The Institute of Cost Accountants of India

Board of Discipline u/s 21A of The Cost Accountants Act 1959

Final order number: ICMAI/BOD/2026/50

Compliant number	Com/21-CA(150)/2024
In the matter of	CMA Dinesh Kumar Birla (M/7907) [Complainant] Vs. M/s Alpesh Desai & Co. (FRN/104266) [Respondent]
Date of Hearing	As per records and order sheet
Date of order	17th September, 2026

CORAM:

1.	Shri. P.K. Pujari, IAS (Retd.)	Presiding Officer
2.	CMA Avijit Goswami	Member

PRESENT IN HEARINGS

1.	CMA(Dr) Hemant Kumar Sindhwani	Director (Discipline)

1. The Board of Discipline, vide its findings dated 10th July, 2026 held that M/S Alpesh Desai & Co. (FRN/104266), was guilty of contravention of Professional Misconduct within the meaning of Clause (8) of Part I of the First Schedule to the Cost Accountants Act, 1959, for accepting a position as Cost Accountant previously held by another Cost Accountant in practice without first communicating with him in writing in the prescribed manner. The Board further observed that the Respondent's conduct in accepting the assignment at a fee lower than that of the previous auditor is in violation of the binding Notifications No. G/128/10/2022(3) dated 25th October, 2022, read with Notification No. G/128/05/2023 dated 26th May, 2023 issued by the Institute.
2. Consequent upon the aforesaid findings, action under Section 21A(3) of the Cost Accountants Act, 1959 (hereinafter referred to as "the Act") was contemplated against the Respondent. Accordingly, a Notice dated 21st July, 2026, along with a copy of the Findings,

The Institute of Cost Accountants of India Board of Discipline

was issued to the Respondent calling upon him to submit his written representation, if any, on the quantum of punishment within ten (10) days from the date of receipt thereof. However, no written representation or submission has been received from the Respondent within the stipulated period

3. Thereafter, in terms of section 21A (3) of the Act read with Rule 15(1) of the Cost and Works Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 (hereinafter referred to as "the Rules"), a Notice dated 14th August, 2026 was issued to the Respondent, granting him an opportunity of personal hearing before the Board of Discipline on 19th August, 2026 at 12:10 PM.
4. The Respondent availed the opportunity of personal hearing and appeared before the Hon'ble Board through video conferencing. During the course of the hearing, he confirmed having received and perused the Findings of the Board. He candidly admitted that he had accepted the cost audit assignment for remuneration lower than the remuneration charged by the previous auditor. He submitted that the assignment was his first Cost Audit assignment and that, at the relevant time, he was not fully conversant with the professional requirements applicable to such engagement. He further submitted that there was no deliberate or willful intention on his part to contravene any provision of the Act, the Rules or the applicable professional requirements. He accordingly requested the Board to take a sympathetic and lenient view of the matter, considering that it was his first Cost Audit assignment
5. Having regard to the overall facts and circumstances of the case, the Board considered that imposition of a nominal monetary penalty equivalent to approximately 10% of the amount involved in the undercutting would meet the ends of professional discipline and would also serve as an appropriate deterrent for the profession in similar matters.
6. Accordingly, in exercise of the powers conferred under Section 21A(3) of the Cost Accountants Act, 1959, the Board of Discipline hereby imposes upon the Respondent, M/s Alpesh Desai & Co. (FRN/104266), a monetary penalty of ₹1,800/- (Rupees One Thousand Eight Hundred only), for having been found guilty of professional misconduct under Clause (8) of Part I of the First Schedule to the Cost Accountants Act, 1959.
7. The aforesaid monetary penalty shall be paid within a period of thirty (30) days from the date of receipt of this Order. In the event of failure to deposit the said penalty within the

stipulated period, the name of the Respondent shall stand removed from the Register of Members for a period of one month.

A. Goswami

CMA Avijit Goswami

(Member)

Shri P.K. Pujari, IAS (Retd)

(Presiding Officer)

Place: New Delhi

Date: 17th September, 2026

Distribution under Rule 15(3) of the Rule, 2007

1) Director(Discipline), Institute of Cost Accountant of India
2) Complainant, CMA Dinesh Kumar Birla (M/7907)
3) Respondent, M/s Alpesh Desai & Co. (FRN/104266)

The Institute of Cost Accountants of India
Board of Discipline

The Institute of Cost Accountants of India

Board of Discipline u/s 21A of The Cost Accountants Act 1959

Complaint No. Com/21-CA(150)/2024 –

CMA Dinesh Kumar Birla (M/7907) [Complainant]

Vs.

M/S Alpesh Desai & Co. (FRN/104266) [Respondent]

Findings of Board of Discipline under Rule 14(9) of The Cost and Works Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007

1. The Disciplinary Directorate is in receipt of a complaint in Form I dated 9th December 2024 in triplicate together with the prescribed complaint fee of Rs 2950/- (inclusive of GST) from CMA Dinesh Kumar Birla (hereinafter referred to as the "complainant"), against M/S Alpesh Desai & Co. (hereinafter referred to as the "respondent") bearing firm reference number FRN/104266, containing certain allegations against the respondent falling under various provisions of the Cost Accountants Act, 1959.
2. The complaint comprises a four-page submission, supported by documentary evidence, including the Notice of the Annual General Meeting (AGM) and the minutes of the 51st Board Meeting of Auditee company, which ratify the Respondent's appointment and indicate alleged undercutting of professional fees for the financial year 2023–24. Furthermore, the Complainant has averred that, for the said financial year, no professional communication or 'No Objection' correspondence was received from the incoming auditor, as mandated under the Code of Ethics. These documents and statements form the evidentiary basis for the allegations of professional misconduct. The particulars of the complaint, as set out in Form I, are reproduced here in below verbatim:

FORM I

[See sub-rule (1) of Rule 3]

The Institute of Cost Accountants of India Board of Discipline

1.	Name of the Complainant: (With membership number, if member of Institute of Cost Accountants of India)	DINESH KUMAR BIRLA (M. NO. 7907)
2.	Name of the member/firm against whom complaint is being made: (With membership number/registration number of the firm, if known)	ALPESH DESAI & CO. FRN: 104264 M. NO. 39541
3.	Latest address of the complainant for communication	DINESH KUMAR BIRLA, H 101, INDRAPRASTH 5, NR HDFC BANK, PRAHLAD NAGAR, AHMEDABAD Pin Code: 380015
4.	Last available professional address of the member or the firm against whom the complaints is made	4/B, Saurashtra Patel Society, Opp. Bhidbhanjan Hanuman, AHMEDABAD Pin Code: 380024 MOBILE NO: 9426030982 E-MAIL: alpeshdesa24@gmail.com
5.	Particulars of allegation(s), serially numbered together with corresponding clause/part of the relevant Schedule (s), or Particulars of allegation(s) serially numbered together with clause/part of the relevant Schedule(s) under which the alleged acts commission or omission or both would fall.	1. MR ALPESH DESAI PROPRIETOR OF THE FIRM DID NOT MADE MANDATORY COMMUNICATION TO OUR FIRM NO BIRLA AND CO, AS PREVIOUS COST AUDITOR FOR F.Y. 2023-24 IN CASE OF GSPL INDIA GASNET LIMITED. 2. HE DID UNDERCUTTING OF FEES OUR FEES: RS 70,000/- NEW FEES: RS 52,000/- 3. THERE IS VIOLATION OF NOTIFICATION NO G/128/05/2023 DATED 26TH MAY 2023 4. REQUESTED TO TAKE SUITABLE ACTIONS AGAINST MR ALPESH

Institute of Cost Accountants of India Board of Discipline

		DESAI AND HIS FIRM FOR ABOVE VIOLATIONS IN ORDER TO SAFE GUARD OUR PROFESSION.
6.	Particulars of evidence(s) adduced in support of the allegation(s) made	BOARD RESOLUTION FOR OUR APPOINTMENT AND AGM NOTICE RATIFYING NEW AUDITORS' FEES
7.	Name(s) of person who have knowledge of the facts of the case.	GSPL INDIA GASNET LIMITED, PLOT NO E-18, GIDC ELECTRONIC ESTATE, NR K 7 CIRCLE, SECTOR 26, GANDHINAGAR 382028 (GUJARAT)

3. The above complaint was scrutinized and was registered in terms of Rule 5 of the Cost and Works Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 and the same was proceeded with in the manner as prescribed in Chapter III of the Rules and was registered by the Disciplinary Directorate by giving a unique number, Complaint No. Com/21-CA(150)/2024.
4. The complaint dated 09th December 2024, was duly forwarded to the respondent vide letter No. G/DD/Com-CA(150)/(FRN:104266)/01/12/2024 dated 19th December 2024 followed by reminder dated 6th August 2025 and 7th October 2025, calling upon the Respondent to respond within 21 days from the date of service of the said letter.
5. The respondent has submitted his written statement vide letter dated 28th October, 2025 (served on 9th February 2026), consisting of 2 pages. The same is reproduced below verbatim:

Quote

Subject: Reply to Complaint No Com/21-CA(150)/2024
Ref: No. G/DD/Com-CA(150)/(FRN:104266)/01/12/2024 dated 19/12/2024
Ref: No. G/DD/Com/21-CA(150)/2025/R-03/04 dated 07/10//2025

Respected Sir/Madam,
With reference to the communication received regarding the disciplinary complaint filed against me, I respectfully submit my detailed reply as under:

1. **Alleged Non-Compliance with Mandatory Communication to the Previous Auditor.**
   I wish to submit that prior to accepting the audit assignment, I had duly communicated with the previous auditor through **ordinary post**. However, since the communication was made via ordinary post, there is **no tracking record or postal acknowledgment** available. The said communication was made **in good faith** and in accordance with the provisions of the **Cost and Works Accountants Act, 1959** and the relevant clauses of the **Code of Conduct** issued by the Institute.
2. **Allegation of undercutting of audit fees.**
   At the time of submission of the tender for the audit assignment, **no minimum audit fee or Professional guideline** was mentioned in the tender document issued by the company. The **tender invitation email was received on 24/04/2023**, and the **last date for submission** of the tender was also 25/04/2023.
   Due to the very short time available, it was not possible to verify the applicable **minimum fee** norms in detail before submission. Accordingly, the quotation was submitted **bona fide**, based on the information available at that time and without any intention to **undercut fees or violate** professional ethics or guidelines.

I would like to respectfully state that there was **no professional misconduct, negligence, or mala fide intention** on my part. All actions were taken **in good faith**, with due care and diligence, and in accordance with the **principles of the Cost and Works Accountants Act, 1959** and the **Code of Conduct** of the Institute.

I therefore request the Hon'ble Disciplinary Committee to kindly consider the above facts and circumstances and take a **sympathetic and lenient view** of the matter.
Thanking You.
Yours faithfully,
Alpeshumar Anilkumar Desai
Cost Accountants
Enclosures:
1. Copy of the letter sent to the previous auditor (ordinary post)
2. Copy of tender invitation email dated 25/04/2023

Unquote

6. The written defence submission was duly forwarded to the complainant under the cover of letter No. G/DD/Com-CA(150)/C-02/06/304 dated 17th February 2026 for his rejoinder in terms of sub-rule (4) of Rule 8 of the Cost and Works Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.
7. The Complainant submitted his rejoinder vide letter dated 16th March 2026 of 2 pages, which is reproduced below in verbatim:

Quote
To,

The Institute of Cost Accountants of India Board of Discipline

The Director (Discipline)
The Institute of Cost Accountants of India
Subject: Rejoinder in Complaint No. Com-21/CA(150)/2024
Respected Sir,
With due respect, I submit my rejoinder to the written defence filed by M/s Alpesh Desai & Co.

1. **<u>Regarding Communication to Previous Auditor</u>**
   The Respondent has stated that he sent communication through ordinary post. However, as per the Institute's Notification dated 25.10.2022, communication must be sent through Registered/Speed Post. (Ref: G/128/10/2022(3)).
   Sending through ordinary post without any proof of delivery cannot be treated as proper compliance. There is no tracking record, no acknowledgement, and no evidence that the communication was actually delivered.
   In professional matters, compliance must be proper and provable. **A claim of "good faith" is not sufficient when the prescribed procedure is clearly defined.**
2. **<u>Regarding Undercutting of Fees</u>**
   The Respondent has stated that no minimum fee was mentioned in the tender and that only 24 hours were available.
   With respect, this explanation is not justified.
   Professional responsibility does not depend on what is written in the tender document. Every practicing Cost Accountant is expected to ensure that fees are not quoted below permissible levels and that previous auditor's fees are properly considered. (Notification Ref: G/128/10/2022(2) dated 25th October, 2022)
   Even within 24 hours, it is possible to:
   - Contact the previous auditor,
   - Ask the company about previous year fees,
   - Verify disclosures from available records,
   - Or decline to submit the tender if proper verification is not possible.

   If verification was not possible, the correct professional approach was to avoid quoting blindly.
   The fee difference in this case is substantial and not marginal. Such a large variation clearly indicates undercutting and not an accidental difference.
3. **<u>On the Plea of Good Faith</u>**
   The Respondent repeatedly states that there was no mala fide intention and requests a lenient view. However, disciplinary matters are decided on compliance with rules and professional standards, not on sympathy. If such explanations are accepted, it will encourage similar practices and weaken the dignity of the profession.
4. **<u>Seriousness of the Matter</u>**
   Undercutting affects the entire profession. It lowers professional standards and creates unhealthy competition.
   The Institute has issued clear notifications to maintain discipline and fairness. If violations are ignored on the ground of time pressure or oversight, the purpose of those notifications will be defeated.

<u>Prayer</u>
In view of the above facts, I respectfully request the Hon'ble Authority to:

The Institute of Cost Accountants of India Board of Discipline

(a) Take note of the clear procedural violation in communication to the previous auditor;
(b) Consider the substantial fee difference as professional undercutting;
(c) Take appropriate disciplinary action as deemed fit to maintain professional standards.

I repeat that all documentary proof of undercutting has already been submitted earlier for kind consideration.
Thanking You.
Yours faithfully,
CMA Dinesh Kumar Birla
M. No. 7907
Date: 16th March, 2026.
Place: Ahmedabad.

Unquote

8. **Investigation and Analysis**

a) It is observed that the Institute, vide Notification No. G/128/10/2022(3) dated 25th October, 2022 and Notification No. G/128/05/2023 dated 26th May, 2023, has prescribed mandatory requirements governing acceptance of audit assignments. These include (i) prior communication with the previous auditor through Registered/Speed Post or any other verifiable mode ensuring proof of delivery, and (ii) furnishing of a declaration confirming that the professional fees proposed shall not be lower than those charged by the predecessor. The said Notifications form part of the binding professional and ethical framework applicable to members of the Institute and explicitly provide that any non-compliance shall attract the provisions of Clause (8) of Part I of the First Schedule to the Cost Accountants Act, 1959. Since the impugned conduct pertains to the Financial Year 2023–24, the aforesaid Notifications are squarely applicable to the facts of the present case.

b) The Form CRA-2 filed by the Auditee company on 28th September, 2023 has been obtained from the records available on the MCA portal and taken on record. Upon consideration of the material available, the following facts emerge and remain undisputed:

Particulars	Details
Name of Auditee Company	M/s GSPL INDIA GASNET LIMITED

The Institute of Cost Accountants of India ★ Board of Discipline

Particulars	Details
Financial Year	2023-24
Name of the New Cost Auditor Firm	M/s Alpesh Desai & Co (FRN 104266)
Date of Board Meeting (for Appointment of Cost Auditor)	31st August, 2023
Date of filing of CRA-2	28th September, 2023
Date of consent given by respondent to Auditee company for his appointment as cost Auditor (Part of CRA-2 at MCA Site)	24th April, 2023
Date of communication to previous auditor	Not Provided by Respondent
Fee of Previous Auditor for FY 2022-23	Rs 70,000 excluding out of Pocket expenses and GST
Fee accepted by respondent	Rs 52,000 plus applicable taxes and out of Pocket expenses capped at 10% of basic amount

c) An extract of the consent letter furnished by the Respondent to the Auditee company for his appointment as Cost Auditor, as forming part of Form CRA-2, is reproduced hereunder for ready reference.

CMA ALPESH DESAI & CO.

Address:- A-402, Revati Plaza, Bhakti Circle, Nikol, Ahmedabad-382350
EMAIL:- alpeshdesai24@gmail.com Mobile No. 94260 30982

24th April 2023

The Board of Directors
M/S. GSPL India Gasnet Limited
GSPL Bhavan | Ground Floor | North Wing,
E - 18 | GIDC Electronic Estate,
Nr. K - 7 Circle | Sector - 26
Gandhinagar – 382028

Dear Sir,

Sub: Consent & Certificate for our appointment as Cost Auditor

We agree to our proposed appointment as Cost Auditor of your Company to conduct the Cost Audit of Cost Accounting Records of your Company for the F.Y. ending 31st March, 2024 We hereby certify that if this appointment is made, it will be in accordance with the provisions of Section 3(g) of Section 141 of the Companies Act, 2013. We would further like to confirm that we are free from any disqualifications specified under provisions of section 141(3) read with Section 148(5) of the Companies Act, 2013.

Thanking you,

Yours faithfully,
For Alpesh Desai & Co

Proprietor
MRN: 39541

9. **Comments of the Disciplinary Directorate**

a) In the present matter, the allegations levelled against the Respondent pertain to (i) failure to make mandatory communication with the previous Cost Auditor prior to accepting the assignment as Cost Auditor for the Financial Year 2023-24, and (ii) alleged undercutting of professional fees, purportedly in contravention of Circular No. G/128/05/2023 dated 26th May 2023 issued by the Institute.

b) With regard to the requirement of prior communication with the previous auditor, the Respondent has contended that such communication was sent through ordinary post. However, the said explanation is not tenable in law. The applicable Notification No. G/128/10/2022(3) dated 25th October, 2022 and Notification No. G/128/05/2023 dated 26th May, 2023 explicitly mandate communication through Registered/Speed Post to ensure proof of delivery. The Respondent has admittedly failed to produce any documentary evidence such as postal receipt, tracking record, or acknowledgment to substantiate that such communication was duly effected. Mere assertion of having

The Institute of Cost Accountants of India
Board of Discipline

sent a letter through ordinary post, in the absence of proof of delivery, does not satisfy the mandatory requirement and constitutes a clear procedural and professional lapse.

c) Further, with respect to the allegation of undercutting of professional fees, it is observed that the Respondent has accepted the audit assignment at a fee of Rs. 52,000/-, which is substantially lower than the fee of Rs. 70,000/- charged by the previous auditor. The justification advanced by the Respondent, namely, that no minimum fee was prescribed in the tender document and that limited time was available for submission of the bid, is devoid of merit. Professional obligations and ethical standards are independent of the conditions stipulated in the tender document and are binding upon the member at all times. The Respondent was under a duty to ascertain the previous auditor's fees and ensure compliance with the prescribed norms prior to submission of the quotation. In the event such verification was not feasible, the appropriate professional course would have been to refrain from participating in the tender process.

d) The professional fees clearly indicates undercutting, which is expressly prohibited under the aforesaid Circulars. The Respondent has also failed to place on record any declaration or evidence demonstrating compliance with the requirement of non-undercutting of fees. Accordingly, the conduct of the Respondent is in violation of the prescribed professional standards and ethical requirements.

e) The plea of "good faith" and absence of mala fide intention, as advanced by the Respondent, cannot be accepted as a valid defence in the present circumstances. It is a settled principle that adherence to prescribed procedures and professional standards is mandatory, and any deviation there from, whether intentional or otherwise, constitutes professional misconduct. The failure to comply with mandatory requirements, coupled with the act of undercutting, cannot be condoned on the ground of oversight or time constraints.

f) In view of the above analysis and the material available on record, it is evident that the Respondent has (i) failed to comply with the mandatory requirement of prior communication with the previous auditor in the prescribed manner, and (ii) accepted the audit assignment at a fee lower than that of the predecessor, in contravention of

Notification No. G/128/10/2022(3) dated 25th October, 2022 and Notification No. G/128/05/2023 dated 26th May, 2023 issued by the Institute. Such conduct squarely attracts the provisions of Clause (8) of Part I of the First Schedule to the Cost Accountants

10. **Prima Facie Opinion**

a) The above-mentioned complaint has been examined in pursuance of Section 21 of the Cost Accountant Act, 1959 as amended in 2006 read with Rule 9 of the Cost and Works Accountants (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007, CMA Alpesh kumar Anilkumar Desai (M/104266) Prop of Firm M/S Alpesh Desai & Co. (FRN/104266) respondent, is guilty of contravening of Clause (8) of Part I of the First Schedule to the Cost Accountant Act, 1959– accept a position as Cost Accountant previously held by another cost accountant in practice without first communicating with him in writing.

b) The prima facie opinion formed by the Director (Discipline) in terms of Rule 9(2)(a)(ii) the Cost and Works Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 was placed before the 59th Committee of Board of Discipline held on 31st March, 2026 which was agreed to by the Committee in terms of Rule 9(2)(a) of the Rules. The Committee noted that this was a fit case to proceed against the respondent in the light of the violations committed by the respondent.

11. **Proceedings as per Rule 14(3) to 14(5) of The Rule, 2007**

a) The Prima Facie Opinion dated 31st March, 2026, along with the relied-upon documents, was forwarded to both the Complainant and the Respondent vide letters bearing Nos. G/DD/Order/Com-CA(150)/C-03/07/09 and G/DD/Order/Com-CA(150)/R-05/08/10 dated 4th April, 2026. The Respondent was called upon to submit his second written statement within 21 days from the date of receipt thereof, in compliance with Rule 14(3) of the said Rules. The Respondent was also directed to serve an advance copy of his written statement to the Complainant in terms of Rule 14(4). However, no written statement was received within the stipulated period. Accordingly, a reminder notice bearing Communication No. G/DD/Com-CA(150)/R-

The Institute of Cost Accountants of India
Board of Discipline

06/09/81 dated 25th June, 2026 was issued, granting the Respondent a final opportunity to submit the written statement, along with all supporting documents, within seven (7) days from the date of receipt of the notice, in compliance with Rule 14(3) of the Rules.

b) The Respondent, vide communication dated 1st July, 2026 via e-mail submitted his written statement comprising 02 pages in response to the notice issued under Rule 14(3) which is reproduced here below;

Quote

To
The Director (Discipline)
The Institute of Cost Accountants of India,
Subject: Defense Submission – Communication Procedure and Fee Quotation
Ref: No. G/DD/Com-CA(150)/R-06/09/81
Ref: No. Complaint No. Com-21/CA(150)/2024

Respected Sir/Madam,
With due respect, I submit my defense in response to the rejoinder filed against me,

1. **Communication to Previous Auditor**
   At the time of accepting the assignment, I had addressed communication to the previous auditor through ordinary post within the prescribed period, in the bona fide belief that the applicable professional requirement stood complied with.
   There was neither any intention on my part to bypass professional courtesy nor any deliberate disregard of the procedural requirements governing the profession. I acted honestly, diligently, and with a genuine belief that my conduct was in conformity with the accepted professional practice prevailing at the relevant time.
   Although I do not possess documentary evidence of dispatch, the absence of such evidence should not, by itself, give rise to an inference of mala fide intention or deliberate non-compliance. My actions were guided by good faith and an honest endeavour to comply with the professional requirements applicable to the assignment.
2. **Fee Quotation and Alleged Undercutting**
   I respectfully submit that the professional fee quoted by me was offered in response to an open and competitive tender process restricted to eligible Cost Accountants (CMAs). The quotation was determined after considering the scope of work, prevailing market conditions, available resources, operational efficiency, and commercial viability.
   In the absence of any prescribed minimum fee or benchmark in the tender conditions, members participating in the tender process were free to exercise their independent professional judgment while determining the fee to be quoted. The fee quoted by me was transparent, commercially sustainable, and based upon my independent assessment of the assignment.
   The tender process afforded equal opportunity to all eligible Cost Accountants to participate and submit quotations according to their own professional and commercial assessment. Mere quotation of a competitive fee in a transparent tender process cannot, by itself, be construed as unethical undercutting, particularly when such quotation is reasonable, viable, and capable of ensuring proper discharge of professional services.

The Institute of Cost Accountants of India ★ Board of Discipline

I respectfully submit that there was no solicitation, canvassing, inducement, or unfair practice adopted by me for securing the assignment. My participation in the tender process was guided solely by professional judgment, efficiency, competitiveness, and a commitment to providing quality professional services, and not by any intention to undermine ethical standards or obtain work through improper means.

3. **Good Faith and Professional Integrity**
   I reiterate that all my actions were undertaken in good faith, with complete adherence to professional integrity and ethical standards. At no point was there any mala fide intention, deliberate non-compliance, or conscious disregard for the provisions governing the profession.
   Every step taken by me, including communication with the previous auditor and submission of the fee quotation, was carried out with an honest belief that it was in conformity with the applicable professional requirements and the principles of transparency, fairness, and healthy professional competition.

Prayer

In view of the facts and submissions made hereinabove, I most respectfully pray that the Hon'ble Authority may kindly:

a) Appreciate that communication with the previous auditor was initiated in good faith and in the bona fide belief that the applicable professional requirement had been complied with;
b) Recognize that the professional fee quoted by me was submitted through a transparent and competitive tender process open to all eligible Cost Accountants and was based upon my independent professional judgment;
c) Hold that there was no unethical undercutting, solicitation, canvassing, procedural violation, or professional misconduct on my part;
d) Dismiss the allegations made against me, as my actions were bona fide, transparent, and in accordance with accepted professional standards; and
e) Without prejudice to the above submissions, and considering that this is the first occasion on which any such allegation has been raised against me, I respectfully pray that any perceived procedural deficiency, if found, may kindly be viewed leniently and treated as an inadvertent and technical lapse, taking into account my bona fide conduct, unblemished professional record, and the absence of any mala fide intention, dishonest motive, or unfair advantage.

I therefore humbly request that the proceedings be decided in my favour.

Thanking You.

Yours faithfully,

CMA Alpeshkumar Desai
Membership No. 39541
Date: 01/07/2026
Place: Ahmedabad

Unquote

12. **Proceedings as per Rule 14(6) of The Rule, 2007**

a) Notice dated 28th June, 2026 was issued to both the Complainant and the Respondent under Rule 14(6) of the aforesaid Rules, requiring their appearance for making oral submissions before the Hon'ble Board of Discipline on Tuesday, 3rd July, 2026 at 12:45 PM.

The Institute of Cost Accountants of India Board of Discipline

b) On the scheduled date and time of hearing, both the Complainant and the Respondent appeared before the Board through virtual mode. During the course of hearing, the Respondent reiterated the submissions made in his written statement dated 1st July, 2026 and, inter alia, submitted that he had communicated with the previous auditor through ordinary post prior to accepting the audit assignment. He candidly admitted that he had accepted the audit assignment for remuneration lower than that charged by the previous auditor, stating that it was his first Cost Audit assignment and that he was unaware of the relevant professional requirements governing the matter. The Respondent further submitted that there was no deliberate intention on his part to violate any provision of the Act, the Rules, or the applicable professional standards. He also stated that he had made several attempts to communicate with the Complainant on various occasions, but the same could not materialise. In view of these facts, the Respondent requested the Board to take a lenient and sympathetic view, considering that the present assignment was his first Cost Audit.

c) The Complainant, on the other hand, submitted that the Respondent's inexperience or the fact that it was his first audit assignment could not constitute a valid defence for non-compliance with the statutory and professional requirements. The Complainant further urged the Board to impose an appropriate penalty so as to convey a clear message to the profession that violations of the Act, the Rules, and the Code of Professional Conduct would not be tolerated.

13. **Findings of the Board of Discipline under Rule 14(9) of The Rule, 2007**

a) The Board has carefully considered the complaint, the written statement submitted by the Respondent, the rejoinder filed by the Complainant, the material available on record, the Prima Facie Opinion formed by the Director (Discipline), the oral submissions advanced by both parties during the hearing, and the applicable provisions of the Cost Accountants Act, 1959, the Rules framed there under, and the Notifications issued by the Institute governing acceptance of Cost Audit assignments.

b) The first allegation against the Respondent relates to failure to communicate with the previous Cost Auditor before accepting the Cost Audit assignment for the Financial Year 2023–24. The Respondent has admitted that the communication, if any, was sent

The Institute of Cost Accountants of India
Board of Discipline

only through ordinary post and has further admitted that no documentary proof such as postal receipt, tracking record or acknowledgement is available to establish service of such communication. The applicable Notification No. G/128/10/2022(3) dated 25th October, 2022, read with Notification No. G/128/05/2023 dated 26th May, 2023, unequivocally requires that such communication shall be made through Registered Post, Speed Post or any other verifiable mode capable of establishing proof of delivery. The requirement is mandatory in nature and is intended to uphold professional courtesy and ethical standards amongst members of the profession.

c) The Board is of the considered view that mere assertion of having dispatched a communication through ordinary post, without any reliable proof of dispatch or delivery, cannot be regarded as compliance with the mandatory requirements prescribed by the Institute. The Respondent has thus failed to establish that he had duly communicated with the previous Cost Auditor before accepting the professional assignment.

d) The second allegation relates to undercutting of professional fees. The material available on record, including Form CRA-2 filed with the Ministry of Corporate Affairs, establishes that the previous Cost Auditor was remunerated at Rs.70,000/-, whereas the Respondent accepted the assignment for Rs.52,000/- plus applicable taxes and reimbursement of out-of-pocket expenses. The Respondent's plea that the quotation was submitted pursuant to an open competitive tender in which no minimum fee was prescribed is misconceived and legally untenable. In the absence of disclosure of the previous auditor's remuneration or prescription of a minimum fee in the tender document, the Respondent ought to have sought clarification from the tendering authority before submitting his bid. Failing such clarification, the proper professional course was to refrain from participating in the tender process

e) The Board further notes that the Institute, vide Gazette Notification No. CWA/1/2017 dated 19th April, 2017, has expressly provided that a member in practice shall not respond to any tender relating to audit or attestation services exclusively reserved for Cost Accountants, unless the tender itself prescribes the minimum professional fee or the assignment is open to other professionals. The Respondent, having admittedly

Institute of Cost Accountants of India
Board of Discipline

participated in a tender that did not prescribe any minimum fee, acted in contravention of the aforesaid Notification.

f) During the course of hearing, the Respondent admitted that he had accepted the assignment at a fee lower than that charged by the previous auditor and sought to justify the same on the ground that it was his first Cost Audit assignment and that he was unaware of the applicable professional requirements. The Board is unable to accept this explanation. It is a settled principle that ignorance of law, the Code of Ethics, or the binding Notifications of the Institute does not constitute a valid defence in disciplinary proceedings. Every member is under a continuing obligation to acquaint himself with the statutory and professional requirements governing acceptance of assignments

g) The Board further observes that the Notifications issued by the Institute prohibit acceptance of audit assignments at professional fees lower than those charged by the previous auditor and require the member to furnish an appropriate declaration to that effect. The Respondent has failed to produce any material demonstrating compliance with the said requirement. Acceptance of audit assignment at a professional fees of Rs.52,000/-, substantially lower than the previous auditor's fees of Rs. 70,000/- clearly amounts to undercutting of fees in contravention of binding Notification issued by the Institute.

h) Having regard to the entire material available on record, the Board is satisfied that the Respondent accepted the Cost Audit assignment without first communicating with the previous Cost Auditor in the prescribed manner, participated in a tender process contrary to Gazette Notification No. CWA/1/2017 dated 19th April, 2017, and accepted the assignment at professional fees lower than those charged by the predecessor, in violation of the binding Notifications issued by the Institute.

14. In view of above findings, the Board holds that the Respondent is guilty of Professional Misconduct within the meaning of Clause (8) of Part I of the First Schedule to the Cost Accountants Act, 1959, for accepting a position as Cost Accountant previously held by another Cost Accountant in practice without first communicating with him in writing in the prescribed manner. The Board further observes that the Respondent's conduct in

accepting the assignment at a fee lower than that of the previous auditor is in violation of the binding Notifications No. G/128/10/2022(3) dated 25th October, 2022, read with Notification No. G/128/05/2023 dated 26th May, 2023 issued by the Institute.

CMA (Dr.) Ashish Thatte
(Member)

Shri P.K. Pujari, IAS (Retd)
(Presiding Officer)

Place: New Delhi
Date: 10th July, 2026

The Institute of Cost Accountants of India
Board of Discipline