



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

[PR/G/497/2022/DD/489/2022/BOD/785/2024]

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:

Ms. Padmini Solanki

Deputy Director of Income Tax (Inv.) Unit-1(1)
Office of the Principal Director of Income Tax (Inv.)
Room No. 142, 1st Floor, Aayakar Bhawan, Ashram Road,
Ahmedabad.....

Complainant

Versus

CA. Nilay Anilkant Shah (M. No 149864)

Ranjit Chambers 129, Shanti Sadan Estate, Opp Dinpai Tower
Ahmedabad.....

Respondent

[PR/G/497/2022/DD/489/2022/BOD/785/2024]

MEMBERS PRESENT (THROUGH VIDEO CONFERENCE):

CA. Rajendra Kumar P, Presiding Officer

Ms. Dolly Chakrabarty (IAAS, retd.), 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. Nilay Anilkant Shah (M. No. 149864) 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.
2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against CA. Nilay Anilkant Shah (M. No. 149864) 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 findings of the Board and requested the Board to take a sympathetic view on the case and promised not to repeat it.
3. Thus, upon consideration of the facts of the case where neither any re-assessment was done by the Income Tax Department, nor any action was initiated against the Political Parties involved in the instant matter, along with the consequent misconduct of CA. Nilay Anilkant Shah (M. No. 149864) and keeping in view his representation before it, the Board decided to **REPRIMAND** CA. Nilay Anilkant Shah (M. No. 149864).

Sd/-

CA. Rajendra Kumar P
(**Presiding Officer**)

सत्याग्रह हास्य के लिए समर्पित / Certified to be True Copy

[Signature]

Sd/-

Ms. Dolly Chakrabarty (IAAS, retd.)
(**Government Nominee**)

विष्वनाथ तिवारी / Bishwa Nath Tiwari
एग्जेक्यूटिव ऑफिसर / Executive Officer

अनुग्रासनात्मक निदेशालय / Disciplinary Directorate

भारतीय सनदी लेखाकार संस्थान

The Institute of Chartered Accountants of India
आह. सोए.आह. घरन. सी-१, सेक्टर-१, नोएडा-२०१३०१ (U.P.)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

Sd/-

CA. Priti Savla
(**Member**)

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

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

FILE No: PR/G/497/2022/DD/489/2022/BOD/785/2024

CORAM: (PRESENT IN PERSON)

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

IN THE MATTER OF:

Ms. Padmini Solanki
 Deputy Director of Income Tax (Inv.)
 Unit-1(1), Ahmedabad, Office of the Principal Director of Income Tax (Inv.)
 Room No.142, 1st Floor, Aayakar Bhawan, Ashram Road,
 Ahmedabad.....**Complainant**

Versus

CA. Nilay Anilkant Shah (M. No 149864)
 Ranjit Chambers 129, Shanti Sadan Estate, Opp Dinbai Tower
 Ahmedabad.....**Respondent**

Date of Final Hearing	:	26 th September 2025
Place of Final Hearing	:	ICAI Bhawan, Ahmedabad
Date of Pronouncement of Judgment	:	04 th November 2025

PARTIES PRESENT (IN PERSON):

Representative of Complainant's Department:	Shri Prem Prakash Prasad and Shri Girraj Meena, Inspectors
Respondent	CA. Nilay Anilkant Shah
Counsel for Respondent	CA. Deepak Shah

FINDINGS:

BACKGROUND OF THE CASE:

1. It is the case of the Complainant that a search and seizure operation under the Income tax Act, 1961 (hereinafter referred to as the "Act") was conducted by the Complainant Department in the case of 03 Political Parties and 02 Charitable institutions based out of Ahmedabad, namely, Manvadhi National Party, (MNP), Kisan Adhikar Party (KAP), All

[Signature]

India Social Education Charitable Trust (AISECT) controlled by Shri Tribhawan Ramkarp Ojha and Kisan Party of India (KPI), and Aadhar Foundation (AF) controlled by Shri Saumil Bhadaria, that were involved in widespread and multiple tax evasion practices.

2. Further, the Complainant stated that during the search of their department carried out on 02nd February 2021, 28 Chartered Accountants including Respondent, were found to have solicited clients for bogus donations scam who have categorically, unambiguously and repeatedly admitted their role in the aforementioned bogus donation scam in their statements recorded on oath u/s 132(4) and 131(1A) of the Act.
3. Furthermore, the Respondent colluded with the key persons from the Political party in this elaborate scam to facilitate widespread tax evasion and electoral funding fraud. The Respondent solicited clients/donors looking to reduce their taxable income by claiming fraudulent deductions as per the Income Tax Act. After soliciting the clients these commission agents (professionals including Respondent) provided bank account details of the political party to the client, who in turn transferred the donation amount to the said bank account and provided the details such as Name of donor, PAN, address, Bank A/c details, RTGS/NEFT/UTR no. etc. on WhatsApp to the key persons of political party, who in turns generated donation receipt in the name of the client. Thereafter, the said amount was then finally returned to the original donor's i.e., clients in the form of cash after deduction of the commission of the mediators, i.e., (Respondent), in the extant matter.

CHARGE ALLEGED:

4. The Respondent was involved in a political party donation scam to facilitate tax evasion by soliciting clients for bogus donations in lieu of commission income.

BRIEF OF PROCEEDINGS HELD:

5. The details of the hearings fixed and held in the said matter are given below:

S. No.	Date of hearings	Status of hearings
1.	10 th July 2025	Part Heard and Adjourned.
2.	26 th September 2025	Matter Heard and Concluded. Judgment Reserved.
3.	4 th November 2025	Judgment Pronounced.

BRIEF SUBMISSIONS OF THE PARTIES:

RESPONDENT:

6. The Respondent, by letter dated 09th February 2025, while reiterating his previous statement, further submitted that when he filed the affidavit retracting his statement, it was ignored on the grounds of delay in filing. The Respondent also states that the statement was recorded on 09-06-2021, but the copy of the statement was never given to him. Respondent submitted that a copy of complaint was sent to him along with his statement on 13-09-2022. The Respondent retracted the statement by way of affidavit on 11-04-2023, which is just six months from the receipt of the statement. The same should be considered as within a reasonable time to be properly considered and since the statement has been retracted, there is no surviving admission. Hence, he submitted that the Respondent cannot be held guilty.
7. The Respondent further submitted that in Para 11.5, Prima Facie Opinion (PFO) relies upon the statement of Mr. Archit Shah and the said statement was never referred in the

complaint. Therefore, the Respondent never had any opportunity to rebut the same. Furthermore, Mr. Archit Shah has never admitted to any involvement in the said scam, and if so, the Respondent requests an opportunity for cross-examination. Without providing a copy of a statement and without providing an opportunity for cross-examination, the same is not admissible in evidence. Therefore, based on the statement of Mr. Archit Shah, the Respondent cannot be held guilty.

8. In the entire list of persons referred, there is not a single case where it can be said that the Respondent has advised them to give a donation and claim a deduction. The complaint was against 28 members of ICAI based on a common cause, as well as their admission given to the Income Tax Department. However, in the status report filed, the list contains only 22 members. How and in what circumstances the names of 6 members are left out is not known. If that be so, the Respondent should have been left out of the proceedings as the principles of natural justice demand equal treatment for all equally accused persons. Furthermore, even if the Respondent referred a client to another person for a loan, work, or investment-related advice, any wrongful act committed by that third party cannot be attributed to the Respondent. Mere referral does not amount to culpability, particularly when the Respondent has not received any fee or consideration, which is an admitted and undisputed fact.

COMPLAINANT DEPARTMENT:

9. The Complainant, vide letter dated 2nd July 2025, while reiterating the submissions earlier placed before the Director (Discipline), stated that the statement on oath under Section 132(4)/131(1A) of the Income-tax Act, 1961, was recorded during the period from May to June 2021. The statement was duly read over to the Respondent (hereinafter "deponent"), who, being a qualified professional well-versed in legal matters, personally certified under his signature that no threat, undue pressure, or coercion was exerted upon him during his deposition. The Department further submitted that apart from the statement on oath, there are numerous other incriminating evidence gathered during the search operation, as well as post-search enquiries, which clearly indicate the involvement of such professionals in the large-scale bogus donation scam.
10. The Respondent's claim of having been subjected to undue influence or coercion during the post-search inquiry, which was raised only after a considerable lapse of time and notably after the initiation of disciplinary proceedings by the Disciplinary Directorate, is clearly baseless, factually incorrect and therefore untenable in law. Such an act of the Respondent appears as an effort to derail the inquiry initiated by the Board of Discipline.

OBSERVATIONS OF THE BOARD:

11. The Board observed that when the Complainant department initiated the search and seizure operation in the case of 03 Political Parties and 02 Charitable institutions based out of Ahmedabad, namely, Manvadhiraj National Party, (MNP), Kisan Adhikar Party (KAP), All India Social Education Charitable Trust (AISECT) controlled by Shri Tribhawan Ramkarpal Ojha and Kisan Party of India (KPI), and Aadhar Foundation (AF) controlled by Shri Saumil Bhadaria; it was emerged that the Respondent had facilitated tax evasion by soliciting clients to make bogus donations in exchange for commission payments.
12. The Board observed that the Complainant Department brought on record the Statement on Oath of the Respondent dated 09th and 10th June 2021, recorded before them under Section 131 (1A) of the Income Tax Act, 1961. The relevant portions of the Statement on Oath of the Respondent are reproduced below:



"Q4. During the search and seizure operation in the case of various political parties and charitable organizations, in the premises of Archit B Shah & Associates (erstwhile Shalin M Shah & Associates), F 911 Titanium City Centre, Satellite, Ahmedabad statement of Shri Archit B Shah was recorded u/s 131 of the IT Act respectively. I am showing you the relevant portions of all the statements which pertain to you. Please offer your comments on the same.

Ans: Sir, I have gone through the statements of Shri Archit B Shah. It was deposed by Shri Archit Shah in the statement that I was in contact with him. Sir, I accept that I was in contact with Shri Archit Shah. Sir, I agree that I was facilitating bogus donations for my client through Archit Shah only upon clients request. Where clients used to make donation to political Party (Namely Kisan Party of India) and received the money back in cash after deduction of commission and claim the deduction in their Return of Income."

Thus, upon examination of the above, the Board noted that the Respondent has unequivocally admitted his involvement in the said political donation scam.

13. The Board observed that the Respondent retracted his statement dated 09th and 10th June 2021 through an affidavit dated 11th April 2023 after almost two years. Moreover, the Respondent contended that the Prima Facie Opinion of the Director (Discipline) disregarded his rebuttal of the recorded statement because it had been filed belatedly. The Respondent submits that he became aware of the facts of his statement dated 09th June 2021 only upon receipt of Form-I, and that was the reason behind his late rebuttal. Subsequently, the Board further observed that the timing of the retraction closely coincides with the Respondent's receipt of Form-I. Furthermore, the Respondent's act strongly suggests to the Board that he stood by his original statement for an extended period and attempted to withdraw it only when confronted with the potential consequences of his own admissions through disciplinary proceedings. In view of these facts, the Board finds that the retraction lacks credibility and appears to be a self-serving attempt to evade disciplinary action. The Board further observed that, in addition to the circumstantial evidence, the Respondent also failed to make the retraction within a reasonable time, as required by law.
14. The Board observed that a rebuttal to an admission made in a Statement on Oath must be submitted within a reasonable time. In the present matter, the rebuttal was filed after approximately two years, which is far beyond what could be considered reasonable. Consequently, the belated rebuttal carries no evidentiary value.
15. The Board noted that as per the Respondent's affidavit dated 07th August 2025, along with the submissions of the representatives of the Complainant Department during the hearing, established that the Income Tax department did no reassessment of the Respondent's income. Nevertheless, the Board cannot lose sight of the fact that the Respondent's statement on Oath dated 09th and 10th June 2021 is admissible in front of the law unless rebutted within a reasonable time. For the sake of repetition, in the present case, the rebuttal was filed only after a period of approximately two years, which cannot be regarded as a reasonable time.
16. The Board cannot negate its findings just upon the fact that the Respondent's case was not reopened by the Income Tax department after the alleged commission income, and keeping in view the statement on Oath recorded under Section 131 (1A) of the Income Tax Act, 1961, the Board found that Complainant has met the initial burden of proving the Guilt on the part of the Respondent. Accordingly, the onus therefore shifted to the Respondent to establish his innocence. However, the Respondent failed to produce any cogent evidence or documentation in support of his defence.

17. Thereupon, on a detailed perusal of the submissions and documents on record, the Board is of the view that the Complainant department had furnished corroborative evidence demonstrating that the Respondent was involved in a political party donation scam to facilitate tax evasion by soliciting clients for bogus donations in lieu of commission income. In view of the same, the Board held the Respondent **Guilty** in respect of the charge alleged.

CONCLUSION:

18. Considering the foregoing, 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 to the Chartered Accountants Act, 1949.

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

B.N.T
विश्वनाथ तिवारी / Bhishwanath Tiwari
कार्यपाली अधिकारी / Executive Officer
अनुसारनालय / Disciplinary Directorate
पार्टीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
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