



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

[PR/G/13/2023/DD/46/2023/BOD/800/2025]

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. Harsh Bharat Shah (M. No. 194491)

G2 A Wing Flat No 05, Janta Housing Society Jesal Park

Jain Mandir Road Above Celebration Hotel,

Bhayandar.....**Respondent**

[PR/G/13/2023/DD/46/2023/BOD/800/2025]

MEMBERS PRESENT (THROUGH VIDEO CONFERENCE):

CA. Rajendra Kumar P, Presiding Officer

Ms. Dolly Chakrabarty (IAAS, rettd.), 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. Harsh Bharat Shah (M. No. 194491) 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. Harsh Bharat Shah (M. No. 194491) 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 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. Harsh Bharat Shah (M. No. 194491) and keeping in view his representation before it, the Board decided to **REPRIMAND** CA. Harsh Bharat Shah (M. No. 194491).

Sd/-

CA. Rajendra Kumar P
(Presiding Officer) *[Signature]*
सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

Sd/-

Ms. Dolly Chakrabarty (IAAS, rettd.)
(Government Nominee)

सिन्धुनाथ 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)

Ms. Padmini Solanki, DDIT (Inv.) Unit-1(1) -Vs- CA. Harsh Bharat Shah (M. No. 194491)

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:

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. Harsh Bharat Shah (M. No. 194491)
G2 A Wing Flat No 05
Janta Housing Society Jesal Park
Jain Mandir Road Above Celebration Hotel
Bhayandar.....Respondent

Date of Final Hearing : 04th November 2025
Place of Final Hearing : ICAI Tower, Mumbai

PARTY PRESENT (IN PERSON):

Respondent : CA. Harsh Bharat Shah
Counsel for Respondent : Shri S. G. Gokhle, Advocate

FINDINGS:

BACKGROUND OF THE CASE:

1. The present case arises from an Income Tax Search and Seizure operation conducted on 02nd February 2021, by the Income Tax Department, Ahmedabad, against three political parties and two charitable institutions suspected of being involved in large-scale financial irregularities and tax evasion. The entities covered under the operation included Manvadhikar National Party (MNP), Kisan Adhikar Party (KAP), Kisan Party of India, All India Social Education Charitable Trust (AISECT) and Aadhar Foundation. These organizations were allegedly being managed and controlled by two individuals Shri Tribhawan Ramkalp Ojha and Shri Saumil Bhadiadra who were identified as the key

persons behind their operations. The search was initiated based on specific intelligence inputs indicating that these entities were being misused as fronts for facilitating bogus donations and laundering unaccounted money.

2. The case stems from the alleged misuse of statutory provisions under Sections 80G, 80GGB, and 80GGC of the Income-tax Act, 1961, which allow deductions for donations made to charitable institutions and political parties. The information received by the Income Tax Department suggested that the entities in question were providing accommodation entries by accepting funds from various donors as purported donations, issuing receipts to enable tax deductions and subsequently returning the money to the donors after deducting a pre-agreed commission. This practice not only enabled the donors to unlawfully claim tax benefits but also resulted in the circulation of unaccounted funds through multiple intermediary channels, thereby distorting the integrity of the tax system.
3. The Income Tax Department, acting on this intelligence, conducted coordinated search operations at multiple premises associated with the concerned political and charitable entities. During the operation, various incriminating documents, digital records, and books of accounts were recovered and seized. Preliminary examination of these materials revealed a complex network of financial transactions executed through numerous bank accounts belonging to dummy and intermediary entities. The flow of funds demonstrated a clear circular pattern, wherein donations were received, layered through several accounts, and eventually returned to the original contributors in cash or via bank transfers, after deduction of commission charges.
4. Statements recorded from the key individuals during the search proceedings confirmed the modus operandi of the scheme. The individuals admitted that the bank accounts of the political parties and charitable institutions were not used for genuine activities but were operated solely to facilitate receipt and return of funds disguised as donations. It was further revealed that the commission agents and entry operators were compensated for their role in maintaining the transactional façade. These confessions, coupled with corroborative documentary evidence, substantiated the allegation that the entities were functioning as conduits for tax evasion rather than engaging in bona fide charitable or political activities.
5. Thus, the case represents a significant instance of systemic misuse of tax-exempt provisions intended for promoting genuine public welfare and political participation. The findings of the search operation established a coordinated mechanism of fraudulent donation practices, involving the manipulation of financial records and the use of multiple intermediary entities to conceal the true nature of the transactions. The investigation, therefore, focuses on determining the extent of the monetary trail, identifying all individuals and organizations involved, and initiating appropriate legal proceedings under the provisions of the Income-tax Act and other applicable laws.

CHARGE ALLEGED:

6. The allegation against the Respondent is that he was actively involved in a political party donation scam aimed at facilitating large-scale tax evasion. It is alleged that the Respondent, acting as a commission agent, colluded with key persons of certain political parties to arrange bogus donations from clients seeking to illegitimately reduce their taxable income by claiming deductions under the Income-tax Act, 1961. The Respondent allegedly solicited such clients, provided them with the bank account details of the political parties for making fake donations, and subsequently shared donor details with the party representatives to generate fraudulent donation receipts. After the purported donation

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amounts were received, the funds were returned to the original donors in cash or through banking channels after deducting a commission, which served as the Respondent's income. Such conduct, if proved, would constitute Other Misconduct under Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949, as it brings disrepute to the profession and violates the Ethical Standards expected of a Chartered Accountant.

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. | 4 th November 2025 | Matter heard and concluded. |

OBSERVATIONS OF THE BOARD:

8. The Board of Discipline has carefully considered the Prima Facie Opinion formed by the Director (Discipline), and the oral representations made by the Respondent and his Counsel during the course of hearing. The matter was heard in the absence of the Complainant, while the Respondent was personally present along with his Counsel before the Board.
9. The Board noted that the Director (Discipline), after detailed examination of the evidence, including the Respondent's statement recorded under Section 132(4) of the Income-tax Act, 1961, had concluded that the Respondent was involved in arranging bogus political donations through entities such as Manavadhikar National Party, Kisan Adhikar Party and All India Social Education Trust and that he had earned commission income from such activities which was not declared in his tax returns. The Director (Discipline) had accordingly formed the opinion that such conduct amounted to "Other Misconduct" within the meaning of Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949, as the Respondent's actions brought disrepute to the profession and were inconsistent with the ethical standards expected of a Chartered Accountant.
10. During the proceedings before the Board, the Respondent did not dispute the facts or the findings of the Director (Discipline). His Counsel submitted that while the Respondent had indeed participated in the transactions forming part of the alleged donation scheme, the involvement was unintentional and arose out of difficult personal and financial circumstances during the COVID-19 period. It was submitted that the total income earned by the Respondent from such activities over a span of three years amounted to approximately Rs. 65,000/- and that he neither had the intent to defraud nor fully understood the implications of his involvement at that time. The Counsel, therefore, requested that the Board treat the conduct as an inadvertent mistake rather than professional misconduct and take a lenient view while considering the matter.
11. The Board took note of these submissions and the Respondent's admission of his role in facilitating donation transactions that were subsequently found to be bogus. While the Board appreciates the Respondent's forthrightness in accepting the facts and his plea for leniency, it also recognizes that members of the Institute are expected to uphold the highest standards of integrity and ethical behaviour, both in their professional and personal dealings. Participation in any activity that facilitates tax evasion or misrepresentation of financial transactions, irrespective of the amount involved or the personal circumstances, undermines public confidence in the profession and tarnishes its reputation.

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12. In view of the above, and having regard to the Respondent's admission, the findings of the Director (Discipline), and the overall facts and circumstances of the case, the Board is of the considered opinion that the Respondent's conduct in arranging bogus political donations and earning commission therefrom constitutes "Other Misconduct" under Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

CONCLUSION:

13. 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.

Sd/-

CA. Rajendra Kumar P
Presiding Officer

Sd/-

Dolly Chakrabarty, IAAS (Retd.)
Government Nominee

Sd/-

CA. Priti Savla
Member

Date:08-12-2025

सत्यमेव जयते / Certified to be True Copy


अरुण कुमार / Arun Kumar

वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
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