



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

[PPR/P/111/17-DD/95/TAMC/INF/17/DC/1224/2019]

ORDER UNDER SECTION 21B(3) OF THE CHARTERED ACCOUNTANTS ACT 1949 READ WITH
RULE 19(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATION OF
PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007.

Ref No.: [PPR/P/111/17/DD/95/TAMC/INF/17]—DC/1224/2019

CA. V. RAGHAVENDRAN (M.No.009063)

...Respondent

C/O Raghavendran,
Chentan Nagar, Kumpala Bye Pass,
Kotekar Post,
MANGALURU-575 022
KARNATAKA

Members present:

CA. Nihar N Jambusaria, Presiding Officer
Smt. Anita Kapur, Member (Govt. Nominee)
Shri Ajay Mittal, Member (Govt. Nominee)
CA. Chandrashekhar Vasant Chitale, Member
CA. P.K.Boob, Member

Date of Final Hearing: 17th December, 2021

Place of Final Hearing: New Delhi

1. Vide report dated 3rd February 2021 (copy enclosed), the Disciplinary Committee was of the opinion that CA. V. Raghavendran (M.No.009063), was **GUILTY** of Professional Misconduct falling within the meaning of Clause (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949 with respect to allegation relating to conducting Tax Audit u/s 44AB of the Income Tax Act, 1961 beyond the limit prescribed by the Institute during the Financial Year 2010-11 as well as 2011-12 as given hereunder in column (2). After conducting the enquiry into the matter, the Committee held the Respondent guilty of conducting excess tax audits as given hereunder in column (3):

Audits conducted during the Financial Year	No. of Audits alleged to be conducted (2)	Excess No. of Audits (3)
2010-11	331	286
2011-12	367	322

It was noted that Clause (1) of Part II of Second Schedule states as under:-

"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 regulation made thereunder or any guidelines issued by the Council"

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2. An action under Section 21B (3) of the Chartered Accountants Act, 1949 was contemplated against the Respondent and communication dated 28th May 2021 was addressed to him thereby granting him an opportunity of being heard in person and/or to make a written representation before the Committee on 14th June 2021.

3. At the time of hearing on 14th June 2021, the Committee noted that the Respondent did not appear before it, however, vide his letters dated 8th March 2021 and 7th June 2021 expressed his inability to attend hearing due to old age and regular daily monsoon at his place. However, he requested the Committee to conclude the matter after considering his submissions made earlier. The Committee thereafter, at its meeting held on December 17, 2021, noted receipt of the Order of the Hon'ble High Court of Karnataka at Bangalore in case ref. no. ND-1246 W.P No. 9902/2021 dated 16th July 2021 which was received vide e-mail dated 5th August 2021, from the Legal Department of ICAI which, inter-alia, state as under:-

".....In that view of the matter, this Court is of the opinion that the writ petition could be disposed off by permitting the petitioner to submit one more clarification or explanation to respondent No.2. If the petitioner submits clarification or explanation within 15 days from the date of receipt of certified copy of this order then, respondent Nos. 1 and 2 shall take a decision thereafter. In the event, no reply or explanation is submitted by the petitioner within stipulated time, respondent Nos.1 and 2 are at liberty to proceed with the matter in accordance with law Writ petition stands Ordered accordingly."

It was noted that the Committee had awarded punishment in the matter, at its 352nd meeting held on 14th June 2021, which was not served to the Respondent. Accordingly, in view of the said Order of the Honorable High Court, the Committee withdrew its earlier Order and considered the written submissions of the Respondent dated 5th August, 2021.

4. The Committee, thereafter, took on record the submissions made by the Respondent in the matter as ordered by the High Court, which were received on 12th August 2021 by the Committee. In the said submissions, he had inter-alia reiterated the earlier submissions while stating that there was no mention of any evidence whether documentary or oral information by virtue of which he was found to be guilty. He pleaded under Rule 12 of CA Rules stating that



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no regulations or guidelines as amended from time to time prescribed a minimum period for which a member was required to maintain the records of audit and he had, thus, not maintained records of audit which were conducted by him for more than a period of 3 years. Further, he submitted that the Council Guidelines No. I-CA(7)/02/2008 dated 08.08.2008, under which he had been held guilty was then subject to constitutional validity before Supreme Court of India as well as various writs have been filed before High Courts across the Country.

5. The Committee considered written submissions made by the Respondent alongwith documents/information as available on record and noted that the Council General Guidelines, No.1-CA(7)/02/2008, dated 8th August,2008 under Chapter VI "Tax Audit assignments under Section 44AB of the Income-tax Act, 1961 ", provide that a member of the Institute in practice shall not accept, in a financial year, more than the "the specified number of tax audit assignments" under Section 44AB of the Income-tax Act 1961. Further, in Explanation given in Para 6.1, in sub-para(a) & (b) states that :

"the specified number of tax audit assignments" means –

(a) in the case of a Chartered Accountant in practice or a proprietary firm of Chartered Accountants, 45 tax audit assignments , in a financial year, whether in case of corporate or non-corporate assesses and

(b) in the case of firm of Chartered Accountants in practice, 45 tax audit assignments per partner in the firm, in a financial year, whether in respect of corporate or non-corporate assesses."

5.1 The Committee further noted that the tax audit assignment under Section 44AB of the Income-Tax Act 1961 is a time-bound assignment unlike other professional fields, and the work of audit requires precision. The certificate of audit issued by a Chartered Accountant under Section 44AB of Income Tax Act 1961 has statutory force for the purpose of Income Tax whereas a Chartered Accountant in practice is free to accept audits under Sections 44AD and 44AE of the Income-tax Act, 1961 without any limit. Thus, considering all these relevant factors, the Committee viewed that it cannot be said that ceiling of tax audit limit is in any way unreasonable or discriminatory. Accordingly, there is no basis for the contention that there is violation of Article 14 or Article 19(1)(g) of the Constitution of India.

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5.2 The Committee further noted that the Guidelines do not in any way affect the rights of the Chartered Accountant under the Constitution of India being only a reasonable restriction as in the process of regulating and maintaining the status of Chartered Accountant, the measures taken to put a cap on tax audit assignments are intended to maintain and improve the quality of work and cannot in any way be stated to be an unreasonable restriction. The Committee also noted the observations of the Supreme Court in Jyoti Prasad's case stating as follows:

"Where the legislatures fulfil its purpose and enacts laws, which in its wisdom, to considered necessary for the solution of what after all is a very human problem the tests of "reasonableness" have to be viewed in the context of the issues which faced the legislature. In the constitution of such laws and particularly in judging of their validity the Courts have necessarily to approach it from the point of view of furthering the social interest which it is the purpose of the legislation to promote, for the Courts, are not in these matters, functioning as it were in vacuum, but as parts of a society which is trying by enacted law to solve its problems and achieve a social concord and peaceful adjustment and thus furthering the moral and material progress of the community as a whole."

5.3 The Committee, accordingly, after consideration of all relevant facts and material on record as also the nature of tax audits, had found such a ceiling to be necessary in the larger interest of the profession and the guidelines on the tax audit assignment under Section 44AB of the Income Tax Act, 1961.

5.4 It is also noted that the extant matter pertains to the period 2010-11 and 2011-12 for which the communication was initiated as early as August 2014, still the Respondent had failed to submit any details of the audits so conducted. It was noted that as per the Guidelines of the Council it was mandatory on the part of the Respondent to keep the records in a format Prescribed in Appendix VI of the Guidelines Note on Tax Audit in Income Tax Act 1961

6. The Committee thus viewed that the misconduct on the part of the Respondent has been held and established within the meaning of Clause (1) of Part II of Second Schedule and keeping in view the facts and circumstances of the case as well as his old age ordered that a fine of Rs 5,00,000/- (Rupees Five Lakhs Only) be levied upon him for conducting audits in excess of the number stipulated in the Guidelines that shall be paid within a period of 3 (three)

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months from the date of receipt of this Order and in case he fails to pay the same as stipulated, the name of the Respondent, CA. V. Raghavendran (M.No.009063), be removed for a period of 1(one) month from the Register of members on the lines of Section 64 of the Indian Penal Code.

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Sd/-

[CA. Nihar N Jambusaria]
Presiding Officer

Sd/-

[Smt. Anita Kapur]
Member (Govt. Nominee)

Sd/-

[Shri Ajay Mittal]
Member (Govt. Nominee)
[Approved and confirmed through e-mail]

Sd/-

[CA. Chandrashekhar Vasant Chitale]
Member

Sd/-

[CA. P.K. Boob]
Member

Place: New Delhi

Date: 17th December, 2021

प्रमाणित सत्य प्रतिलिपि / Certified true copy
सीए. मोहिता खन्ना / CA. Mohita Khanna
सहायक सचिव / Assistant Secretary
अनुशासनात्मक निदेशालय / Disciplinary Directorate
इंस्टिट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया
The Institute of Chartered Accountants of India
आईसीएआई भवन, विश्वास नगर, शाहदरा, दिल्ली-110032
ICAI Bhawan, Vishwas Nagar, Shahdara, Delhi-110032

Ans

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – III (2020-21)]
[Constituted under Section 21B of the Chartered Accountants Act, 1949]

Findings under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007

File No. : [PPR/P/111/17/DD/95/TAMC/INF/17]-DC/1224/2019]

In the matter of:

CA. V. Raghvendran (M.No.009063)
 C/O RAGHAVENDRAN,
 CHENTAN NAGAR, KUMPALA BYE PASS,
 KOTEKAR POST,
 MANGALURU-575 022

-----Respondent

MEMBERS PRESENT:

CA. Atul Kumar Gupta, Presiding Officer
 Smt. Anita Kapur, Member (Govt. Nominee)
 Shri Ajay Mittal, Member (Govt. Nominee)
 CA. Manu Agrawal, Member

Date of Final Hearing: 23rd January, 2021 through Video Conferencing
Place of Final Hearing: New Delhi (Through Video Conferencing)

PARTIES PRESENT:

1. CA. V. Raghvendran: Respondent
 (appeared from his personal location at Mangaluru)

Charges in Brief :

1. The allegation against the Respondent is that he had conducted Tax Audit u/s 44AB of the Income Tax Act, 1961 beyond the limit prescribed by the Institute. It is further observed that as per letters no. Tax Audit/2014-15/40 of 14th August, 2014(sic) along with the reminder letters dated 23rd January, 2015 (A-3 to A-4) and 1st June, 2015 (A-5) issued by Tax Audit Monitoring Cell, the tax audits done by the Respondent during the financial years 2010-2011 and 2011-12 are as under :

Audits Conducted during the Financial Year	No. of Audits
2010-11	331

CA. V. Raghvendran (M.No.009063) in Re:

2011-12

367

2. The Committee noted that as per the Prima-Facie Opinion formed by Director (Discipline) in terms of Rule 9 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Respondent is guilty under Clause (1) of Part II of the Second Schedule to the Chartered Accountant Act 1949. The aforesaid Clause (1) of Part-II of the Second Schedule states as under:-

"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"

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Brief facts of the Proceedings:

3. At the time of hearing on 23rd January 2021, Committee noted that the Respondent appeared from his personal location. He, thereafter, gave a declaration that there was nobody present except him in the room from where he was appearing before the Committee and that he would neither record nor store the proceedings of the Committee in any form. Being first hearing, the Respondent was put on oath. Thereafter, the Committee asked the Respondent whether he wished the charges to be read out or it could be taken as read. The Respondent stated that he was aware of the charges made against him and the same might be taken as read. On being asked, as to whether the Respondent pleaded guilty, the Respondent pleaded not guilty and thereafter the Respondent made his submissions in the matter.

Based on the documents and information available on record and after considering the oral and written submissions made by the Respondent, the Committee concluded hearing in the matter.

Submissions made by the Respondent:

3A. The Committee noted the submissions made by the Respondent that he conducted more than 300 conducted in both years 2010-2011 and 2011-2012 .On being enquired by the Committee whether any tax audit conducted under 44AD/44AE of Income Tax Act 1961, he replied the matter is more than three years old he has no records

CA. V. Raghvendran (M.No.009063)in Re:

available with him. Further he placed his reliance on the judgement of the Honorable Madras High Court in the case of **K. Bhagavatheeswaran vs. ICAI (1999) 237 ITR 208 (Mad)**.

He, further, submitted that considering the fact that a number of writ petitions are pending before various High Courts against the Council Guidelines which has been transferred to Honourable Supreme Court, his matter be kept in abeyance till the writ petitions are disposed by the Honourable Supreme Court.

The Committee noted that there was neither a writ petition nor a stay from any court in the case of the Respondent. Therefore, it was decided to proceed with the matter on merit.

Findings of the Committee:

4. Before taking decision in the matter, the Committee noted the following background about the facts which are given here-in-below:

- 4.1 Section 44AB of the Income-tax Act, 1961 came into force w.e.f. 01.04.1985. The Government of India, Ministry of Finance, Department of Revenue (CBDT), New Delhi, examined the tax audit reports submitted by Chartered Accountants in a large number of cases, pursuant to introduction of Section 44AB, in the next two years or so. It was noticed by the Government that some of the auditors were completing around fifty (50) audits in a month, which resulted in deterioration of the quality of audit. It was therefore suggested to the Government by the Tax Authorities in the field, that the Government may fix the maximum number of audits, which an auditor may be allowed to undertake under the provisions of Section 44AB of the Income-tax Act, 1961, on the same lines, as Section 224 of the Companies Act, 1956, whereby the number of company audits which a Chartered Accountant could do had been restricted to twenty (20).
- 4.2 In light of the aforesaid facts, the Government of India, Ministry of Finance, Department of Revenue (CBDT), New Delhi wrote a letter dated 19th January 1988 to the then Secretary of the Institute, seeking his comments, regarding the suggestion of restricting the number of tax audits which a Chartered Accountant might be permitted to complete in a year, under section 44AB of the Income Tax Act, 1961.
- 4.3 The aforesaid letter dated 19th January, 1988 was considered firstly by the Professional Development Committee (PDC) of the Institute, and thereafter by the Council of the Institute, in its 133rd meeting held on 28th/30th April, 1988. After detailed deliberations, the then Council of the Institute in its said meeting decided to put a ceiling of thirty (30) tax audit assignments w.e.f. 1st April, 1989.

- 4.4 Pursuant to the above, and in exercise of the powers conferred by Clause (ii) of Part II of the Second Schedule to the Act (as it then stood), the Council of the Institute issued a notification bearing No. 1-CA(7)/3/88 dated 13th January, 1989 specifying that a member of the institute in practice shall be deemed to be guilty of professional misconduct, if he accepted in a financial year, more than specified number of tax audit assignments under Section 44AB of the Income-tax Act, 1961. The then specified number being 30 in a financial year, whether in respect of corporate or non-corporate assesses. Subsequent to the above, the matter was considered number of times by Council with regard to revision of ceiling on the number of tax audits and the same was increased from 30 to 45 in the year 2007, which has been further increased to 60 in the year 2014 by the Council of the Institute. Considering that the turnover of the limit of tax audit has been increased from Rs. 40 Lakhs to Rs. 1 Crore in recent years, the Council decided, that no change is require in the existing tax audit limit prescribed by the ICAI by way of Guidelines.
- 4.5 It may be noted that Section 15 of the Act enumerates the functions to be performed by the Council apart from the general functions to carry out the objects of the Act. Under Section 15(2)(j), it is one of the functions of the Council "to regulate and maintain the status and standard of professional qualifications of members of the institute". Accordingly, each of these Notifications had been issued by the Council of the Institute after considering the report of the PDC; and the whole object thereof was to ensure efficiency, improve the quality of service, ensure maintenance of high standards of performance in the field of tax audit assignments, ensure timely completion of audits and filing of tax returns by the assesses, for better and equitable distribution of work amongst Chartered Accountants, as also to avoid monopolization of professional work in a few hands. In other words, there was a definite public purpose involving the very object of preventing evasion of taxes, plugging loopholes, enabling tax avoidance, and also facilitate tax administration to ensure that the economic system does not result in concentration of wealth to the common detriment, with which the Parliament enacted section 44AB of the Income-tax Act, 1961, as already discussed hereinabove; as also for better and equitable distribution of work amongst Chartered Accountants, which object was also noticed and recorded by the Wanchoo Committee, while recommending compulsory audit of accounts, as early as December, 1971 (emphasis provided).
- 4.6 The Chartered Accountants Act, 1949 was amended by the Parliament by the Chartered Accountants (Amendment) Act, 2006, which came into force on 17th November, 2006. After, the amendments in the Chartered Accountants Act, 1949 in 2006, the notifications were superseded by the guidelines.
- 4.7 After the Amendment Act of 2006, the erstwhile Notifications were superseded by Guidelines bearing No.1-CA (7)/02/2008 dated 8th August, 2008.

- Para 1.2 of the said Guidelines, 'Applicability of the Guidelines', states that it shall be applicable to all the Members of the Institute, whether in practice or not, wherever the context so requires.
- Chapter VI of the said Guidelines deal with "Tax Audit Assignments under section 44AB of Income Tax Act, 1961". It is submitted that the said Chapter VI of the Guidelines is the subject matter of various Writ Petitions filed before different High Courts and it is for transfer of these Writ Petitions from various High Courts to the Supreme Court of India.
- It may also be noted that Chapter VIII of the said Guidelines supersedes the said earlier Notification dated 08.05.2001; and Chapter IX supersedes the said earlier Notification dated 8th March, 2002.

4.8 It is pertinent to note that the said restriction confines only to the audit assignments under Section 44AB of the Income Tax Act, 1961. There is no restriction as far as the other audit works. Further, Tax audit assignment is a time-bound assignment in the case of those coming under Section 44AB of the Income-tax Act and unlike other professional fields, the work of audit requires precision. The certificate of audit issued by a Chartered Accountant has statutory force for the purpose of Income Tax whereas a Chartered Accountant in practice is free to accept audits under Sections 44AD, and 44AE of the Income-tax Act, 1961 without any limit. Taking note of all these relevant factors, it cannot be said that ceiling of tax audit limit is in any way unreasonable or discriminatory. Therefore, there is no basis for the contention that there is violation of Article 14 or Article 19(1)(g) of the Constitution of India.

4.9 Such restriction on audit assignment is similar to that as imposed under Section sub-section (1B) of section 224 of the Companies Act, 1956 read with Explanations 1 & 2 there under or that imposed under Section 141(3)(g) of the Companies Act, 2013 wherein a Chartered Accountant is not permitted to audit more than 20 companies in a financial year. The said limit earlier excluded private limited companies. However, later Act excludes one person companies, dormant companies, small companies and private companies having paid-up share capital less than Rs. 100 crores.

4.10 In view of above, the Council, which is duty-bound to regulate the professionals, i.e. the Chartered Accountants, has considered it fit to put such restrictions in the interest of the profession. It is regulatory in nature and such regulation is permissible under the Chartered Accountants Act, 1949. The Guidelines do not in any way affect the rights of the Chartered Accountant under the Constitution of India being only a reasonable restriction.

4.11 In the process of regulating and maintaining the status of chartered accountant, the measures taken to put a cap on tax audit assignments are intended to maintain and improve the quality of work and cannot in any way be stated to be an unreasonable restriction. Such restrictions are necessary for maintaining the status of Chartered Accountants and also for ensuring quality of work by Chartered Accountants.

- 4.12 This Act seeks to regulate the profession and hence the guidelines is made to ensure maintenance of quality and standards in the work done by the Chartered Accountants which is indisputably in furtherance of the statutory duty cast upon the ICAI to regulate the profession of Chartered Accountants.
- 4.13 In view of the above, the Council after consideration of all relevant material and facts as also the nature of tax audits, had found such a ceiling to be necessary in the larger interest of the profession and the guidelines on the tax audit assignment under Section 44A of the Income Tax Act, 1961.
- 4.14 The Committee also noted the similar restrictions are upheld in number of other activities in the interest of society at large. In the case of Virginia Tobacco Growers Association Vs. Respondent: Union of India and Ors. (MANU/AP/0745/2000) there was charges for discrimination under Section 8 of Tobacco Board Act and Article 19 (1) (g) of Constitution of India to check whether Tobacco Board had authority to declare crop holiday for FCV Virginia tobacco in State of Andhra Pradesh and whether it was a reasonable restriction on tobacco trade as under Section 19 (1) (g) by declaring crop holiday to save exploitation wherein it has held by Hon'ble High Court that Board is justified in treating State of Andhra Pradesh as different and distinct area for declaration of crop holiday.
- 4.15 The Committee also noted the observations of the Supreme Court in Jyoti Prasad's case stating as follows:

"Where the legislature fulfil its purpose and enacts laws, which in its wisdom, to considered necessary for the solution of what after all is a very human problem the tests of "reasonableness" have to be viewed in the context of the issues which faced the legislature. In the constitution of such laws and particularly in judging of their validity the Courts have necessarily to approach it from the point of view of furthering the social interest which it is the purpose of the legislation to promote, for the Courts, are not in these matters, functioning as it were in vacuum, but as parts of a society which is trying by enacted law to solve its problems and achieve a social concord and peaceful adjustment and thus furthering the moral and material progress of the community as a whole".

- 4.16 The Committee noted in the case of State of Uttar Pradesh v. Kaushailya MANU/SC/0091/1963 : [1964]4SCR1002 (a decision of 5 Judges Bench), it was held:

"The reasonableness of a restriction depends upon the values of life in a society, the circumstances obtaining at a particular point of time when the restriction is imposed, the degree and the urgency of the evil sought to be controlled and similar others. If in a particular locality the vice of prostitution is endemic degrading those he live by prostitution and demoralizing others who come into contact with them the Legislature may have to impose severe restrictions on the right of the prostitute to

move about and to live in a house of her choice. If the evil is rampant, it may also be necessary to provide for deporting the worst of them from the area of their operation. The magnitude of the evil and the urgency of the reform may require such drastic remedies. It cannot be gainsaid that the vice of prostitution is rampant in various parts of the country. There cannot be two views on the question of its control and regulation. One of the objects of the Act is to control the growing evil of prostitution in public places. Under Section 20 of the Act the freedom of movement and residence are regulated, but, as we have stated earlier, an effective and safe judicial machinery is provided to carry out the objects of the Act. The said restrictions placed upon them are certainly in the interests of the general public and, as the imposition of the restrictions is done through a judicial process on the basis of a clearly disclosed policy, the said restrictions are clearly reasonable”.

5. The Committee noted that though the Respondent has submitted to have conducted only 45 tax audits during the year 2010-11 and 2011-12 but he has failed to submit any details of the audits so conducted. It is noted that as per the Guidelines of the Council it is mandatory to keep the records in a format Prescribed in Appendix VI of the Guidelines Note on Tax Audit in Income Tax Act 1961. Therefore, it is apparent that the Respondent has, in extant case, failed to bring on record any material to substantiate his averment that he had conducted only 45 audits. Hence, it is noted that the Respondent has conducted 331 and 367 Tax Audits during the year 2010-11 and 2011-12 respectively which is apparently in violation of the Council General Guidelines, No.1-CA(7)/02/2008, dated 8th August,2008, wherein under Chapter VI "Tax Audit assignments under Section 44AB of the Income-tax Act, 1961", in Explanation given in Para 6.1, in sub-para(a) & (b) it states that :

“the specified number of tax audit assignments” means –

(a) in the case of a Chartered Accountant in practice or a proprietary firm of Chartered Accountants, 45 tax audit assignments, in a financial year, whether in case of corporate or non-corporate assesses.

(b) in the case of firm of Chartered Accountants in practice, 45 tax audit assignments per partner in the firm, in a financial year, whether in respect of corporate or non-corporate assesses.

6. It may further be noted that vide Announcement dated 11.02.2014, hosted on Institute's website, the said limit was increased to 60 in place of 45 for the Financial year 2014-15 and onwards. However, the same is not applicable in the instant matter as the same pertains to the financial years 2010-2011 and 2011-2012. Further, the Respondent has accepted to have contravened the said Guidelines. It was viewed that being a member of the Institute, the Respondent is expected to adopt highest standard of ethical behavior and professional compliance of the Council General Guidelines. Thus, the Respondent is accordingly, held **GUILTY** of Professional Misconduct.

Conclusion :

7. In view of above noted facts and discussion, in the considered opinion of the Committee, the Respondent is held **GUILTY** in under Clause (1) of Part II of the Second Schedule to the Chartered Accountant Act, 1949.

Sd/-
[CA. Atul Kumar Gupta]
Presiding Officer

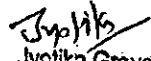
Sd/-
[Smt. Anita Kapur]
Member, (Govt. Nominee)

Sd/-
[Shri Ajay Mittal]
Member, (Govt. Nominee)

Sd/-
[CA. Manu Agrawal]
Member
(approved & confirmed through e-mail)

DATE: 3rd February, 2021

PLACE: New Delhi

Certified to be true copy

Jyotika Grover
Assistant Secretary,
Disciplinary Directorate
The Institute of Chartered Accountants of India,
ICAI Bhawan, Vishwas Nagar, Shahdra, Delhi-110032