



# भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

[DISCIPLINARY COMMITTEE BENCH-IV (2025-2026)]

[Constituted under Section 21B of the Chartered Accountants Act, 1949]

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

**File No.: [PR/03/2021/DD/52/2021/DC/1609/2022]**

**In the matter of:**

**Shri Colonel S.K Singh**  
**Deputy Director, M/s Centre for Land Warfare Studies**  
**Army Parade Ground,**  
**RPSO Complex, Delhi Cantt**  
**Delhi Cantt,**  
**Delhi-110010**

.... Complainant

**Versus**

**CA. Chandni Gupta (M. No. 516589)**  
**Partners of M/s Chand Kamal Gupta Associates (FRN: 010728N),**  
**Chartered Accountants**  
**Block C 5-A,**  
**Flat No. 311 B, Janak Puri,**  
**New Delhi-110058**

.... Respondent

**MEMBERS PRESENT:**

1. CA. Prasanna Kumar D, Presiding Officer (In person)
2. Adv. Vijay Jhalani, Government Nominee (In person)
3. CA. Mangesh P. Kinare, Member (In person)
4. CA. Satish Kumar Gupta, Member (Through VC)

**DATE OF HEARING: 26<sup>th</sup> December 2025**

**DATE OF ORDER: 11<sup>th</sup> February 2026**

- (M)
1. That vide Findings dated 01<sup>st</sup> December 2025 under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of

*B. S. S.*



# भारतीय सनदी लेखाकार संस्थान

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Cases) Rules, 2007, the Disciplinary Committee was inter-alia of the opinion that **CA. Chandni Gupta (M. No. 516589)** (hereinafter referred to as the **Respondent**) is **GUILTY** of Professional and Other Misconduct falling within the meaning of Item (7) of Part I of Second Schedule and Item (2) of Part IV of First Schedule to the Chartered Accountants Act, 1949.

2. That pursuant to the said Findings, an action under Section 21B (3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and a communication was addressed to her thereby granting an opportunity of being heard in person/ through video conferencing and to make representation before the Committee on 26<sup>th</sup> December 2025.

3. The Committee noted that on the date of hearing on 26<sup>th</sup> December 2025, the Respondent was present through video conferencing and made verbal submissions on the findings of the Committee. An opportunity was given for the submission of written representations; however, the Respondent failed to file any written response/submissions. The Committee noted that the Respondent, in her submissions, inter alia stated, as under: -

- She was not paid her audit fees of Rs. 24,000 and the ITR filing fee of Rs. 2,500, despite repeated reminders, and therefore withheld filing Form 10B.
- She said except for the filing of Form 10B, all other work relating to the assignment had been duly completed by her.
- The withholding of fees, despite performance of almost all obligations, is material.

4. The Committee considered the reasoning as contained in Findings holding the Respondent 'Guilty' of Professional and Other Misconduct vis-à-vis verbal submissions of the Respondent. The Committee noted that the issues/ submissions made by the Respondent as aforesaid have been dealt with by it at the time of hearing under Rule 18.

5. Thus, keeping in view the facts and circumstances of the case, material on record including verbal submissions of the Respondent on the Findings, the Committee was of the view that after conducting audit the Respondent was required to submit/ upload the Audit Report on

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the Income Tax Portal in prescribed Form 10B. The Respondent further admitted that the non-payment of fees led her to withhold the filing of Form 10B. She had informed to the Complainant Society about her conditional filing of Form 10B only upon making the payment of her fees by society. The Committee observed that the filing of Form 10B constituted a contractual obligation of the Respondent and was not contingent upon receipt of payment, unless such conditions were expressly stipulated in the contract.

The Committee considered the conduct of the Respondent to be wholly unprofessional, as she failed to duly discharge her contractual as well as professional obligations. Hence, the Professional and Other Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 01<sup>st</sup> December 2025 which is to be read in consonance with the instant Order being passed in the case.

6. Accordingly, the Committee was of the view that the ends of justice would be met if punishment is given to her in commensurate with her Professional and Other Misconduct.

7. Thus, the Committee ordered that the Respondent i.e. CA. Chandni Gupta (M. No. 516589), be REPRIMANDED and also imposed a fine of Rs. 10,000/- (Rupees ten thousand only) upon her which shall be paid within a period of 60 (sixty) days from the date of receipt of the order.

Sd/-

(CA. PRASANNA KUMAR D)  
PRESIDING OFFICER

Sd/-

(ADV VIJAY JHALANI)  
GOVERNMENT NOMINEE

Sd/-

(CA. MANGESH P. KINARE)  
MEMBER

सत्यापित प्रतियों के लिए प्रमाणित / Certified to be True Copy

  
सिन्धुनाथ शिखरी / Shikha Neth Tineri  
वरिष्ठ कार्यकारी अधिकारी / Senior Executive Officer  
अनुशासनात्मक निदेशक / Disciplinary Director  
भारतीय सनदी लेखाकार संस्थान  
The Institute of Chartered Accountants of India  
आई.सी.ए.आई., भवन, फ्लैट-1, सेक्टर-1, नोडा-201301 (उ.प्र.)  
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

Sd/-

(CA. SATISH KUMAR GUPTA)  
MEMBER

**CONFIDENTIAL**

**DISCIPLINARY COMMITTEE [BENCH – IV (2025-26)]**

**[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: [PR/03/2021/DD/52/2021/DC/1609/2022]**

**In the matter of:**

**Shri Colonel S.K Singh  
Deputy Director, MIs Centre for Land Warfare Studies  
Army Parade Ground,  
RPSO Complex, Delhi Cantt  
Delhi Cantt,  
Delhi-110010**

**...Complainant**

**Versus**

**CA. Kamal Chand Gupta (M. No. 014311)  
CA. Chandni Gupta (M. No. 516589)  
Partners of MIs Chand Kamal Gupta Associates (FRN: 010728N),  
Chartered Accountants  
Block C 5-A,  
Flat No. 311 B, Janak Puri,  
New Delhi-110058**

**...Respondent**

**MEMBERS PRESENT:**

**CA. Prasanna Kumar D, Presiding Officer (In person)  
Ms. Dakshita Das, I.R.A.S (Retd.), Government Nominee (In person)  
CA. Mangesh P Kinare, Member (In person)  
CA. Satish Kumar Gupta, Member (In person)**

**DATE OF FINAL HEARING : 1<sup>st</sup> September 2025**

**PARTIES PRESENT:**

**ARs of Complainant : Capt. S. P. Tiwari (Through VC)  
Subedar B. K. Mishra (Through VC)**

**Respondent : CA. Chandni Gupta (Thru VC)**

**1. Background of the Case:**

1.1. In the instant case, the Complainant is the Deputy Director of M/s Centre for Land Warfare Studies (hereinafter referred to as "Society") which was registered in year 2004 as a Society under Society Registration Act XXI of 1860.

**2. Charges in brief:**

2.1. That society has appointed the Respondent Firm as Chartered Accountant for quarterly/ yearly audit of Society Accounts and filing of ITR for the financial year 2018-19 (Assessment Year 2019-20) by 30<sup>th</sup> September, 2019, extended till 31<sup>st</sup> October, 2019. The Complainant stated that since the acknowledgement of filing of ITR for the financial year 2018-19 was not received from the Respondent Firm, Society reminded the Respondent Firm to file the same vide letter No 1745/ CLAWS/ Appt/AF dated 14<sup>th</sup> October, 2019.

2.2. That on receipt of the letters as well as reminder through e-mail, the respondent firm handed over a copy of ITR-V filed for the Assessment year 2019-20 which was collected by his accountant on 31<sup>st</sup> October 2019.

2.3. That Society has received a message from the Income Tax Department on 24<sup>th</sup> September, 2020 that the ITR for the Assessment Year 2019-20 has not been filed by the Society and same needs to be filed by 30<sup>th</sup> September, 2020. On receipt of the message, Society wrote the Income Tax Department vide an email dated 25<sup>th</sup> September, 2020 that the ITR has already been filed on 11<sup>th</sup> October, 2019 and scanned copy of the ITR was forwarded to them. After that Income Tax Department sent an email on 24<sup>th</sup> September, 2020 that the ITR filed by the Respondent Firm on behalf of the Society was not valid. The Complainant has further stated that on being telephonic enquiry with the Income Tax Department, on 29<sup>th</sup> September, they were informed that the e-acknowledgement no. 3269961789 of ITR for Assessment Year 2019- 20 is edited, unauthenticated, invalid and tantamount to forgery.

2.4. That after great persuasion, at last the Respondent Firm filed ITR for Assessment Year 2019-20 on 1<sup>st</sup> October, 2020. However, the audit report for the AY 2019-20 in Form 10-B

has not been uploaded till dated inspite of repeated reminders to the Respondent Firm through emails.

- 2.5. The complainant further stated that due to non compliance of timely action by the Respondent Firm, a sum of Rs. 1,56,000/- reflected on Income Tax Department as outstanding TDS demand despite depositing all collected taxes in time by the Society.
- 2.6. Accordingly, the Complainant has stated that this issue amounts to a forgery on part of the Respondent Firm and involves flagrant violation to the existing contractual obligation made between the Society and the Respondent Firm which needs due investigation and lawful action against the Respondent Firm.

3. **The relevant issues discussed in the Prima Facie Opinion dated 15<sup>th</sup> July 2022 formulated by the Director (Discipline) in the matter, in brief, are given below:**

- 3.1 It is clear that the Respondent was appointed majorly for four types of services viz. Auditing, TDS related work, Managerial and Financial advisory services and also filing of Income Tax Return for the financial year 2018-19. Even after various reminder(s) sent by the Complainant to the Respondent Firm, they did not submit/upload the Income Tax Return of the Society for the FY 2018-19. The Respondent firm neither declared member answerable in the matter in terms of requirement of CA Rules 2007 nor submitted any response to the communications done by this Directorate which shows that the Respondent Firm and both the Respondents in a way accept the allegations made by the Complainant and they have nothing to controvert in their defence. Further, from the email exchanged between the Complainant and the Respondent firm, it appears that there was certain dispute on the payment of the fee of the Respondent firm by the Complainant. However, looking to the fact that Respondent firm has clearly failed to come forward to put forth its defence, no benefit can be extended at this prima facie stage.
- 3.2 As per the proviso of Rule 8(2) of CA Rules, 2007 *"if no member, whether erstwhile or present, of the firm, own responsibility for the allegation or allegations made against the firm, then the firm as a whole shall be responsible for answering the allegation or allegations and, as such, all the members who were partners or employees of that firm as on the date of occurrence of the alleged misconduct, shall be responsible for answering the allegation or allegations as contained in the complaint"*. In the instant case, the

Respondent Firm clearly failed to declare member answerable and further none of the partner of the firm came forward to own the responsibility of the allegations in the instant complaint and therefore, in terms of the aforesaid proviso the entire firm i.e., both of its partners have been held responsible in the extant matter.

3.3 Accordingly, the Director (Discipline) in his Prima Facie Opinion dated 15<sup>th</sup> July 2022 opined that the Respondent was prima facie **Guilty** of Professional and Other Misconduct falling within the meaning of Item (7) of Part I of Second Schedule and Item (2) of Part IV of First Schedule to the Chartered Accountants Act, 1949. The said items of the Schedule to the Act, states as under:

**Item (7) of Part I of the Second Schedule:**

*"A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he:*

x                    x                    x                    x                    x                    x

*(7) does not exercise due diligence, or is grossly negligent in the conduct of his professional duties.*

**Item (2) of Part IV of the First Schedule:**

*"A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he:*

x                    x                    x                    x                    x                    x

*(2) in the opinion of the Council, brings disrepute to the profession or the Institute as a result of his action whether or not related to his professional work."*

3.4 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 10<sup>th</sup> August 2022. The Committee on consideration of the same, concurred with the reasons given against the charges and thus, agreed with the prima facie opinion of the Director (Discipline) that the Respondent is prima facie **GUILTY** of Professional and Other Misconduct falling within the meaning of Item (7) of Part I of Second Schedule and Item (2) of Part IV of First Schedule to the Chartered Accountants Act, 1949 and accordingly, decided to proceed further under Chapter V of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

**4. Dates of Written Submissions/ Pleadings by the Parties:**

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The relevant details of the filing of documents in the instant case by the parties are given below –

S. No.	Particulars	Dated
1.	Date of Complaint in Form 'I' filed by the Complainant	05 <sup>th</sup> February 2021
2.	Date of Written Statement filed by the Respondent	-----
3.	Date of Prima Facie Opinion formed by Director (Discipline)	15 <sup>th</sup> July 2022
4.	Written Submissions filed by the Respondent after PFO	-----

**5. Brief facts of the Proceedings:**

Details of the hearing(s) fixed and held/ adjourned in the said matter are given as under–

Particulars	Date of Meeting(s)	Status
1 <sup>st</sup> Hearing	5 <sup>th</sup> June 2023	Part heard and adjourned.
2 <sup>nd</sup> Hearing	9 <sup>th</sup> September 2025	Hearing concluded and decision taken.

- 5.1 On the day of the first hearing on 05<sup>th</sup> June 2023, the Committee noted that CA. Chandni Gupta one of the Respondent was present in person and appeared before it. She apprised the Committee that the second Respondent CA. Kamal Chand Gupta has passed away. The office apprised the Committee that the Complainant was not present and notice of listing of the case has been served upon him.
- 5.2 Being first hearing of the case, the Respondent (CA. Chandni Gupta) was put on oath. Thereafter, the Committee enquired from the Respondent as to whether she was aware of the charges and charges against the Respondent were read out. On the same the Respondent replied in the affirmative and pleaded Not Guilty to the charges levelled against her.
- 5.3 In the absence of the Complainant and in view of Rule 18 (9) of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee adjourned the case to later date.
- 5.4 On the day of final hearing on 9<sup>th</sup> September 2025, the Committee noted that the authorised representatives of Complainant were present, and that Respondent (CA. Chandni Gupta) was present. Thereafter, CA. Chandni Gupta was put on Oath. Thereafter, the Committee enquired from the Respondent as to whether she was aware

of the charges and charges against the Respondent were read out. On the same the Respondent replied in the affirmative and pleaded Not Guilty to the charges levelled against her.

- 5.5 The Committee noted the submission of the Respondent that she was not paid her audit fees of Rs. 24,000 and the ITR filing fee of Rs. 2,500, despite repeated reminders, and therefore withheld filing Form 10B. She claimed that the audit and ITR filing were separate tasks, and the non-payment of fees justified her decision. The Complainant contended that the Respondent was appointed vide a letter dated 18th May 2018, and despite assurances of payment upon submission of Form 10B, she failed to fulfill her professional obligations. They also alleged that the Respondent initially provided an invalid ITR acknowledgment, which was later corrected after significant delay. The Committee noted that the Respondent admitted to not filing Form 10B but attributed it to the Complainant's failure to pay her dues. The Complainant further stated that their current CA had filed Form 10B, but the Income Tax Department imposed a late penalty. The Respondent also clarified that the demand of Rs. 1,56,290 was unrelated to Form 10B but arose from TDS issues.
- 5.6 The Respondent informed the Committee that other Respondent, viz. CA. Kamal Chand Gupta (M.No. 014311) has expired on 3<sup>rd</sup> March 2021 and the copy of death certificate was provided by her. The Committee directed the Respondent to update the said details/information on ICAI member records on SSP Portal of ICAI from her side.
- 5.7 Based on the documents/material and information available on record and the oral submissions made by the parties, and on consideration of the facts of the case, the Committee concluded the hearing in subject matter and took the decision on the conduct of the Respondent.

**6. Findings of the Committee:**

The Committee noted the background of the case and oral submissions made by the Complainant and Respondent, documents / material on record and gives its findings as under: -

- 6.1 The Committee noted that the Respondent vide letter dated 18<sup>th</sup> May, 2018 was appointed as the Chartered Accountant by 'Centre for Land Welfare Studies' (hereinafter referred to as '**Society**') for F.Y. 2018-19 which was duly accepted by

her. As per appointment letter the Respondent was responsible for various tasks including audit and filing of Income Tax Return (ITR). The Committee noted that after conducting audit the Respondent was required to submit/ upload the Audit Report on the Income Tax Portal in prescribed Form 10B. The Committee further noted Respondent's admission of not filing such Form 10B.

- 6.2 Regarding non-submission of Form 10B on Income Tax Portal, the Respondent submitted that she had raised an invoice for Rs. 24,000 (audit fees) and Rs. 2,500 (ITR filing fees) but the Complainant did not release the payment despite repeated reminders. The Respondent further admitted that the non-payment of fees led her to withhold the filing of Form 10B. However, the Respondent also contended that she had informed to the Complainant Society about her conditional filing of Form 10B only upon making the payment of her fees by the society.
- 6.3 In this regard, the Complainant asserted that payment was assured telephonically to the Respondent, after submission of Form 10B, but the Respondent failed to fulfil her obligations.
- 6.4 The Committee on perusal of the email communications available on record noted that the Society vide its various emails dated 5<sup>th</sup> October 2020, 7<sup>th</sup> October 2020, 12<sup>th</sup> October 2020, 19<sup>th</sup> October 2020, 21<sup>st</sup> October 2020, 29<sup>th</sup> October 2020, 3<sup>rd</sup> November 2020, 6<sup>th</sup> November 2020, 10<sup>th</sup> November 2020, 12<sup>th</sup> November 2020, 23<sup>rd</sup> November 2020, 27<sup>th</sup> November 2020, 4<sup>th</sup> December 2020 and 16<sup>th</sup> December 2020 had requested the Respondent to file their Form 10B for the F.Y.2018-19 and the Society vide its email dated 9<sup>th</sup> November and 11<sup>th</sup> November 2020 also clearly communicated to the Respondent that her professional dues would be cleared only upon the submission of Form 10B.
- 6.5 The Committee viewed that filing of Form 10B was a contractual obligation of the Respondent which are not conditional upon payment unless explicitly stated in the contract. While the Committee acknowledges the Respondent's grievance regarding non-payment of fees, it emphasized that professional duties must be performed irrespective of payment disputes. Therefore, the Committee further viewed that Respondent's argument of withholding of Form 10B on account of non-payment of her

professional fees by Society, was not sufficient to absolve her of her professional responsibilities and hence, not acceptable.

- 6.6 The Committee also noted the contention of the Complainant that Respondent's failure to discharge her responsibilities on time resulted TDS demand of Rs.1,56,290 on the Society. The Committee observed that the demand of Rs.1,56,290 was not on account of any issue arising out of filing of Income Tax return rather it was in respect of TDS lapses.
- 6.7 The Committee observed that the Respondent's office filed an invalid ITR acknowledgment on 11<sup>th</sup> October 2019, which was deemed unauthenticated by the Income Tax Department. The Committee in this regard also noted the claim of the Respondent that such conduct was done by one of their senior interns without her direct supervision. The Committee noted that the ITR was finally filed by the Respondent firm on 01-10-2020.
- 6.8 Thus, the Committee took cognizance of the fact that the Respondent, for want of payment of her dues in respect of FY 2018-19 deliberately withheld the filing of Form 10B pertaining to FY 2018-19. Such conduct of the Respondent was viewed by the Committee as completely unprofessional as she failed to discharge her contractual obligation of professional responsibilities.
- 6.9 The matter was proceeded with against the entire firm, i.e. against all the partners of the firm viz., (i) CA. Kamal Chand Gupta and (ii) CA Chandni Gupta, in terms of the provision of proviso to Rule 8(2) of CA Rules 2007. CA. Chandni Gupta informed the Committee about the demise of CA. Kamal Chand Gupta on 03.03.2021 and also produced the copy of death certificate of CA. Kamal Chand Gupta. Although updation of said entry on member record of ICAI through SSP Portal by the Respondent/Respondent firm was yet to be made, the Committee noting the submissions of Respondent (viz. CA. Chandni Gupta) and the contents of death certificate of CA. Kamal Chand Gupta, decided to close the matter in respect of CA. Kamal Chand Gupta(M. No. 014311), treating the same as infructuous. The Committee further directed CA. Chandni Gupta to update the said entry on member record of ICAI through SSP Portal at earliest.

