



भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

PPR/MISC/TAQRB/113/2023/DD-29/TAQRB-INF-2023/DC-2124-2025

[DISCIPLINARY COMMITTEE [BENCH-II (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: PPR/MISC/TAQRB/113/2023/DD-29/TAQRB-INF-2023/DC-2124-2025

In the matter of:

CA. Nayasen Krishnappa Mulky (M. No. 037817),
30, Metro House (Abubakar Mansion)
S.B. Singh Road
Colaba
Mumbai - 400001
Maharashtra.


.....Respondent

Members Present: -

CA. Charanjot Singh Nanda, Presiding Officer (in Person)
CMA. Chandra Wadhwa, Government Nominee (in Person)
CA. Mahesh Shah, Government Nominee (in Person)
CA. Pramod Jain, Member (in Person)
CA. Ravi Kumar Patwa, Member (through videoconferencing)

Date of Hearing : 10th February 2026

Date of Order : 11th February 2026

1. The Disciplinary Committee vide its Findings dated 6th February 2026 under Rule 18(8) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 was, inter-alia, of the opinion that **CA. Nayasen Krishnappa Mulky (M. No. 037817), Mumbai** (hereinafter referred to as 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. 



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2. 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 dated 6th February 2026 was addressed to him thereby granting opportunity of being heard in person / through video conferencing and to make representation before the Committee on 10th February 2026.
3. The Committee at its meeting held on 10th February 2026 noted that the Respondent vide email dated 6th February 2026 informed that he would be unable to appear through video conferencing, as his son's wedding is fixed on 10.02.2026. He further informed that he had already placed on record his reply dated 18th December 2025 to be relied upon and that he had no intention to commit any fraud. He therefore requested the Hon'ble Committee to take a lenient view and kindly condone the infraction. He has no further submissions to make in this matter.
4. Thus, the Committee considered the reasoning as contained in the Findings holding the Respondent Guilty of Professional Misconduct vis-à-vis representation of the Respondent.
5. Keeping in view the facts and circumstances of the case and material on record including representation of the Respondent on the Findings, the Committee noted the following factual position in the present case: -

No. of tax audit conducted	Status of Certificate of Practice at the time of alleged misconduct	Status of admission of guilt of the Respondent
2	Part time Certificate of Practice	Admission of Guilt before the Committee at the time of hearing on 7th January 2026 as well as in the written submissions before the Committee/Director(Discipline)/Secretary(ICAI)

Thus, the Committee held that the Respondent, despite holding a part-time Certificate of Practice, undertook and uploaded Tax Audit Report under Section 44AB of the Income Tax Act, 1961 in respect of 2 assesses. The Committee also held that the certification of a Tax Audit Report is a statutory audit function, which is expressly permitted only to members holding a full-time Certificate of Practice. By undertaking such an assignment while being ineligible to do so, the Respondent contravened the provisions of the Chartered Accountants Act, 1949 and the Regulations framed thereunder.

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6. Hence, professional misconduct falling within the meaning of Item (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949 on the part of the Respondent is clearly established as held in the Committee's Findings dated 6th February 2026 which is to be read in consonance with the instant Order being passed in the case.
7. Accordingly, the Committee was of the view that ends of justice will be met if punishment is given to the Respondent in commensurate with his Professional Misconduct.
8. Thus, the Committee, keeping in view the facts and circumstances of the case, material on record and representation of the Respondent before it, ordered that CA. Nayasen Krishnappa Mulky (M. No. 037817), Mumbai be Reprimanded under Section 21B(3)(a) of the Chartered Accountants Act 1949.

Sd/-

(CA. CHARANJOT SINGH NANDA)
PRESIDING OFFICER

Sd/-

(CMA. CHANDRA WADHWA)
GOVERNMENT NOMINEE

Sd/-

(CA. MAHESH SHAH)
GOVERNMENT NOMINEE

Sd/-

(CA. PRAMOD JAIN)
MEMBER

Sd/-

(CA. RAVI KUMAR PATWA)
MEMBER

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वरिष्ठ कार्यकारी अधिकारी / Senior Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
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1001 Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2025-26)]
[Constituted under Section 21B of the Chartered Accountants Act, 1949]

Findings under Rule 18(8) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007

[PPR/MISC/TAQRB/113/2023/DD-29/TAQRB-INF-2023/DC-2124-2025]

In the matter of:

**CA. Nayasen Krishnappa Mulky (M. No. 037817),
30, Metro House (Abubakar Mansion)
S.B. Singh Road
Colaba
Mumbai - 400001
Maharashtra.**

...Respondent

MEMBERS PRESENT(in person):

**CA. Charanjot Singh Nanda, Presiding Officer
CMA Chandra Wadhwa, Government Nominee
CA. Mahesh Shah, Government Nominee
CA. Pramod Jain, Member
CA. Ravi Kumar Patwa, Member**

Date of Final Hearing: 7th January 2026

PARTIES PRESENT through Video Conferencing):

CA. Nayasen Krishnappa Mulky (M. No. 037817)

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, 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 alleged regarding certification of Tax Audit Report despite holding Part Time Certificate of Practice (COP) during the financial year 2010-11 against CA. Nayasen Krishnappa Mulky (M. No. 037817), Mumbai (hereinafter referred to as the "**Respondent**").

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 conducted Tax Audit under Section 44AB of the Income Tax Act, 1961 and uploaded his Report against his membership number despite having Part Time 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 14TH MAY 2025, FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF, ARE GIVEN BELOW: -**3.1 **With respect to charge that the Respondent conducted Tax Audit under Section 44AB of the Income Tax Act, 1961 and uploaded his Report against his membership number despite having part time Certificate of Practice (COP) during the financial year 2010-11:**

- 3.1.1 As per the provisions mentioned in Section 6(1) of the Chartered Accountants Act, 1949 read with the decision of the Council at its 241st meeting held in March 2004 which was effective from 1st April 2005, any member in part-time practice (namely, holding certificate of practice and is also engaging himself in any other business and/or occupation) is not entitled to perform attest function and that the resolution has been passed by the Council in pursuance of provision of Regulation 190A.
- 3.1.2 The Respondent contended that two tax audits mentioned in the letter, as referred to by the Informant, were conducted by him and that his Membership No. was not misused by a third party. He agreed that it is his prerogative to abide by the Council Guidelines as well as the Regulations of the Chartered Accountants Act, 1949 and in conducting the said audits had no intention of contravening the Council Guidelines as well as the Regulations of the Chartered Accountants Act, 1949. This lapse on his part was solely attributable to his ignorance of the provisions of the Council Guidelines/Chartered Accountants Act, 1949, which do not permit a Chartered Accountant holding a part-time certificate to conduct tax audits.
- 3.1.3 Though, in present case, the number of audit reports uploaded is two only, yet it is viewed that the highest standards of ethical behaviour and professional compliance to the Guidelines prescribed are expected from the members of the profession and violation of any Rules/Regulations is not acceptable.

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- 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 13th October 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	Date
1.	Date of 'Information' letter	30 th June 2023
2.	Date of Written Statement filed by the Respondent	19 th September 2023
3.	Date of Prima Facie Opinion Formed by Director (Discipline)	14 th May 2025
4.	Written Submissions by the Respondent after Prima Facie Opinion	18 th December 2025

5. WRITTEN SUBMISSIONS FILED BY THE RESPONDENT:

- 5.1 The Respondent in his written submissions dated 18th December 2025, inter-alia, submitted as under:
- a) He admitted conducting the two tax audits himself and acknowledged the procedural lapse arising from ignorance of the amendment to Regulation 190A effective 01.04.2005, which restricts part-time practitioners from performing attest functions.

- b) There was no mala fide intent.
- c) He has also surrendered his part-time Certificate of Practice.
- d) He requested to take a lenient view and condone his procedural lapse.

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

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

S.No.	Date	Status of Hearing
1.	30.12.2025	Part Heard and adjourned
2.	07.01.2026	Heard and concluded

- 6.2 During the hearing held on 30th December 2025, the Committee noted that although the Respondent had joined the disciplinary proceedings virtually and was in the waiting room, however, he was not available when the case was taken up for hearing due to network issues. Thus, to provide another opportunity to the Respondent to present his case, the consideration of the case was adjourned by the Committee due to non-availability of the Respondent at the time when the case was taken up for hearing due to network issues.

- 6.3 On the day of final hearing on 07th January 2026, the Committee noted that that the Respondent was present before it through video conferencing. The Respondent was administered on Oath. The Committee enquired from the Respondent as to whether he was aware of the charge(s) alleged against him to which he replied in the affirmative. **He also pleaded Guilty to the charge(s) levelled against him.**

Looking into the fact that the Respondent pleaded guilty to the charge(s) levelled against him, in terms of the following provisions of Rule 18(8) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee decided to conclude the hearing in the case and arrive at its Findings:

"18. Procedure to be followed by the Committee

(8) If the respondent pleads guilty, the Committee shall record the plea and take action as per provisions under Rule 19."

7. **FINDINGS OF THE COMMITTEE: -**

- 7.1 At the outset, the Committee noted that the charge against the Respondent is that he conducted Tax Audit under Section 44AB of the Income Tax Act, 1961 and uploaded his Report against his membership number despite having Part Time Certificate of Practice (COP) during the financial year 2010-11.

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- 7.2 The Committee in this regard 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 also noted that the Council at its 241st meeting held in March 2004 decided that effective from 1st April 2005, any member in part-time practice (namely, holding certificate of practice and is also engaging himself in any other business and/or occupation) is not entitled to perform attest function and that the resolution passed under Regulation 190A. The Council in this connection clarified that the Attest function would cover services pertaining to audit, review, certification, agreed upon procedures, and compilation, as defined in the Framework of Statements on Standard Auditing Practices and Guidance Note on Related Services published in the July 2001 issue of the Institute's Journal.

- 7.4 The Committee also noted the following factual position in the case:

No. of Tax audit conducted	Status of Certificate of Practice at the time of alleged misconduct	Status of admission of guilt of the Respondent
2	Part time Certificate of Practice	Admission of Guilt before the Committee at the time of hearing on 7 th January 2026 as well as in the written submissions before the Committee/Director(Discipline)/Secretary(ICAI)

- 7.5 Thus, the Committee held that the Respondent, despite holding a part-time Certificate of Practice, undertook and uploaded Tax Audit Report under Section 44AB of the Income Tax Act, 1961 in respect of 2 assesses. The Committee also held that the certification of a Tax Audit Report is a statutory audit function, which is expressly permitted only to members holding a full-time Certificate of Practice. By undertaking such an assignment while being ineligible to do so, the Respondent contravened the provisions of the Chartered Accountants Act, 1949 and the Regulations framed thereunder.
- 7.6 Accordingly, the Committee in terms of Rule 18(8) of Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 recorded the plea of guilt of the Respondent and decided to hold him **Guilty** of Professional Misconduct falling within the meaning of Item (1) of Part II of Second Schedule to the Chartered Accountants Act, 1949.

CA. NAYASEN KRISHNAPPA MULKY
DIRECTOR (DISCIPLINE)
INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
11, BANGALORE ROAD, CHENNAI - 600 002

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 7.6 as above	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 **GUILTY** of Professional Misconduct falling within the meaning of Item (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949.

Sd/-
(CA. CHARANJOT SINGH NANDA)
PRESIDING OFFICER

Sd/-
(CMA. CHANDRA WADHWA)
(GOVERNMENT NOMINEE)

Sd/-
(CA. MAHESH SHAH)
(GOVERNMENT NOMINEE)

Sd/-
(CA. PRAMOD JAIN)
(MEMBER)

Sd/-
(CA. RAVI KUMAR PATWA)
(MEMBER)

DATE: 06.02.2026
PLACE: NEW DELHI

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नीलम पुंडीर / Neelam Pundir
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
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