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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **W.P.(C) 901/2024 and CM APPL. 3756/2024**

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA & ORS. .....Petitioners

Through: Mr. Robin Ratnakar David, Mr. Febin Mathew Varghese, Mr. Nihar Baijal, Advocates.

versus

VIKAS GUPTA .....Respondent

Through: Mr. Anupam Srivastava, Sr. Advocate, Amicus Curaie.

CORAM:
HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

O R D E R

% **20.01.2026**

1. The present writ petition assails the order dated 05.12.2022 passed by the Appellate Authority in Appeal No. 29/1CA1/2021, constituted under the Chartered Accountants Act, 1949, *(hereinafter referred to as "the Act*") read with the Cost and Works Accountants Act, 1959 and the Company Secretaries Act, 1980.

2. The disputes emanate from a review conducted by the Financial Reporting Review Board (FRRB) of the Institute of Chartered Accountants of India, i.e., Petitioner no.3 herein, pursuant to which certain alleged non-compliances in the general-purpose financial statements of Rimjhim Ispat Ltd. for the financial year ending 31.03.2009 were noticed. The said observations were treated as information under Rule 7 of the Chartered

Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 (*hereinafter referred to as "the Rules"*) and disciplinary proceedings were initiated against respondent No.1, the concerned Chartered Accountant. Thereafter, an opinion dated 13.06.2017 was rendered by the Director (Discipline) holding respondent No.1 guilty of professional misconduct under the Second Schedule to the Act. After due inquiry and hearing, the Disciplinary Committee, by order dated 10.02.2020, recorded a finding of guilt against respondent No.1. Thereafter, following a hearing on quantum of punishment under Section 21B of the Act, the Disciplinary Committee imposed the penalty of removal of the respondent's name from the Register of Members for one year along with a fine of ₹1,00,000/-.

3. Aggrieved, respondent No.1 preferred an appeal under Section 22G of the Act before the Appellate Authority. By the impugned order dated 05.12.2022, the Appellate Authority set aside the punishment order solely on the ground that it was undated and remanded the matter to the Disciplinary Committee for passing a fresh order on punishment. In addition, the Appellate Authority, in exercise of powers under Section 22G(2)(d) of the Act issued general directions mandating that whenever final orders are reserved, the Disciplinary Committee/Board of Discipline shall fix a specific date for pronouncement, pronounce the order after due intimation to parties/counsel, and forthwith communicate a copy thereof.

4. Petitioner No.1, namely the Institute of Chartered Accountants of India, claims to be aggrieved by the aforenoted directions issued in paragraph 18 of the impugned order.

5. Learned counsel appearing for the petitioners has contended that the

Disciplinary Committee strictly follows the procedure prescribed under the Rules. It is submitted that the Rules do not contemplate or mandate the fixing of a date for the pronouncement of the final order.

6. It is further the case of the petitioners that under the Rules, a Chartered Accountant is afforded an opportunity of hearing at two distinct stages, namely, at the stage of determination of guilt and thereafter at the stage of hearing on the quantum of punishment. It is submitted that the final orders passed by the Disciplinary Committee are to be duly communicated to the concerned Chartered Accountant by the Disciplinary Directorate. According to the petitioners, the absence of a fixed date for pronouncement of the order does not amount to a violation of the principles of natural justice, and consequently, the directions issued by the Appellate Authority travel beyond the scope of the governing Act and the Rules.

7. Since no one appeared on behalf of the respondent, this Court, by order dated 24.04.2024, requested Mr. Anupam Srivastava, learned Senior Counsel, to assist the Court as *amicus curiae*.

8. Mr. Srivastava, learned *amicus* has placed on record the relevant provisions of various different statues like the Rules, and National Medical Commission Registered Medical Practitioner (Professional Conduct) Regulations, 2023, Bar Council of India Rules, 1975, Council of Architecture Rules, 1973, Press Council (Procedure for inquiry regulations), 1979, The Company Secretaries (Procedure of Investigations of Professonal and other misconduct and conduct of cases) Rules, 2007, National Company Law Appellate Tribunal Rules, 2016 and The Army Rules, 1954.

9. In light of aforenoted, Mr. Srivastava, learned *amicus*, submitted that the observations and directions contained in paragraph 18 of the impugned

order, which are under challenge, are in strict conformity with the principles of natural justice and, therefore, merit compliance.

10. I have heard learned counsel for the petitioner and learned *amicus* and have perused the record.

11. For the sake of clarity, paragraph no.18 of the impugned order is extracted as under:-

> *"18. Before parting with this case, keeping in view of the powers conferred upon this Appellate Authority under Section 22G (2) (d) of the Act, we may hasten to put on record that we have come across number of cases wherein the orders of the Disciplinary Committee/Board of Discipline had been kept undated. We, therefore, in the interest of justice and to ensure fairness and transparency and promote qualitative improvement in the functioning of the Disciplinary Committee/Board of Discipline, direct that whenever the final orders are reserved by the Disciplinary Committee/ Board of Discipline, it would fix a particular date for delivery of the final order and pronounce the same in the presence of the parties/counsel of the parties after giving them due intimation and also send the copy of the order to them forthwith in accordance with law. This requirement is in consonance with the intendment of Rule 18 of the Rules, which is required to be followed in letter and spirit. For ready reference, relevant portion of Rule 18 of the Rules is extracted hereunder:*
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> *"18. Procedure to be followed by the Committee*
>
> *(1) The Committee shall be guided by the principles of natural justice and shall follow the procedure in dealing with all cases before it, as laid down in this Chapter............ "*
>
> *The Hon'ble Delhi High Court in the matter of Naresh Tharad vs. ICAI, W.P.(C) 4284/2012 has, while dealing with Rule 18 of the Rules, observed as hereunder:*
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> *"13. A plain reading of Rule 18(1) of the Rules indicates that the Disciplinary Committee is to be guided by the principles of natural justice. 15 A bare perusal of Rule 18 of the Rules also indicates that the framers of the rules were conscious of the implications of the disciplinary proceedings and have thus specified detailed procedure to ensure that disciplinary proceedings are fair and transparent........."*

12. Upon a careful consideration of the impugned order herein, it is evident that the Appellate Authority issued the directions with the avowed object of ensuring fairness, transparency and adherence to the doctrine of natural justice, which are embedded in the very construction of the Rules. Rule 18 of the Rules, at the very inception, clarifies that the procedure to be followed by the Disciplinary Committee is to be guided by the sacrosanct principle of natural justice.

13. It is seen that the direction of fixing a date for pronouncement of the final order neither alters the substantive procedure prescribed under the Act and the Rules nor imposes any undue administrative burden. On the contrary, such a requirement serves to instil certainty in the adjudicatory process. Once a date for pronouncement is fixed, the same can be communicated to the parties or their respective counsel through established modes, thereby ensuring procedural clarity and adherence to the very spirit of Rule 18. The presence of the parties or their counsel on the date of pronouncement, though not mandatory, affords them an opportunity to be contemporaneously apprised of the outcome of the proceedings. The aforesaid exercise may help the parties to explore the remedies available under law, including the right to prefer an appeal or seek appropriate relief, and obviates unnecessary delay or ambiguity regarding the operative decision.

14. The further direction mandating that a copy of the final order be furnished to the concerned party also does not run contrary to any statutory provision under the Act or the Rules. In any event, the communication of the final order indicates the concerned authorities' commitment to ensure adherence to natural justice in disciplinary proceedings and is implicit in the

scheme of the Rules.

15. With regard to the direction requiring the fixing of a date for pronouncement upon completion of the inquiry, this Court is conscious that there may be situations where it is not feasible to announce such a date in advance. In such eventualities, the date of pronouncement can be notified once the order is ready to be pronounced. By doing so, and by timely communicating the order with due intimation to all concerned parties, the ends of justice would be sufficiently met.

16. The Appellate Authority has also correctly placed reliance on the decision of this Court in ***Naresh Tharad v. Institute of Chartered Accountants of India***,[1] wherein it was underscored that Rule 18 of the Rules embodies the principles of natural justice and prescribes a comprehensive procedural framework governing disciplinary proceedings.

17. The Appellate Authorities' insistence on adherence to principles of natural justice and transparency in the process of pronouncement of orders is consistent with the letter and spirit of the Rules.

18. In view of the aforesaid, it is seen that the impugned order does not suffer from any perversity. With the aforesaid observations, the instant petition stands disposed of.

19. The Court placed on record the appreciation of Mr Anupam Srivastava, learned senior counsel, in assisting the Court.

PURUSHAINDRA KUMAR KAURAV, J

JANUARY 20, 2026
Nc/mj

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[1] 2015:DHC:563