[PR/274/2019/DD/296/2019/BOD/631/2022]

ORDER UNDER SECTION 21A (3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 15 (1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

IN THE MATTER OF:

CA. Rohan Agrawal (M.No.439726),
M/s Rohan N.K Gupta & Co., Chartered Accountants
25, Geeta Colony, Dal Bazaar,
Gwalior..**Complainant**

Versus

CA. Shriyans Kumar Jain (M.No.071151),
M/s N.K Gupta & Company, Chartered Accountants
GL-06, IIDC Plaza, City Centre,
Gwalior..**Respondent**

[PR/274/2019/DD/296/2019/BOD/631/2022]

MEMBERS PRESENT:

CA. Babu Abraham Kallivayalil, Presiding Officer (In Person)
Dolly Chakrabarty, Government Nominee (In Person)
CA. Pankaj Shah, Member (Through Video Conference)

Date of hearing and passing of Order: 19th June 2026

1. The Board of Discipline vide its findings dated 16th January 2026, was of the view that **CA. Shriyans Kumar Jain (M.No.071151)** is **GUILTY** of Professional and Other Misconduct falling within the meaning of Item (6) of Part I and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against **CA. Shriyans Kumar Jain (M.No. 071151)** and communication dated 03rd June 2026 was addressed to him thereby granting him an opportunity of being heard on 19th June 2026 which was exercised by him by being present through video conferencing. He confirmed receipt of the findings of the Board and made submissions before it.

3. Thus, upon consideration of the facts of the case, the consequent misconduct of **CA. Shriyans Kumar Jain (M.No.071151)** and keeping in view his representation before it, the Board decided to **REPRIMAND** him.

Sd/-
CA. Babu Abraham Kallivayalil
(Presiding Officer)

Sd/-
Dolly Chakrabarty
(Government Nominee)

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy
विश्वनाथ तिवारी / Bishwa Nath Tiwari
वरिष्ठ कार्यकारी अधिकारी / Senior Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
आई.सी.ए.आई. भवन, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

Sd/-
CA. Pankaj Shah
(Member)

BOARD OF DISCIPLINE

(Constituted under Section 21A of the Chartered Accountants Act 1949)

FINDINGS OF THE BOARD OF DISCIPLINE UNDER RULE 14 (9) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

FILE No: PR/274/2019/DD/296/2019/BOD/631/2022

CORAM: (PRESENT IN PERSON)

CA. Rajendra Kumar P, Presiding Officer
Ms. Dolly Chakrabarty, Government Nominee

IN THE MATTER OF:

CA. Rohan Agrawal (M.No.439726),
M/s Rohan N.K Gupta & Co.
Chartered Accountants
25, Geeta Colony, Dal Bazaar,
Gwalior – 474001..Complainant

Versus

CA. Shriyans Kumar Jain (M.No.071151),
M/s N.K Gupta & Company
Chartered Accountants
GL-06, IIDC Plaza, City Centre
Gwalior – 474011..Respondent

Date of Final Hearing	:	08th December 2025
Place of Final Hearing	:	ICAI Bhawan, New Delhi

PARTY PRESENT (IN PERSON):

Respondent	:	CA. Shriyans Kumar Jain

FINDINGS:

BACKGROUND OF THE CASE:

1. The Respondent and the Respondent's firm had been serving as the Statutory Auditor of Madhav College, PGV College, and other educational institutions run by Madhya Bharat Shiksha Samiti (hereinafter referred to as the "Institutions") for several years. During an earlier period, the Complainant had undergone article ship training with the Respondent's firm from 01st April 2011 to 31st March 2014. Subsequently, for the financial year 2018–19, the Complainant was appointed as the Statutory Auditor of Madhya Bharat Educational Society and various educational institutions managed by the said society, replacing the Respondent and the Respondent's firm.

2. Upon his appointment, the Complainant formally communicated with the Respondent in accordance with the requirements of Item (8) of Part I of the First Schedule to the Chartered Accountants Act, 1949, which mandates professional communication by an incoming auditor with the outgoing auditor. Instead of responding to the Complainant or raising any objections directly to such communication, the Respondent issued an alleged letter dated nil to the Principal of Madhav Shiksha Mahavidyalaya, the client institution. The Complainant's allegations arise primarily from the contents and issuance of this letter, which, according to the Complainant, form the basis of professional misconduct on the part of the Respondent.

3. The Director (Discipline) vide his Prima Facie Opinion dated 29th September 2021, held the Respondent Guilty in respect of the allegations made out in the instant complaint for the reasons as recorded in the said PFO.

CHARGES ALLEGED:

4. The Complainant alleged that in the first paragraph, the expression *"a new Chartered Accountant Mr. Rohan Agrawal has communicated to me"* has been used in the letter which was sent by Respondent to the Client and in term of the law, there is no reference of word "new" so by employing the expression "new" the entire sentence is incriminating".

5. The Complainant stated that he has communicated to the Respondent as per the requirement of Item (8) of Part I of First Schedule of Chartered Accountants Act, 1949. The Complainant alleged that if the Respondent has any objection to the acceptance of audit, then he must have communicated to the Complainant. However, instead of informing to him, issuing such type of communication to the Client itself is a misconduct.

6. The Complainant alleged that the Respondent used a sentence *"he has been appointed as auditor of Madhya Bharat Siksha Samiti"* in the letter which was sent by the Respondent to the Client but without pointing out that whether term of the Respondent's Firm has been continued or has been completed.

7. The Complainant stated that in the letter which was sent by Respondent to the Client the Respondent has used expression *"by its secretary"* which could have been searched out by him only if the removal of outgoing Chartered Accountant is not fair or his term is in continuation. Except the above two situations, outgoing Chartered Accountant firm or its partner has no authority to search whether the appointment of incoming auditor is valid or not.

8. The Complainant alleged that in the letter, which was sent by Respondent to the Client, the Respondent uses the expressions *"your accounts are very complicated, and an inexperienced person cannot handle it properly"* the statement given by the Complainant amounting to undue influence and misrepresentation on the client to take audit.

9. The Complainant alleged that in the letter which was sent by Respondent to the Client, the Respondent uses the expressions "we are doing your audit since last 36 years and we are appointed by your governing body every year" and further uses expressions " *our firm is only empanelled firm with Registrar of Firms & Societies for conducting Audit of Madhya Bharat Education Society"* which indicates that other than Respondent's Firm the Client could not think to appoint anyone else their auditor. Further, the Complainant alleged that one side in the letter Respondent stated that the appointment is to be made by Government Body on the other side the Respondent stated that appointment is to be made based on empanelment only.

10. The Complainant alleged that in the letter, which was sent by Respondent to the Client, the Respondent uses the expressions *"It is pertinent to note that Mr. Rohan Agrawal is not authorized to conduct any audit on behalf of N.K Gupta & Co"* but without giving any evidence so it is an allegation, conclusion and misrepresentation which is colourable and fraudulent, so liable to be condemned.

11. The Complainant alleged that in the letter which was sent by Respondent to the Client, the Respondent uses the expressions *"It is the privilege of your governing body to appoint auditors and hence I hereby request you to please arrange to issue a letter of appointment for the financial year 2018-19 at your earliest possible"* which indicates that the Client has no option except to renew their term than in context of the entire letter and the situation to ask the appointment at earliest possible from the client so the letter given by the Respondent to client is not mere misleading communication of information, fraudulent and colourable allegation statements and solicitation to take up the audit but also to defame and disrepute the profession and the members of the profession.

BRIEF OF PROCEEDINGS HELD:

12. The details of the hearings fixed and held in the instant matter are given as below:

S. No.	Date of Hearing	Status of hearing
1.	21st July 2023	Part heard and Adjourned.
2.	06th December 2023	Adjourned at the request of Respondent.
3.	28th October 2025	Part heard and Adjourned.
4.	08th December 2025	Matter Heard and Concluded.

SUBMISSION OF THE RESPONDENT:

13. The Respondent has, through multiple written submissions and oral statements, consistently contended that the disciplinary proceedings have been initiated and pursued without proper appreciation of the factual and legal matrix governing the appointment and removal of auditors under the Madhya Pradesh Societies Registrikaran Adhiniyam, 1973. He submits that he had been the statutory auditor of Madhya Bharat Shiksha Samiti and its constituent institutions for nearly 36 years and that the audit involved complex, interlinked accounts of multiple colleges, along with ongoing income-tax assessments and grant-related compliances. According to the Respondent, any reference to "experience" in his communication was made solely in this professional context and was not intended to question or undermine the competence of the Complainant.

14. The Respondent has strongly denied the allegation of solicitation. He asserts that the letters in question were addressed only to his existing clients, namely the Principals of colleges run by the same society and were issued only after receipt of formal intimation from the Complainant under Item (8) regarding change of auditor. He maintains that the purpose of these communications was to seek clarification on whether the prescribed procedure for removal of the existing auditor and appointment of the incoming auditor had been duly followed by the governing body, and not to canvass or solicit audit work. He emphasizes that the communications were private, one-to-one, and not in the nature of advertisements, circulars, or public solicitations.

15. Further, the Respondent has questioned the prima facie opinion on procedural grounds, alleging mechanical application of disciplinary provisions without verification of crucial facts, such as the validity and timing of the Complainant's appointment, authorization of

the society's secretary, and compliance with the society's byelaws. He has also raised concerns regarding non-supply of relied-upon disciplinary decisions, rejoinders, and documents, as well as alleged factual inaccuracies in the prima facie opinion, contending that these lapses amount to violation of principles of natural justice.

16. The Respondent has also submitted that the Complainant's repeated non-appearance and failure to produce supporting evidence render the complaint incomplete and unsubstantiated. Relying on judicial precedent, he has argued that continuation of proceedings in the absence of proper enquiry and material evidence would be unfair. While reiterating his long, unblemished professional record, the Respondent has expressed regret if any part of his communication was misconstrued but has firmly maintained that there was neither intent to solicit professional work nor to bring disrepute to the profession or to any fellow member.

<u>OBSERVATIONS OF THE BOARD:</u>

17. The Board has carefully considered the complaint, the written and oral submissions made by the Complainant and the Respondent, the documents placed on record, and the proceedings conducted before the Board. The matter essentially revolves around the conduct of the Respondent in issuing a letter dated nil to the client institutions after the Complainant had been appointed as Statutory Auditor, and whether the contents and tenor of such communication amount to professional and other misconduct under the Chartered Accountants Act, 1949.

18. From the material on record, it is undisputed that the Respondent addressed letters to the Principal of Madhav Shiksha Mahavidyalaya, Madhav Law College, and PGV College, wherein he highlighted his long-standing association of 36 years with the institutions, claimed exclusivity of empanelment with the Registrar of Firms & Societies, questioned the authority of the Complainant to conduct the audit, and expressly requested issuance of an audit appointment letter for the financial year 2018–19. The Respondent also used expressions suggesting that the accounts were "very complicated" and could not be handled by an "inexperienced person," which, by necessary implication, reflected adversely on the professional competence of the Complainant.

19. The Board notes that the Respondent has admitted to issuing the said letters and has not disputed the contents thereof. During the hearing, the Respondent sought to justify his actions on the ground of unjustified removal, emotional circumstances, and long association with the client. However, he has also candidly stated that he does not wish to prove solicitation and that no documentary evidence has been produced to substantiate his assertions that the Complainant improperly approached the client. The Board is of the view that personal circumstances, past association, or emotional considerations cannot justify conduct that is otherwise inconsistent with the standards of professional ethics expected from a Chartered Accountant.

20. The Board concurs with the findings of the Director (Discipline) that the language and contents of the impugned letters go beyond a mere protest or clarification regarding non-communication of change of auditor. The communications were clearly intended to influence the client authorities to reconsider or reverse the appointment of the Complainant and to secure the audit work for the Respondent. Such conduct squarely falls within the ambit of solicitation of professional work, whether directly or indirectly, which is expressly prohibited under Item (6) of Part I of the First Schedule to the Chartered Accountants Act, 1949, as consistently interpreted in the Code of Ethics and past disciplinary precedents.

21. Further, by making derogatory and unsubstantiated remarks regarding the competence and authorization of the Complainant who was formerly an article trainee of the Respondent, the Respondent failed to maintain the dignity of the profession and the courtesy expected towards a fellow member. Such conduct is unbecoming of a Chartered Accountant and attracts the provisions of Item (2) of Part IV of the First Schedule to the Act, which deals with conduct bringing disrepute to the profession.

22. While the Respondent has argued that the appointment of auditors is a matter between the institution and himself, the Board is of the considered opinion that the issue before it is not the legality of appointment, but the propriety of the Respondent's conduct and the manner in which he chose to address the situation. The absence of any legal challenge before a court of law further reinforces that the Respondent's remedy, if any, did not lie in issuing letters containing solicitous and disparaging statements.

23. In view of the foregoing discussion, and after taking into account the totality of facts, circumstances, and submissions on record, the Board is of the considered opinion that the Respondent is Guilty of Professional and Other Misconduct within the meaning of Item (6) of Part I and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

CONCLUSION:

24. Thus, in conclusion, in the considered opinion of the Board, the Respondent is held **'Guilty'** of Professional and Other Misconduct falling within the meaning of Item (6) of Part I and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act 1949.

Sd/-	**Sd/-**
CA. Rajendra Kumar P	**Dolly Chakrabarty, IAAS (Retd.)**
Presiding Officer	**Government Nominee**

Date:16-01-2026

सत्यापित होने के लिए प्रमाणित/Certified to be True Copy
विश्वनाथ तिवारी/Bishwa Nath Tiwari
वरिष्ठ कार्यकारी अधिकारी/Senior Executive Officer
अनुशासनात्मक निदेशालय/Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
आई.सी.ए.आई. भवन, सी–1, सेक्टर–1, नोएडा–201301 (उ.प्र.)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)