



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

[PR/G/289/2017/DD/293/2017/BOD/684/2023]

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:

Shri Arvind Kumar

Additional CIT, Room No.17

Aayakar Bhawan, Paota C.Raod,

Jodhpur.....Complainant

Versus

CA. Kapil Kansal (M.No.540411)

612-A, Vishal Tower

District Centre, Janakpuri,

New Delhi.....Respondent

[PR/G/289/2017/DD/293/2017/BOD/684/2023]

MEMBERS PRESENT (THROUGH VIDEO CONFERENCE):

CA. Rajendra Kumar P, Presiding Officer

Ms. Dolly Chakrabarty (IAAS, ret'd.), Government Nominee

CA. Priti Savla, Member

Date of hearing and passing of Order: 30th December 2025

1. The Board of Discipline vide its findings dated 08th December 2025 was of the view that CA. Kapil Kansal (M. No. 540411) is **GUILTY** of Other Misconduct falling within the meaning of Item (2) of Part-IV of the First Schedule to the Chartered Accountants Act, 1949 read with Section 22 of the said Act.
2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against CA. Kapil Kansal (M. No. 540411) and communication dated 19th December 2025 was addressed to him thereby granting him an opportunity of being heard on 30th December 2025 which was exercised by him by being present through video conferencing. He confirmed receipt of the Board's findings and stated that he had nothing further to submit.
3. Accordingly, after due deliberation and having regard to the nature and gravity of the consequent misconduct, as well as the representation made by the CA. Kapil Kansal (M. No. 540411), the Board hereby resolves to **remove the name of CA. Kapil Kansal (M.No.540411) from the Register of Members for a period of three (3) months.**

Sd/-

CA. Rajendra Kumar P

(Presiding Officer)

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

Sd/-

**Ms. Dolly Chakrabarty (IAAS, ret'd.)
(Government Nominee)**

विश्वनाथ तिवारी / Bishwa Nath Tiwari

कार्यकारी अधिकारी / 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. Priti Savla
(Member)**

Shri Arvind Kumar, Additional CIT, Jodhpur-Vs- CA. Kapil Kansal (M. No. 540411)

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

CORAM: (PRESENT IN PERSON):

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

IN THE MATTER OF:

Shri Arvind Kumar
Additional CIT, Room No.17
Aayakar Bhawan, Paotha C.Raod
JODHPUR.....

Complainant

Versus

CA. Kapil Kansal (M. No. 540411)
612-A, Vishal Tower
District Centre, Janakpuri
NEW DELHI.....

Respondent

Date of Final Hearing : 28th October 2025
Place of Final Hearing : ICAI Bhawan, New Delhi

PARTY PRESENT (IN PERSON):

Respondent : CA. Kapil Kansal

FINDINGS:

BACKGROUND OF THE CASE:

1. The present case arises out of allegations that the Respondent orchestrated a large-scale Income tax refund fraud, causing a loss of approximately Rs.4.83 Crores to the Government exchequer. The fraudulent activities came to light when the Income Tax Department detected an outstanding demand of Rs. 36.65 Lakhs in the name of one Shri Ashish Goyal, who had failed to respond to repeated departmental notices issued during 2015. Upon verification, the addresses furnished in his PAN and TAN applications were found to be fictitious, prompting a field investigation that revealed the operation of a refund fraud scheme based on forged and fabricated documents.
2. Subsequent inquiries uncovered that bogus PANs and TANs had been obtained using falsified credentials, which were then used to open several bank accounts for the purpose

of receiving and transferring fraudulent income tax refunds. One such account, held in IDBI Bank, Rajouri Garden, New Delhi, was found to be linked to the Respondent and had become inoperative since December 2013 with a negative balance. Handwriting analysis of KYC documents, refund cheque deposit slips, and the use of the Respondent's passport-sized photographs established his connection to the fraudulent accounts. Further, the tracing of email communications and IP addresses used for e-filing of income tax returns revealed a direct link between the Respondent and the false refund claims.

3. Investigations further revealed that multiple accounts in the names of individuals such as Ashish Goyal, Vinod Kumar and Kapil Goyal were being controlled and operated by the Respondent. The introducer of one of these accounts, Shri Varun Behal, confirmed before the police that the Respondent was the real operator behind the transactions. It was also found that the refund amounts credited to these fictitious accounts were subsequently transferred to the accounts belonging to the Respondent, his firm, and his family members, thereby establishing a clear financial nexus.
4. The scale of the fraud was significant, involving around 64 fake PANs, many of which were registered at addresses connected to the Respondent. He was found to have close ties with a partnership firm named ATM Consultancy Services, which was also linked to the fraudulent operations. Following the registration of an FIR on 18th November 2015, the Respondent was arrested on 09th February 2016. During the proceedings before the Court of the Chief Metropolitan Magistrate (Central), Delhi, the Respondent agreed to repay Rs. 1.30 Crores to the Income Tax Department in instalments, out of which Rs. 20.35 Lakhs had been deposited by November 2016.
5. In essence, the case reflects a deliberate and systematic attempt to exploit the income tax refund mechanism through the creation of fabricated identities, forged documents, and layered financial transactions. The evidence collected including documentary proof, digital trails, and witness statements establishes the Respondent's central role in masterminding and benefiting from the fraudulent scheme.

CHARGE ALLEGED:

6. The allegation against the Respondent is that he was the key person involved in orchestrating a large-scale income tax refund fraud by obtaining bogus PANs and TANs based on falsified and tampered documents. Using these fabricated credentials, the Respondent is alleged to have fraudulently claimed and received income tax refunds from the Income Tax Department, thereby causing a substantial loss of approximately Rs. 4.83 Crores to the Government exchequer. The fraudulent activity came to light when the Department detected an outstanding demand of Rs. 36,65,880/- in the case of one Shri Ashish Goyal, who failed to comply with multiple notices issued in 2015, leading to the discovery of the Respondent's role in generating and utilizing false identities and documents for the purpose of obtaining wrongful tax refund.

BRIEF OF PROCEEDINGS HELD:

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

S. No.	Date of Hearing	Status of hearing
1.	16 th May 2023	Part heard and adjourned.
2.	29 th June 2023	Adjourned at the request of Complainant department.
3.	28 th March 2024	Adjourned at the request of Respondent.

4.	10 th April 2024	Adjourned at the request of Complainant department.
5.	07 th May 2024	Part heard and adjourned.
6.	30 th May 2024	Part heard and adjourned.
7.	19 th August 2025	Part heard and adjourned.
8.	28 th October 2025	Matter Heard and Concluded.

BRIEF SUBMISSIONS OF THE PARTIES:

8. In his written statement dated 05th May 2023, the Respondent contended that the disciplinary proceedings initiated against him on 13th April 2023 were not legally sustainable, arguing that mere arrest could not justify such action. He stated that both FIR No. 514/2015 (PS Ganganagar) and FIR No. 05/2016 (PS EOW) were false and baseless, and that a petition for quashing FIR No. 514/2015 was pending before the Hon'ble Rajasthan High Court. The Respondent further claimed that any monetary settlement made with the Income Tax Department was carried out by his wife under coercion while he was in custody and thus did not amount to an admission of guilt. He emphasized that the alleged misconduct occurred between June 2013 and June 2015, prior to his enrolment as a member of ICAI on 18th January 2016, and therefore, the matter did not fall within the purview of Rule 2(1)(g) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. He also pointed out that the investigation in FIR No. 05/2016 was still pending without a charge sheet for over seven years, which he described as harassment, and requested that the disciplinary proceedings be kept in abeyance until the criminal cases were decided.
9. The Complainant Department, through letters dated 26th July 2023 and 26th October 2023, reported that FIR No. 514/2015 was filed against one Ashish Goyal for non-deposit of Rs. 36.65 Lakh in TDS, despite refunds having been issued by CPC Bengaluru. Based on this, the Respondent, Kapil Kansal was arrested on 09th February 2016 and later granted bail on 06th July 2016. The investigation by the Assessing Officer and CBI revealed that several bank accounts in the names of Ashish Goyal, Vinod Kumar, and the Respondent were interlinked, with handwriting, photographs, and KYC details linking them to the Respondent. Funds from fraudulent PAN-based refunds were traced to these accounts, and Rs. 1.46 Crore was transferred to M/s Satguru Export and Import, a firm associated with him. It was also found that the fraud extended to Rs. 2.67 Crore, involving several fake PANs, many generated through a franchise of M/s Alankit Assignments Ltd. in Sri Ganganagar. The High Court later transferred the investigation from CBI Jodhpur to the Economic Offences Wing (EOW), Delhi and a criminal case titled State vs. Kapil Kansal (Case No. 1225/2016) remained pending before the ACJM-I, Sri Ganganagar.
10. Further, through its latest letter dated 18th August 2025, the Complainant reiterated that FIR No. 514/2015, registered on 18th November 2015 at PS Kotwali, Sri Ganganagar, led to the arrest of the Respondent on 09th February 2016 and his release on bail on 06th July 2016. The Assessing Officer and CBI confirmed that multiple bank accounts and PANs were fraudulently created and operated by the Respondent, with his handwriting and photographs appearing on several KYC forms. The fraudulent refunds, totalling about Rs. 2.68 Crore were traced to 180 fake PANs, many linked to the Alankit franchise, and the funds were transferred to M/s Satguru Export and Import. The matter continues to be under judicial consideration in *State vs. Kapil Kansal* (Case No. 1225/2016) before the ACJM-I, Sri Ganganagar, with the next hearing scheduled for 04th October 2025. The Department has authorized Income Tax Inspector Shri Vinod Kumar to represent the case before ICAI, and the complete report has been submitted to the Board of Discipline for further proceedings.

OBSERVATIONS OF THE BOARD:

11. At the outset, the Board noted that the matter was heard by the Board of Discipline on 16th May 2023, 07th May 2024, 30th May 2024, 19th August 2025, and 28th October 2025. The Respondent and the representative of the Complainant Department appeared before the Board and were duly heard. The Board further noted that the Complainant Department vide its letter dated 27th October 2025 submitted that they have already provided all the relevant papers available on their record for the hearing dated 28th October 2025 in the matter.
12. The Board observed that the proceedings originate from a complaint filed by the Income Tax Department alleging that the Respondent, CA. Kapil Kansal, was involved in fraudulent Income-tax refund transactions aggregating to Rs. 1.33 Crores and non-deposit of TDS amounting to Rs. 36.65 Lakhs. It was alleged that fictitious bank accounts were opened in the name of one "Ashish Goyal" and that these accounts were used to route fraudulent refunds. According to the Department, the KYC documents of these accounts contained the photograph of the Respondent, and the signatures appearing on the account opening forms and related documents related to the fraudulent transactions. The Respondent denied the allegations and contended that the acts pertained to a period prior to his enrolment as a Chartered Accountant. He further submitted that the signatures on the impugned bank documents were not his, relying heavily on a Forensic report to support this claim.
13. Upon review of the hearing proceedings and documents, the Board noted that the Respondent became a member of the Institute on 18th January 2016. An FIR was registered against him on 23rd January 2016, after his enrolment, and he was arrested on 09th February 2016. The Board also took note of his statement recorded before the Court of the Chief Metropolitan Magistrate (Central), Delhi, on 31st May 2016 in FIR No. 5/2016, wherein he voluntarily stated that he was prepared to pay Rs. 1.30 Crores to the Income Tax Department in seven instalments and had already paid Rs. 20.35 Lakhs by 12th November 2016. With respect to the issue of signatures on the disputed KYC documents, the Board noted that the Respondent submitted a Forensic Science Laboratory report (FSL) obtained from the proceedings before the Tees Hazari Court. The Respondent asserted that the FSL report demonstrated that the questioned signatures on the account opening forms did not match his specimen signatures. However, the Board carefully examined the report and found that the conclusions recorded therein did not affirmatively state that the disputed signatures were not of the Respondent. Instead, the report merely recorded that "it has not been possible to express any definite opinion" regarding the questioned signatures due to the absence of adequate comparable admitted writings of the relevant period. The Board observed that an inconclusive forensic opinion cannot be equated with a finding that the signatures do not belong to the Respondent, nor does it negate the evidentiary value of the documentary materials collected by the Complainant Department, including the photograph of the Respondent appearing on both the HDFC and IDFC account opening forms.
14. The Board further noted that the criminal proceedings against the Respondent are still pending and have not reached any conclusive determination. However, the material available on record including the Respondent's own statement before the criminal court agreeing to repay an amount of Rs. 1.30 Crores, the appearance of his photograph on KYC documents of fictitious accounts and the absence of any categorical forensic opinion exonerating him with respect to the disputed signatures raises serious concerns. These concerns directly affect the integrity and probity expected of a member of the profession.

15. The Board also observed the Respondent's contention that alleged transactions took place prior to his enrolment as a Chartered Accountant cannot absolve him from the implications of his conduct as the Respondent was enrolled as a member on 18th January 2016 and was subsequently arrested on 9th February 2016. A Chartered Accountant is required to maintain the highest standards of ethical conduct and any involvement in, admission to, or association with financial irregularities is incompatible with the dignity and reputation of the profession.
16. Based on a cumulative evaluation of the facts, documents, the signature-related material, and the hearing proceedings, the Board finds that sufficient material exists to hold the Respondent guilty of misconduct. The Board is of the considered view that the Respondent's conduct amounts to "Other Misconduct" within the meaning of Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949, read with Section 22 of the said Act.

CONCLUSION:

16. Thus, in conclusion, in the considered opinion of the Board, the Respondent is held 'Guilty' of Other Misconduct falling within the meaning of Item (2) of Part IV of the First Schedule of the Chartered Accountants Act 1949 read with Section 22 of the said Act.


Sd/-
CA. Rajendra Kumar P
Presiding Officer

Sd/-
Dolly Chakrabarty, IAAS (Retd.)
Government Nominee

Sd/-
CA. Priti Savla
Member

Date:08-12-2025

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy


नीलम पुंडीर / Noolam Pundir
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
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