

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – III (2025-26)]

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

Findings under Rule 18(17) and Rule 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007

[PPR/MISC/TAMC/29/2023/DD/09/TAMC/INF/2023/DC/2030/2025]

In the matter of:

CA. Amaravathi Sunitha Devi (M. No. 216428)

Door No-18-7-2/1 Masid Centre

Kedareswarapet

Vijayawada (Andhra Pradesh) – 520 003

...Respondent

MEMBERS PRESENT:

CA. Charanjot Singh Nanda, Presiding Officer

Shri Jiwesh Nandan, Member (Govt. Nominee)

Dr. K Rajeswara Rao, Member (Govt. Nominee)

CA. Piyush S Chhajed, Member

CA. Abhay Chhajed, Member

Date of Final Hearing: 2nd December 2025

Date of decision taken: 24th January 2026

PARTIES PRESENT:

- (i) CA. Amaravathi Sunitha Devi - the Respondent
- (ii) CA. Chandrashekar Vaze – Counsel for the Respondent
(both appeared through Video Conferencing from their respective personal location(s))

1. BACKGROUND OF THE CASE:

- 1.1 The Committee noted that in the year 2011, the Central Board of direct Taxes (CBDT) had provided information to the ICAI relating to the tax audit reports filed in 2010-11 by its members. Thereafter, vide office note dated 30th December 2022 received from the Secretary, Taxation Audits Quality Review Board (hereinafter referred to as "Informant/ TAQRB") forwarded recommendation of the Council on 'Audits reportedly



conducted by members not holding COP/ members holding Part time COP/ Members whose name had been removed from the register of members' to the Disciplinary Directorate. The said note of TAQRB raised charge against CA. Amaravathi Sunitha Devi (M. No. 216428), Vijayawada (hereinafter referred to as the "Respondent") regarding certification of Tax Audit Report without holding Certificate of Practice (COP) during the financial year 2010-11.

2. **CHARGE IN BRIEF:**

S.No.	Charge(s)	Prima Facie Opinion of the Director (Discipline)	Applicable Item of the Schedule to the Chartered Accountants Act, 1949
1.	The Respondent has uploaded 38 Tax Audit Report under Section 44AB of the Income Tax Act, 1961 against her membership number despite having no Certificate of Practice (COP) during the financial year 2010-11	Guilty	Item (1) of Part II of the Second Schedule

3. **RELEVANT ISSUES DISCUSSED IN THE PRIMA FACIE OPINION DATED 13th MAY 2025 FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF, ARE GIVEN BELOW: -**

3.1 **With respect to charge that the Respondent uploaded Tax Audit Report under Section 44AB of the Income Tax Act, 1961 against her membership number despite having no Certificate of Practice (COP) during the financial year 2010-11:**

3.1.1 The Director (Discipline) while considering the submissions of Respondent and other documents brought on record noted that as per the provisions mentioned in Section 6 (1) of the Chartered Accountants Act, 1949 no member shall be entitled to practice unless he has obtained a Certificate of Practice (COP).

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- 3.1.2 It is observed that COP of Respondent was cancelled on 01.10.2007 due to non-payment of fees and the tax audits in question were conducted by her during the financial year 2010-11. Further her COP got restored from 30.10.2012.
- 3.1.3 Considering the above facts it is evident that during the alleged period the Respondent was not having COP. It was the duty/responsibility of the Respondent to deposit his COP fee in time if she wished to continue to practice as member of ICAI. Further she was also required to check her COP status before conducting any Audit. It is viewed that the members of the profession are expected to uphold highest standards of ethical behaviour and professional compliance to the guidelines prescribed and the Respondent cannot be exonerated at the prima facie stage. Thus, the Respondent contravened the provisions of Chartered Accountants Act, Regulations framed thereunder while issuing tax audit report despite having no Certificate of Practice (COP) during the financial year 2010-11.
- 3.2 Accordingly, the Director (Discipline) in his Prima Facie Opinion held the Respondent Guilty of Professional Misconduct falling within the meaning of Item (1) of Part II of the Second Schedule. The said Item of the Schedule to the Act, state as under:

Item (1) of Part II of Second Schedule:

PART II: 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"

- 3.3 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee at its meeting held on 9th July 2025. The Committee on consideration of the same, concurred with the reasons given against the charge and thus, agreed with the Prima Facie opinion of the Director (Discipline) that the Respondent is **GUILTY** of Professional Misconduct falling within the meaning of Item (1) of Part II of the Second 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. **DATE(S) OF WRITTEN SUBMISSIONS/PLEADINGS BY PARTIES:**

- 4.1 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 'Information' letter	22 nd February 2023
2.	Date of Written Statement filed by the Respondent	Not Submitted
3.	Date of Prima Facie Opinion Formed by Director (Discipline)	13 th May 2025
4.	Written Submissions by the Respondent after Prima Facie Opinion	Affidavit dated 8 th December 2025

5. **WRITTEN SUBMISSIONS FILED BY THE RESPONDENT:**

- 5.1 The Respondent in her affidavit had inter-alia submitted as under:
- That in the year 2006 due to oversight there was a delay in the payment of membership and COP fee remained unpaid due to which her membership was cancelled with effect from 01.07.2007.
 - That she paid the membership and COP fees later and was paying regularly since then without being aware that she had to apply afresh for membership and COP.
 - That between 2007 to 2010 she was staying in remote village of Orissa. Being remote place there was no internet connectivity.
 - That she signed 26 tax audits during the financial year 2010-2011.
 - That she was under an impression that since she was paying her fees regularly her COP continued uninterruptedly.
 - That it was only in the year 2012 when she visited SIRC office of ICAI at Chennai, she learnt that her COP was cancelled.
 - That during the period from 2007 to 2010 she did not sign any audits.
 - That she had obtained excel sheet from SIRC office showing payment of fees by her during the said period.

6. **BRIEF FACTS OF THE PROCEEDINGS:**

- 6.1 The Committee noted that the instant case was fixed for proceeding on following dates:

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S. No.	Date	Status
1.	09.10.2025	Part Heard and Adjourned
2.	19.11.2025	Adjourned at the request of the Respondent
3.	02.12.2025	Hearing concluded and judgement reserved
4.	24.01.2026	Final Decision Taken

6.1.1 During the hearing held on 9th October 2025, the Committee noted that the Respondent was present before it through Video Conferencing. Being the first hearing, the Respondent was put on oath. Thereafter, the Respondent made a declaration that there was nobody else in the room from where she was appearing and that she would neither record nor store the proceedings of the Committee in any form. Thereafter, the Committee asked the Respondent whether she was aware of the charge(s) levelled against the Respondent to which she replied in affirmative. On being asked as to whether she pleaded guilty on the charges levelled, she pleaded Not Guilty and opted to defend the case. In view of the fact that this was the first hearing, the Committee decided to adjourn the matter to a subsequent date. Accordingly, the matter was part heard and adjourned.

6.1.2 During the hearing held on 19th November 2025, the Committee noted that the Respondent was not present before it for the hearing. The Committee further noted that the Respondent vide her email dated 18th November 2025 had sought an adjournment on ground of sudden demise of her sister. The Committee, considering the principles of natural justice, decided to adjourn the hearing to a future date. Accordingly, the matter was adjourned on the request of the Respondent.

6.1.3 During the hearing held on 2nd December 2025, the Committee noted that the Respondent along with her Counsel was present before it for the hearing. Thereafter, the Committee asked the Respondent to make submissions on the matter. On the same, the Respondent made detailed submissions, wherein it was, inter alia, stated that her mother-in-law who was in Odisha was seriously ill at that time, hence she left Vijayawada to take care of her mother-in-law and served her for 3 years and due to connectivity issues at that place she was unaware that her COP was cancelled on 01.10.2007 on account of non-payment of fees. She further stated that this was an inadvertent mistake with no malafide intent. She was continuously depositing her fees,

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however, the same was not reflected towards COP fees for which she has no information. She further submitted that she also obtained excel sheet from Chennai Office reflecting payments made by her. The Committee also sought clarifications on the submissions made which were responded to by her. The Committee, after considering the matter, directed her to submit an affidavit within the next seven days stating, inter alia, as under:

- a. Circumstances due to which she was not able to restore her COP
- b. Total number of tax audits conducted by her during the period her COP was cancelled.
- c. Detail of fees paid by her during the period her COP was cancelled.
- d. Copy of excel sheet mentioning the detail of fees paid by her which she obtained from Chennai office of ICAI.

The Committee further directed the office to seek membership file of Respondent from concerned department. With these directions, the hearing in the instant matter was concluded and judgment was reserved.

6.1.4 Thereafter, this matter was placed in meeting held on 24th January 2026 for consideration of the facts and arriving at a decision by the Committee. The Committee noted that pursuant to its direction given in the hearing held on 2nd December 2025, the Respondent has submitted the required documents. Upon consideration of the facts of the case vis-à-vis the material on record and the submissions of the Respondent, the Committee passed its judgment.

7. FINDINGS OF THE COMMITTEE: -

On consideration of the documents on record and the submissions of the parties to the case vis-à-vis facts of the case, the Committee arrived at the following view on the conduct of the Respondent:

7.1 The Committee noted that the charge against the Respondent is that she uploaded thirty eight Tax Audit Reports under Section 44AB of the Income Tax Act, 1961 against his membership number despite having no Certificate of Practice (COP) during the financial year 2010-11 whereas the Respondent admitted having conducted 26 audits in her submissions.

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7.2 The Committee further noted that Section 6 (1) of the Chartered Accountants Act, 1949 states as under:

"No member of the Institute shall be entitled to practice [whether in India or elsewhere] unless he has obtained from the Council a certificate of practice."

7.3 The Committee noted that the Respondent's COP had already been cancelled in the year 2007 due to non-payment of fees and was restored in 2012, and therefore, during the alleged financial year 2010-2011, the Respondent was not entitled to undertake any professional work requiring a Certificate of Practice, including tax audit, which is an attest function reserved exclusively for members in practice holding a valid COP.

7.4 The Committee, upon perusal of membership records of the Respondent, noted that the Respondent has not submitted COP fees for the year 2007-08 due to which her COP was cancelled w.e.f. 01.10.2007 and for which a letter was sent to her by Institute. After receiving the said letter, the Respondent submitted a copy of Demand Draft which shows that a payment of Rs. 800/- was submitted towards the said COP fees. The Committee further noted that in support of her submissions, she also placed on record duly excel statement obtained from the Chennai Office and sworn affidavit, duly reflecting the payments made by her during the relevant period.

7.5 The Committee, upon perusal of membership records and excel sheet submitted by the Respondent, noted that the Respondent was regularly depositing her COP fees and took the plea that she had no knowledge that the said payments were not being adjusted towards the Certificate of Practice (COP) fee.

7.6 Thus, the Committee observed that there is no material on record to establish any malafide intent, dishonest motive, or deliberate attempt on the part of the Respondent to misrepresent her professional status. The alleged lapse, if any, arose due to exceptional personal hardship coupled with administrative and communication issues, and cannot be construed as a wilful or intentional violation of the provisions of the Act or the Council Guidelines.

7.7 The Committee accordingly viewed that the conduct of the Respondent demonstrates bona fides, as she continued to make fee payments and acted under a genuine belief

that her Certificate of Practice was valid and hence, the Committee extends benefit of doubt to the Respondent and holds her Not Guilty of Professional Misconduct within the meaning of Item (1) of Part II of Second Schedule to the Chartered Accountants Act, 1949.

8. **CONCLUSION:**

In view of the findings stated in the above paras, vis-à-vis material on record, the Committee gives its Findings as under:

CHARGE (AS PER PFO)	FINDINGS	DECISION OF THE COMMITTEE
S.no. 1 of Para 2 as above	Para 7.1 to Para 7.7 as above	Not Guilty- Item (1) of Part II of Second Schedule

9. In view of the above observations, considering the oral and written submissions and material on record, the Committee held the Respondent **NOT GUILTY** of Professional Misconduct falling within the meaning of Item (1) of Part II of Second Schedule to the Chartered Accountants Act, 1949.
10. **Accordingly, in terms of Rule 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee passes Order for closure of this case.**

Sd/-
[CA. CHARANJOT SINGH NANDA]
PRESIDING OFFICER

Sd/-
[SHRI JIWESH NANDAN]
MEMBER, (GOVT. NOMINEE)

Sd/-
[DR. K RAJESWARA RAO]
MEMBER, (GOVT. NOMINEE)

Sd/-
[CA. PIYUSH S CHHAJED]
MEMBER
DATE: 11th February, 2026
PLACE: NEW DELHI

Sd/-
[CA. ABHAY CHHAJED]
MEMBER

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy


गीता अनिरुद्ध कुमार / Geetha Anirudha Kumar
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