

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/93/2024/DD/45/INF/2024/DC/2172/2025]

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 National Mission for Clean Ganga, Ministry of Water resources River Development and Ganga Rejuvenation for engagement of Financial Audit Services- Review 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 28th 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. Nitin Chandgothiya (M. No. 436886), (hereinafter referred to as the "Respondent") vide his letter dated 13th 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 number GEM/2023/B/3434322] for financial audit services of National mission for Clean Ganga, Ministry of Water resources River Development and Ganga Rejuvenation, Rajasthan 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 16th 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 number GEM/2023/B/3434322] for financial audit services of National mission for Clean Ganga, Ministry of Water Resources River Development and Ganga Rejuvenation, Rajasthan 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:

"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.
....."

- 3.1.3 It was observed that the 'Estimated bid value' of the assignment of Rs. 1,41,600/- was mentioned in the Gem Bid Document 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.
- 3.1.4 It was noted that the tender floated by National Mission for Clean Ganga, Ministry of Water resources River Development and Ganga Rejuvenation for engagement of Financial Audit Services for Review of Financial Statements, Audit Report was exclusively reserved for Chartered Accountants as in para 1 of Eligibility Criteria mentioned in Terms of Reference (ToR). Hence, it is apparent that tender was exclusively reserved for Chartered Accountants.
- 3.1.5 It was further observed that the estimated bid value of the assignment of Rs. 1,41,600/- was mentioned in the Bid Document instead of minimum bid fees. 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 was 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.
- 3.1.6 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 is 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. Therefore, in the absence of a prescribed minimum fee in the tender, participation by Chartered Accountants in such tenders is in contravention of the ICAI's Tender Guidelines.



- 3.1.7 It was further noted that the Respondent had mentioned in his submissions that as per the terms and conditions of the contract, the bidding rates which were required to be quoted were excluding GST. In this regard, it is noted that cost sheet submitted by the Respondent does not indicate that the quoted amount was 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 document 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 83,544/- is assumed as bid amount, even then the same is still less than the estimated bid value of Rs 1,41,600/-.
- 3.1.8 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. It appears that in his eagerness to participate in the tender, the Respondent did not even make an effort to seek clarification from the issuing authority regarding the applicable minimum fee. 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 making the Respondent liable to be proceeded with for Professional Misconduct.
- 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, state 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	28 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)	16 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:

- a) An amount of Rs. 1,41,600/- was mentioned as an "estimated bid value"; however, the same was not prescribed as a minimum fee. It was clearly stated in the bid document that the said amount was declared solely for the purpose of guidance for Earnest Money Deposit (EMD) and for determining eligibility criteria relating to turnover, past performance, project experience, etc.
- b) The estimated bid value had no relevance or bearing on the price to be quoted by the bidders and did not affect bid participation. The same stands substantiated from the email dated 11th July 2024 issued by an officer of the National Mission for Clean Ganga, designated as "Financial Management Specialist", wherein clarification was provided in respect of the bidding process as under:
".....we reiterate that estimate with reference to Bid Number GEM/2023/8/3434322 dated 10.05.2023 published on GeM portal, was as per the mandatory requirement of the GeM portal. Prospective bidders were free to submit their proposal as per their estimate, including keeping in mind the minimum recommended scale of fee for the professional assignment as suggested by the ICAI. Any Chartered Accountant firm can quote any price starting from Rs. 40,000/- as deemed fit for this assignment."
- c) The Respondent submitted that the Government e-Marketplace (GeM) is the National Public Procurement Portal and functions as an end-to-end online marketplace for Central and State Government Ministries/ Departments, Central and State Public Sector Undertakings (CPSUs & SPSUs), autonomous institutions, and local bodies for procurement of goods and services.

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- d) In the present case, GeM functioned as an intermediary between the buyer, namely the National Mission for Clean Ganga, and the seller, i.e., the bidder (M/s Agarwal Manoj Nidhi & Associates). As per the Frequently Asked Questions (FAQs) available on the GeM Portal website, the estimated bid value includes Goods and Services Tax (GST). Accordingly, it is clarified that the total estimated bid value was inclusive of GST at the rate of 18%, whereas the bidding amount was required to be quoted exclusive of GST, as stipulated under Point 1.4.6 of the "Conditions of Contract" on Page A-11 of the PFO.
- e) Although the tender document did not mention any minimum fee, the email dated 11th July 2024 clearly establishes that:
- the "estimated bid value" of the tender is distinct from the "minimum prescribed fee"; and
 - the fee quoted, amounting to Rs. 70,800/- plus applicable taxes, was higher than the minimum prescribed fee of Rs. 40,000/-.

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	Adjourned at the request of Respondent
3.	04 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 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 4th 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. She further brought on record an e-mail written by one of the officers of National Ganga Mission wherein it was informed that the estimated price which was published on Gem portal was only a mandatory requirement and prospective bidders were free to submit their proposal and, further, it says that any Chartered Accountant can quote any price starting from 40,000 as he deemed fit. 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 number GEM/2023/B/3434322] for financial audit services of National mission for Clean Ganga, Ministry of Water resources River Development and Ganga Rejuvenation, Rajasthan 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 10th May 2023 wherein following details were mentioned along with other details:

S. No.	Particulars	Details
1	Tender Floating Authority	Ministry of Water Resource River Development and Ganga Rejuvenation – National Mission for Clean Ganga
2	Item Category	Financial Audit Services- Review of Financial Statements, Audit Report; CA firm
3	Estimated Bid Value	Rs. 1,41,600/-
4	Technical Specifications Scope of Work: Review of Financial Statements, Audit Report Type of Financial Audit: Statutory Audit	
5	Types of Industries/ Function	National Mission for Clean Ganga
Minimum Bid Value in the tender document		Bid quoted by the Respondent
Estimated bid value- Rs. 1,41,600/-		Rs. 70,800/-

 The Committee also noted that the tender was not assigned to the Respondent firm.

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 as the tender was for rendering various nature of services which included certain services which could be provided by a person other than Chartered Accountant also. Furthermore, the Respondent brought on record an email dated 14th July 2024 from the Tendering Officials which specifically state that any chartered accountant firm can quote any price starting from Rs. 40,000/- to as he deems fit for this assignment. Thus, the Respondent contended that the quote of Respondent i.e. Rs. 70,800/- complied with the requirements of the Tender Guidelines issued by ICAI.

7.4 The Committee also noted that the Respondent brought on record an email dated 11th July 2024 addressed to the Tendering Officials in respect of the alleged Tender by a partner of another firm against whom separate disciplinary proceedings had been initiated with the following contents:

"With reference to the Gem vide Bid Number-GEM/2023/B/3434322 Dated 10.5.2023 We have visited your office during the above tender process, and it was clarified in the meeting that any chartered Accountant can quote any price between Rs. 40000/- (Revised Minimum Recommended Scale of Fees for the Professional Assignments done by the Chartered Accountants) for Clause 5 AUDIT AND OTHER ASSIGNMENTS for Tax Audit to Rs. 141600/- or higher for the same GEM Bid Number GEM/2023/B/3434322 Dated 10.05.2023

Request to confirm the same"

In response thereto, the Tendering Officials vide return email dated 11th July 2024 informed as under:

"Reference the trailing e-mail, we reiterate that estimate with reference to bid Number GEM/2023/B/3434322 Dated 10.05.2023 published on GEM portal, was as per the mandatory requirement of GeM portal. Prospective bidder were free to submit their proposal as per their estimate including keeping in mind the minimum recommended scale of fee for the professional assignment as suggested by ICAI. Any chartered Accountant firm can quote any price starting from Rs. 40000/- to as he deems fit for this assignment."

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)*

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- 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)

- 7.7 On perusal of the Tender documents, the Committee noted that the tender was for rendering various nature of services which included certain services which could be provided by a person other than Chartered Accountant also, as stated hereunder:

S. No.	Area of service	Exclusive for CA (Yes/No)
1	Conducting statutory audit for the year ending 31st March 2023	Yes
2	Express an opinion on financial statements prepared	Yes
3	Carry out Audit in terms of Section 12A of Income Tax Act	Yes
4	Preparation and filing of Income Tax Returns	No
5	Reviewing and evaluating NMCG's internal control and risk management	No
6	Reviewing adequacy of NMCG's Information Systems and related infrastructures	No
7	Preparation of returns of NMCG	No
8	Providing any other value-addition services consistent	No
9	Any other work needed for accounts finalization	No

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.

- 7.8 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 since the tender was for rendering various nature of services which included certain services which could be provided by other professionals/persons other than Chartered Accountant also, the Respondent could respond to the tender in respect of which the charge is alleged. Further, the minimum bid amount was Rs. 40,000/- and the Respondent firm has quoted an amount of Rs. 70,800/-. 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 7.9 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 Second Schedule to the Chartered Accountants Act, 1949.

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

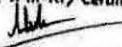
Sd/-
(CMA. CHANDRA WADHWA)
(GOVERNMENT NOMINEE)

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

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