariat/reimbursement of expenditure to Govt. of India. To carry out this activity, it is proposed to create "NRPC-Fund" and Bye-laws for this fund shall be as follows."

.....
5. MAINTENANCE OF ACCOUNTS: *The account of all the expenditure/receipts shall be maintained by the nodal officer (as per para 4 above) on behalf of NRPC Members. Such officer shall also maintain a cash book etc., wherein details of all receipts and expenditure shall be recorded.*

6. VERIFICATION OF ACCOUNTS: *The "NRPC- Fund" account for each financial year shall be audited annually by officer(s) nominated by chairperson, NRPC or by any other officer authorized by Chairperson, NRPC. The statements of audited accounts shall be placed before "NRPC meeting" for information."*

.....
 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.

7.8 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)

7.9 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.

7.10 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 7.10 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.

(Signature)

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

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