



# 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/360/2019/DD/14/2020/DC/1814/2023]**

**In the matter of:**

**CA. Krishna Chandra Gupta (M. No. 088638)**

1008,

New Delhi House,

27, Barakhamba Road,

New Delhi – 110 001

... Complainant

Versus

**CA. Megha Ishwar Sharma (M. No. 118248)**

Address as per Complaint:	Current Professional Address:
203, Vipul Business Park, Sector-48, Sohna Road, Gurgaon – 122 018	Office no. 428, 4 <sup>th</sup> Floor, 93 Avenue, Fatima Nagar Junction, Wanowire, Pune, Maharashtra – 411 022

... Respondent

**MEMBERS PRESENT:**

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

**DATE OF HEARING: 27<sup>th</sup> January 2026**

**DATE OF ORDER: 10<sup>th</sup> February 2026**

1. That vide Findings dated 05<sup>th</sup> January 2026 under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Disciplinary Committee was inter-alia of the opinion that



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## THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

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**CA. Megha Ishwar Sharma (M. No. 118248)** (hereinafter referred to as the **Respondent**) is **GUILTY** of Professional Misconduct falling within the meaning of Clause (11) of Part I of First Schedule and Clause (3) of Part II of Second 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 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 27<sup>th</sup> January 2026.

3. The Committee noted that on the date of hearing on 27<sup>th</sup> January 2026, the Respondent was present through video conferencing. During the hearing, the Respondent made verbal submissions and also referred to the written representation dated 19<sup>th</sup> January 2026 on the Findings of the Committee. The Committee noted the verbal and written representation of the Respondent dated 19<sup>th</sup> January 2026 on the Findings of the Committee, which, inter alia, are as under: -

- Upon submission of an application for surrender of COP by a member, the statutory obligation stands discharged, and the matter thereafter falls within the administrative domain of the Institute. Any delay, omission, or non-processing of ICAI cannot confer jurisdiction to initiate disciplinary proceedings.
- The Respondent had no control over the internal administrative processes of ICAI.
- The Respondent had also provided her employment letter, which substantiates her present employment status.
- The Institute could not have shifted its regulatory burden onto a member and then alleged misconduct arising from its own administrative lapses.
- Conduct of Respondent caused no loss to the public, no prejudice to any client, no misuse of professional status, and no wrongful gain to herself.
- In view of the above facts, the Respondent requested to take a lenient view.

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4. The Committee considered the reasoning as contained in Findings holding the Respondent 'Guilty' of Professional Misconduct vis-à-vis the verbal and written representation 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 and written representation of the Respondent on the Findings, the Committee noted that ICAI records consistently showed that the Respondent continued to hold a full-time COP, paid annual COP fees continuously from year 2014 to 2019, and was an active partner of M/s MIS & Associates and subsequently was partner of M/s Rajguru & Associates during the relevant period. The Committee noted that the Respondent has provided copy of appointment letter at punishment stage under Rule 19. It clearly established the fact that Respondent was in employment during the period while holding COP from 01<sup>st</sup> April 2013 to 19<sup>th</sup> March 2019. The Committee noted that the Respondent did not respond to ICAI's letter dated 14<sup>th</sup> March 2014, which requested clarification on the date of COP surrender.

6. As regards the giving of wrong declaration by Respondent to ICAI while submitting the bank empanelment form as well as annual updating of individual records in ICAI, the Committee observed that the documentary evidence on record, including the Income Tax Return for A.Y. 2017-18 and Form 16 of the respondent, conclusively established that the Respondent was in full-time salaried employment with HSBC Electronic Data Processing India Pvt. Ltd. during the period while holding full-time COP. The Committee noted that the Respondent raised grievance regarding the non processing of her surrender application only at the stage of hearing and after a significant lapse of time. Further, she furnished incorrect information to ICAI by representing herself as being in full-time practice, thereby violating regulatory requirements of Code of Ethics, a member holding full time COP cannot be simultaneously in full time employment.

ICAI Bhawan, C-1, Sector-1, NoIDA-201301 (U.P.)  
The Institute of Chartered Accountants of India  
नामदाखत प्रकाशनालय भारतीय सनदी लेखाकार संस्थान  
Director, Discipline / निदेशावली निदेशावली निदेशावली  
Executive Officer / निदेशावली निदेशावली निदेशावली  
Chartered Accountant / निदेशावली निदेशावली निदेशावली



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7. Hence, the Professional Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 05<sup>th</sup> January 2026 which is to be read in consonance with the instant Order being passed in the case.

8. 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 Misconduct.

9. Thus, the Committee ordered that the Respondent i.e. CA. Megha Ishwar Sharma (M. No. 118248), be REPRIMANDED and also imposed a fine of Rs. 50,000/- (Rupees Fifty thousand only) upon her which shall be paid within a period of 60 (sixty) days from the date of receipt of the order.

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Sd/-

(CA. PRASANNA KUMAR D)  
PRESIDING OFFICER

Sd/-

(MS DAKSHITA DAS, I.R.A.S (RETD.))  
GOVERNMENT NOMINEE

Sd/-

(ADV VIJAY JHALANI)  
GOVERNMENT NOMINEE

Sd/-

(CA. MANGESH P. KINARE)  
MEMBER

Sd/-

(CA. SATISH KUMAR GUPTA)  
MEMBER

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

*Charan Singh*

Charan Singh / Charan Singh

कार्यकारी अधिकारी / Executive Officer

अनुशासनारम्भक 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.)

**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**

**Ref. No.: PR/360/2019/DD/14/2020/DC/1814/2023**

**In the matter of:**

**CA. Krishna Chandra Gupta (M. No. 088638)**

<b>Address at the time of registration:</b>	<b>Current Address:</b>
101, 1st Floor, Sitaram Mansion, 718/21, Joshi Road, Karol Bagh, Delhi – 110 005	1008, New Delhi House, 27, Barakhamba Road, New Delhi – 110 001

.....Complainant

**Versus**

**CA. Megha Ishwar Sharma (M. No. 118248)**

<b>Address at the time of registration:</b>	<b>Current Address:</b>
203, Vipul Business Park, Sector-48, Sohna Road, Gurgaon – 122 018	Office no. 428, 4 <sup>th</sup> Floor, 93 Avenue, Fatima Nagar Junction, Wanowire, Pune, Maharashtra – 411 022

.....Respondent

**MEMBERS PRESENT:**

- CA. Prasanna Kumar D, Presiding Officer (in person)  
Ms. Dakshita Das, I.R.A.S(Retd), Government Nominee (Through VC)  
Adv. Vijay Jhalani, Advocate, Government. Nominee (in person)  
CA. Mangesh Pandurang Kinare, Member (in person)  
CA. Satish Kumar Gupta, Member (in person)

**Date of Final Hearing: 16<sup>th</sup> October 2025**

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**PARTIES PRESENT:**

- (i) **Complainant:** CA. Krishna Chandra Gupta (in person)  
(ii) **Counsel for Complainant:** Adv. S. S. Sharma (in person)  
(iii) **Respondent:** CA. Megha Ishwar Sharma (Through VC)  
(iv) **Counsel for Respondent:** CA. Ankur Kapil (Through VC)

1. **Background of the case:**

1.1 The brief background of the case is that the Respondent was in full time employment while holding full time Certificate of Practice (COP) during the period 01.04.2013 to 19.03.2019. She was partner with M/s. MIS and Associates, Chartered Accountants, Gurgaon. She was also employed with HSBC Bank / or Standard Chartered Bank. As per complaint, the Respondent has given wrong declaration to ICAI while submitting the Bank Empanelment Form as well as annual updation of individual records.

2. **Charges in brief:**

2.1. The Complainant alleged in the extant matter that the Respondent was in full time employment with HSBC/ Standard Chartered Bank while holding full time certificate of practice (COP) during the period of 01.04.2013 to 19.03.2019. It had also been stated that the Respondent was one of the partner of M/s MIS & Associates, Chartered Accountants (FRN 024596N), Gurgaon.

2.2. The Respondent gave wrong declaration to ICAI while submitting the Bank empanelment form as well as annual updating of individual records in ICAI and had thus extended undue advantage to the Respondent Firm (i.e., M/s MIS & Associates, Chartered Accountants) by concealing the correct facts and had also misled the ICAI by filing the false and forged papers/documents.



3. The relevant issues discussed in the Prima Facie Opinion dated 31<sup>st</sup> May 2021 formulated by the Director (Discipline) in the matter, in brief, are given below:
- 3.1 With respect to charge mentioned in S. No. 1 of Para 2 above, that the Respondent was in full time employment with HSBC/ Standard Chartered Bank while holding full time certificate of practice (COP) during the period of 01.04.2013 to 19.03.2019. It has also been stated that the Respondent was one of the partners of M/s. MIS & Associates, Chartered Accountants (FRN 024596N), Gurgaon. In this regard, the Director (Discipline) in PFO considered that as per ITR for AY 2017-18 of the Respondent, she was under employment with the HSBC Electronic Data Processing India Pvt Ltd and TDS of Rs 2,01,056/- had been deducted as per Form 16 issued by the employer of the Respondent. On the other hand, as per the ICAI records, the Respondent has been an active partner in the firm, M/s. MIS & Associates (FRN 024596N) and thereafter in M/s RAJGURU & ASSOCIATES while holding full time COP, w.e.f. from 30<sup>th</sup> January 2012 to 02<sup>nd</sup> March 2019 and again from 01<sup>st</sup> December 2020 till date.
- 3.2 Further, on perusal of the response received from NRO section along with the copy of application dated 30<sup>th</sup> January 2012 made by the Respondent for requesting full time COP in Form 6 and members card as on date, it was inferred that the Respondent has never intimated ICAI about her employment and she held full time COP while being in employment with HSBC Electronic Data Processing India Pvt. Ltd. As regard the contention of the Respondent in this regard that she joined the firm M/s. MIS & Associates as Non-Executive Partner, it was noted that as rightly pointed out by the Complainant in his rejoinder, there was no concept of Non-Executive partner as per the Regulation of the ICAI and as per the documents on record, she was in employment with HSBC Electronic Data Processing India Pvt. Ltd. as evident from copy of ITR for AY 2017-18 of the Respondent which is in violation to the provisions envisaged in Code of Ethics as the Chartered Accountant in practice, holding full time COP cannot be in full time employment simultaneously. Accordingly, the Respondent was held prima-facie **GUILTY** of Professional Misconduct falling within the meaning of Clause (11) of Part I of the First Schedule to the Chartered Accountant Act, 1949.

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3.3 With respect to charge mentioned in S. No. 2 of Para 2 above, that the Respondent gave wrong declaration to ICAI while submitting the Bank empanelment form as well as annual updating of individual records in ICAI and has thus extended undue advantage to the Respondent Firm (i.e., M/s. MIS & Associates, Chartered Accountants) by concealing the correct facts and has also misled the ICAI by filing the false and forged papers/documents. In this regard, the Director (Discipline), on perusal of documents available on record, viewed that it was clearly evident that the employment details of the Respondent were not available in ICAI records as was evident from the copy of Form 6 dated January 2012, wherein she applied for Full time COP and members card as on date which goes to establish that the Respondent gave wrong declaration to ICAI as she clearly hidden the fact of her employment in HSBC Electronic Data Processing India Pvt. Ltd. with ICAI and continues to show herself in full time practice. Although the Respondent tried to negate this allegation by stating it to be false but on one hand, she herself admitted the fact that she was working as non-executive partner in the firm while holding full time Certificate of Practice but remained silent on her employment from 01.04.2013 to 19.03.2019 as alleged by the Complainant, while her ITR form for AY 2017-18 clearly demonstrated that she was in employment with HSBC Electronic Data Processing India Pvt Ltd which clearly established that she provided wrong Information to ICAI that she was in full time practice. Accordingly, the Respondent was held prima-facie **GUILTY** of Professional Misconduct falling within the meaning of Clause (3) of Part II of the Second Schedule to the Chartered Accountant Act, 1949.

3.4 Accordingly, the Director (Discipline) in his Prima Facie Opinion dated 31<sup>st</sup> May 2021 held the Respondent **GUILTY** of Professional Misconduct falling within the meaning of Clause (11) of Part I of the First Schedule and Clause (3) of Part II of the Second Schedule to the Chartered Accountants Act, 1949 to the Chartered Accountants Act, 1949. The said Clause of the Schedule to the Act, states as under:

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**Clause (11) of Part I of the First Schedule states as under:**

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

...

*“(11) engages in any business or occupation other than the profession of chartered accountant unless permitted by the Council so to engage:*

*Provided that nothing contained herein shall disentitle a chartered accountant from being a director of a company (not being a managing director or a whole time director) unless he or any of his partners is interested in such company as an auditor”*

**Clause (3) of Part II of the Second Schedule states as under:**

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

...

*“(3) includes in any information, statement, return or form to be submitted to the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority any particulars knowing them to be false”*

- 3.5. The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee at its meeting held on 25<sup>th</sup> July 2023. The Committee on consideration of the same, concurred with the reasons given against the charge(s) and thus, agreed with the Prima Facie opinion of the Director (Discipline) that the Respondent was **GUILTY** of Professional Misconduct falling within the meaning of Clause (11) of Part I of First Schedule and Clause (3) of Part II of 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.

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**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 Complaint in Form 'I' filed by the Complainant	10 <sup>th</sup> October 2019
2.	Date of Written Statement filed by the Respondent	22 <sup>nd</sup> January 2020
3.	Date of Rejoinder filed by the Complainant	18 <sup>th</sup> February 2020
4.	Date of Prima Facie Opinion formed by Director (Discipline)	31 <sup>st</sup> May 2021
5.	Written Submissions filed by the Respondent after PFO	24 <sup>th</sup> September 2025, 13 <sup>th</sup> October 2025
6.	Written Submissions filed by the Complainant after Prima Facie Opinion	Not submitted

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

5.1 The Committee noted that the Respondent in this regard in his submissions dated 24<sup>th</sup> September 2025 and 13<sup>th</sup> October 2025 inter-alia submitted as under:-

- i. Section 2(2) of the Chartered Accountants Act, 1949, defines who is deemed to be "in practice." A member is considered in practice only if they undertake or offer to undertake professional services such as auditing, verification of accounts, or certification, in consideration of remuneration received or to be received.
- ii. The Respondent emphasized that she did not receive or was not entitled to receive any remuneration or benefit during the relevant period. She did not render or offer to render any services that fall within the scope of practice defined under Section 2(2). She also did not hold herself out to the public, directly or indirectly, as a practicing Chartered Accountant.
- iii. Although notional profits may have been credited to her capital account, these were not distributed, withdrawn, or received by her in any form.

- iv. She neither rendered any professional service nor participated in any professional activity of the firm during that period. The accruals were purely accounting entries without any tangible gain or entitlement. Therefore, there was no remuneration received or to be received within the meaning of Section 2(2).
- v. In the absence of such remuneration, she could not be deemed to be in practice under the law. The statutory conditions prescribed are mandatory and must be strictly satisfied before any presumption of practice can arise. Since these conditions were not met, the disciplinary charge under Clause (11) of Part I of the First Schedule cannot be sustained.
- vi. That the term "consideration of remuneration" in Section 2(2) must be given a strict interpretation and cannot be confused with "consideration" under the Indian Contract Act, 1872. The term specifically refers to actual or contractual entitlement to professional payment. The inclusion of her name in firm records or empanelment applications, without any service, consent, or compensation, does not satisfy this condition and cannot imply that she was in practice. Therefore, she asserts that she was not in practice in fact, in law, or by conduct, and the charge of professional misconduct lacks legal foundation.
- vii. The Respondent further clarified that she had formally surrendered her Certificate of Practice (COP) to the ICAI, which was acknowledged by an official seal dated 19<sup>th</sup> February 2014. This act demonstrated her clear and irrevocable intent to cease professional practice. The surrender was unconditional, deliberate, and effective prior to her acceptance of employment with HSBC on 25<sup>th</sup> November 2014.
- viii. That any administrative delay by ICAI in processing her surrender cannot negate its legal validity or retroactively classify her as being in practice. Her cessation of practice was complete and recognized by the acknowledgment from ICAI, and hence, she was not in practice at the relevant time.
- ix. That the continued payment of COP fees after surrender does not mean she remained in practice. The statutory test of "being in practice" depends solely on Section 2(2) and not on procedural or administrative actions. The payment or processing of fees is a clerical matter and does not imply engagement in professional activity. It is a well-established principle that no estoppel can operate against statutory provisions. The Respondent acted in good faith, genuinely believing her surrender was valid and effective, with no intention to mislead or continue practice. Any subsequent fee processing was not intentional and

occurred without her involvement. Therefore, such payments cannot be treated as evidence of practice or form the basis for misconduct.

- x. That her employment with HSBC began on 25 November 2014, after the surrender of her COP. The position she accepted was a salaried, non-attest role, unconnected to professional practice as defined under the Chartered Accountants Act, 1949. She neither performed nor intended to perform any auditing, certification, or professional engagements. Her understanding was that she had legally and ethically ceased to be in practice and therefore did not require prior permission under Clause (11) of the First Schedule. She joined HSBC in good faith, without contravening any legal or ethical standard.
- xi. That at the time of surrendering her COP, the firm she was associated with had two partners. She did not take specific action to prevent the continued use of her name, believing that ICAI's internal procedures would automatically regularize it following her surrender. She submits that, even if her name was inadvertently retained in firm documents or empanelment, it was an administrative oversight and not an act of professional misconduct. There was no personal gain, misrepresentation, or intent to deceive. Hence, the situation does not amount to a disciplinary breach under the Act.
- xii. The Respondent emphasizes that Clause (11) of Part I of the First Schedule prohibits a member in practice from engaging in business or occupation without Council permission. Since she had validly surrendered her COP, ceased all professional activities, and was not receiving any remuneration, this clause does not apply. She was not in practice when she accepted employment and therefore cannot be charged under this Clause.
- xiii. Regarding the findings on the second charge, the Respondent asserts that there was no unethical conduct, no breach of duty, and no harm caused to the public, clients, or the profession.

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

The details of the hearing(s) fixed and held/adjourned in said case is given as under:

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S. No.	Date of meeting(s)	Status of Hearing
1.	11 <sup>th</sup> December 2024	Adjourned at the request of Respondent
2.	09 <sup>th</sup> July 2025	Part heard and adjourned
3.	26 <sup>th</sup> September 2025	Adjourned at the request of Respondent
4.	15 <sup>th</sup> October 2025	Adjourned at the request of Respondent
5.	16 <sup>th</sup> October 2025	Hearing concluded and decision taken

- 6.1. On the day of hearing scheduled on 11<sup>th</sup> December 2024, the Committee noted that in the captioned case, the Counsel for the Complainant vide email dated 09.12.2024 has conveyed that the Complainant is not available on the day of hearing owing to his daughter's marriage. Further, the Respondent vide e-mail dated 06.12.2024 had sought an adjournment on account of some personal engagements. Acceding to the above request of the Respondent, the Committee adjourned the captioned case to a future date.
- 6.2. On the day of hearing scheduled on 9<sup>th</sup> July 2025, the Committee noted that the Complainant along-with Counsel was present in person and appeared before it. The Committee noted that the Respondent vide e-mail dated 05/07/2025 has sought adjournment due to her pre-occupancy in professional engagements. Being first hearing of the case, the Complainant was put on Oath. In the view of adjournment request of the Respondent 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 a future date.
- 6.3. During the hearing held on 16<sup>th</sup> October 2025, the Committee noted that Respondent along-with Counsel was present through VC and Complainant along-with Counsel was present in person and appeared before it. The Committee directed the Respondent for their submission. The Respondent's counsel argued that Respondent had submitted a letter for cancellation of her COP on 19th February 2014, with acknowledgment provided by the Institute, and that her employment began after the submission of the surrender

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application. The Respondent's counsel contended that the payment of COP fees was procedural and did not imply active practice, as the Respondent did not perform professional services, receive remuneration, or represent herself as a practicing Chartered Accountant during the period in question. The Committee also highlighted the Respondent's failure to respond to ICAI's letter dated 14<sup>th</sup> March 2014, which requested clarification on the date of COP surrender. The Respondent's counsel admitted that the Respondent might have missed the email and acknowledged the mistake of not addressing the matter. The Committee directed the Respondent to submit appointment letter dated 14th November 2014 at the earliest.

6.4. Based on the documents/material and information available on record and the oral and written submissions made by the Respondent, 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.

#### 7. Findings of the Committee

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

7.1. With respect to the **first charge**, that the Respondent was in full time employment with HSBC/ Standard Chartered Bank while holding full time certificate of practice (COP) during the period of 01.04.2013 to 19.03.2019, the Respondent, took the plea that she surrendered her Certificate of Practice (COP) vide letter dated 10<sup>th</sup> December 2013 addressed to Secretary, Member Section, ICAI Bhawan, Vishwas Nagar which contains received rubber stamp of the Institute with date 19<sup>th</sup> February 2014. The Committee in this regard to verify the said intimation approached the MSS Section of the Institute and came to know that in reply to the said letter one email was sent to the Respondent at her registered email address '[meghasharmak@gmail.com](mailto:meghasharmak@gmail.com)' wherein it was stated as under:-

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*"It is with reference to your COP surrender application dated 10/12/2013 received in this office on 19/02/2014.*

*In this regard, you are requested to intimate us the date of surrender of COP, which should be within 30 days of the date of receipt of application in this office.*

*Further action in the matter will be taken on receipt of reply from your side."*

- 7.2. The Committee considering the said email addressed to the Respondent sought further details from the Respondent/ her Authorized Representative (AR) at the time of hearing before it on 16<sup>th</sup> October 2025. However, the Respondent stated that she had missed the said email and she need to check the said email again. The AR for the Respondent further stated that the Respondent raised a grievance in this regard with the Institute at its portal after one year. However, no copy of said grievance was maintained by her in her records. The Committee further asked the Respondent about the yearly Membership and COP fees to be paid by the member of the Institute, to which AR for the Respondent submitted that the Respondent used to pay membership fee with the COP fees as this was a consolidated fees. There was an option of opting out of that fee unless and until the administrative procedures had been followed at the Institute level. Thereafter, the AR for the Respondent accepted that the Respondent had paid the complete fees as there was a direct payment option and she cannot bifurcate that unless and until the administrative procedures was done at the Institute level. The AR for the Respondent further stated that payment of fees does not prove that she was acting as practicing Chartered Accountant. As per the provisions of section 2(2) of CA Act, there should be some remuneration to be received by her during this period of partnership. Further, she has not done any attestation as well as not trained any article, not represented herself to anybody that she was a practicing Chartered Accountant. The AR for the Respondent further stated that she has not even printed visiting cards in her name during that period.. In this regard, the Counsel for the Complainant countered the said submission and stated that this sub-section only defines deemed to be in practice situation and Section 6 of the Act comes into picture once Certificate of Practice is obtained by a member.

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7.3. The Committee noted that Section 2(2) and Section 6 of the Chartered Accountants Act, 1949 provides as under:

*"(2) A member of the Institute shall be deemed "to be in practice", when individually or in partnership with chartered accountants in practice, or in partnership with members of such other recognised professions as may be prescribed, he, in consideration of remuneration received or to be received,-*

*(i) engages himself in the practice of accountancy; or*

*(ii) offers to perform or performs services involving the auditing or verification of financial transactions, books, accounts or records, or the preparation, verification or certification of financial accounting and related statements or holds himself out to the public as an accountant; or*

*(iii) renders professional services or assistance in or about matters of principle or detail relating to accounting procedure or the recording, presentation or certification of financial facts or data; or*

*(iv) renders such other services as, in the opinion of the Council, are or may be rendered by a chartered accountant in practice; and the words "to be in practice" with their grammatical variations and cognate expressions shall be construed accordingly.*

*Explanation - An associate or a fellow of the Institute who is a salaried employee of a chartered accountant in practice or a firm of such chartered accountants or firm consisting of one or more chartered accountants and members of any other professional body having prescribed qualifications] shall, notwithstanding such employment, be deemed to be in practice for the limited purpose of the training of articled assistants."*

...

*Section 6 - Certificate of practice*

*"(1) No member of the Institute shall be entitled to practise whether in India or elsewhere unless he has obtained from the Council a certificate of practice:*

*Provided that nothing contained in this sub-section shall apply to any person who, immediately before the commencement of this Act, has been in practice as a registered accountant or a holder of a restricted certificate until one month has elapsed from the date of the first meeting of the Council.*

*(2) Every such member shall pay such annual fee for his certificate as may be determined, by notification, by the Council, which shall not exceed rupees three thousand, and such fee shall be payable on or before the 1st day of April in each year:*

*Provided that the Council may with the prior approval of the Central Government, determine the fee exceeding rupees three thousand, which shall not in any case exceed rupees six thousand.*

*(3) The certificate of practice obtained under sub-section (1) may be cancelled by the Council under such circumstances as may be prescribed."*

7.4. The Committee further noted that as per Regulation 190A - Chartered Accountant in practice not to engage in any other business or occupation.

*"A chartered accountant in practice shall not engage in any business or occupation other than the profession of accountancy, except with the permission granted in accordance with a resolution of the Council."*

Further, on perusal of Appendix F under Code of Ethics (Edn. Reprint May, 2009, page no. 345 to 347) wherein while dealing with Regulation 190A of the Chartered Accountants Regulations 1988 and Clause (11) of Part I of First Schedule, the Committee noted as under:-

***"(A) Permission granted generally***

*Members of the Institute in practice be generally permitted to engage in the following categories of occupations, for which no specific permission from the Council would be necessary in individual cases:-*

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**1. Employment under Chartered Accountants in practice or firms of such Chartered Accountants.**

2. Private tutorship.
3. Authorship of books and articles.
4. Holding of Life Insurance Agency Licence for the limited purpose of getting renewal commission.
5. Attending classes and appearing for any examination.
6. Holding of public elective offices such as M.P., M.L.A. & M.L.C.
7. Honorary office-bearership of charitable, educational or other non-commercial organisations.
8. Acting as Notary Public, Justice of the Peace, Special Executive Magistrate and the like.
9. Part-time tutorship under the Coaching Organisation of the Institute.
10. Valuation of papers, acting as paper-setter, head-examiner or a moderator for any examination.
11. Editorship of professional journals.
12. Acting as Surveyor and Loss Assessor under the Insurance Act, 1938.
13. Acting as Recovery consultant in the Banking Sector.
14. Owning agricultural land and carrying out agricultural activity.

**(B) Permission to be granted specifically:**

Members of the Institute in practice may engage in the following categories of business or occupations, after obtaining the specific and prior approval of the Council in each case:-

**1. Full-time or part-time employment in business concerns provided that the member and/or his relatives do not hold substantial interest in such concerns.**

**2. Full-time or part-time employment in non-business concerns.**

3. Office of a Managing Director or a whole time Director of a body corporate within the meaning of the Companies Act, 1956, provided that the member and/or any of his relatives do not hold substantial interest in such concern.

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4. *Interest in family business concern or concern in which interest has been acquired as a result of relationship and in the management of which no active part is taken.*
5. *Interest in an educational institution.*
6. *Part-time or full-time lecturership for courses other than those relating to the Institute's examination conducted under the auspices of the Institute or the Regional Councils or their branches.*
7. *Part-time or full-time tutorship under any educational institution other than the Coaching Organisation of the Institute.*
8. *Editorship of journals other than professional journals.*
9. *Any other business or occupation for which the Executive Committee considers that permission may be granted."*

In view of above, it is observed that the professional is required to seek permission from the Council of the Institute before holding accepting employment and has to surrender Certificate of Practice .

- 7.5. The Committee noted that as per membership records of the Respondent, she enrolled with the Institute on 26<sup>th</sup> August 2004 and holds Certificate of Practice from 30<sup>th</sup> January 2012 till date. The Committee further noted that the Respondent is a fellow member of the Institute from 20<sup>th</sup> January 2020. The Committee further noted that the Respondent joined M/s. MIS & Associates on 30<sup>th</sup> January 2012 and later on joined M/s. Rajguru & Associates on 1<sup>st</sup> March 2019.
- 7.6. The Committee observed that the Respondent paid COP fees for six consecutive years (2014-2019), which indicated her continued holding of the COP during her employment. The Committee noted that the Respondent's counsel relied on Section 2(2) of the Chartered Accountants Act to argue that payment of COP fees does not amount to practicing as a Chartered Accountant unless remuneration is received or professional services are rendered. However, the Committee clarified that Section 2(2) is a deeming provision, which states that a member may be deemed to be in practice even without

holding a COP if certain conditions are met. The Committee emphasized that the payment of COP fees for multiple years, despite the alleged intention to surrender the COP, demonstrated the Respondent's continued holding of the COP while being employed, which is contrary to the statutory framework of ICAI. Furthermore, the Committee observed that the Respondent did not provide sufficient evidence to prove that her employment commenced after the submission of the surrender application, as the appointment letter dated 14th November 2014 was not submitted during the hearing.

- 7.7. The Committee noted that Clause (11) of Part I of the First Schedule to the Chartered Accountants Act, 1949 stipulates that *"A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct if he/she engages in any business or occupation other than the profession of chartered accountant unless permitted by the Council so to engage."*
- 7.8. Upon examination of the material placed on record, including the copy of the Respondent's Income Tax Return for A.Y. 2017-18 submitted by the Complainant, it stands established that the Respondent was in full-time employment with HSBC Electronic Data Processing India Pvt. Ltd., and tax had been deducted at source in the sum of Rs. 2,01,056/- as reflected in Form 16 issued by the said employer. Conversely, the ICAI records indicate that the Respondent continued to hold a full-time Certificate of Practice (COP) and was shown as an active partner of M/s MIS & Associates (FRN 024596N) and subsequently of M/s Rajguru & Associates during the period from 30th January 2012 to 02nd March 2019, and again from 01st December 2020 to date.
- 7.9. Further, on perusal of the records received from the NRO Section, including the Respondent's application dated 30th January 2012 for grant of full-time COP in Form 6 and the current Member's Card, the Committee observed that the Respondent did not at any stage intimate ICAI regarding her engagement in employment. The assertion of the Respondent that she was a "Non-Executive Partner" in the firm is untenable in view of the fact that no such category of partnership exists under the Regulations of ICAI. The documentary evidence on record further establishes that the Respondent was in full-time

employment with HSBC Electronic Data Processing India Pvt. Ltd. during the period in which she continued to hold a full-time COP, which is in clear contravention of the provisions of the Code of Ethics, as a member holding a full-time COP cannot simultaneously be in full-time salaried employment.

7.10. The Committee further observed that the Respondent paid COP fees for six consecutive years (2014–2019), thereby evidencing the continuance of her COP during the period of her employment. While the Respondent's counsel has sought to rely on Section 2(2) of the Chartered Accountants Act to contend that mere payment of COP fees does not amount to being in practice unless professional services are rendered, the Committee clarified that Section 2(2) is a deeming provision, which, in fact, enables a finding that a person may be considered to be in practice even without holding a COP if certain conditions are satisfied. Moreover the section 2(2) clearly provides that "*when individually or in partnership with chartered accountants in practice..... he, in consideration of remuneration received or to be received*" carries out certain activities. Hence it is clear that once a member takes COP and becomes partner in Chartered Accountant Firm, even if the Firm carries out those specified activities for consideration, the Member shall be deemed to be in practice. Further, the sustained payment of COP fees over multiple years, despite the Respondent's assertion that she had intended to surrender the COP, reinforces the conclusion that she continued to hold the COP during her employment, thereby acting contrary to the statutory and regulatory framework governing members of the ICAI.

7.11. Moreover, the Respondent has failed to produce any cogent documentary evidence to substantiate her claim that her employment commenced subsequent to her alleged submission of a surrender application. In particular, the appointment letter dated 14th November 2014, which was relied upon in argument, was not produced before the Committee during the hearing.

7.12. In view of the foregoing, the Committee holds that the Respondent is **Guilty** of Professional Misconduct within the meaning of Clause (11) of Part I of the First Schedule to the Chartered Accountants Act, 1949.

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7.13. On the **second charge**, the Committee noted that ICAI records showed the Respondent's association with M/s MIS & Associates continued until 2nd March 2019, despite her claim of submitting a surrender application in February 2014. The Committee observed that the Respondent failed to provide sufficient evidence, such as a copy of the engagement letter or other documentation, to substantiate her claim of leaving the firm earlier. Furthermore, the Committee highlighted that the Respondent did not respond to ICAI's letter dated 14th March 2014, which requested clarification on the date of COP surrender. The Committee further noted that the Respondent was in full time employment with HSBC Electronic Data Processing India Pvt Ltd and was also holding COP during the period of her employment from 25<sup>th</sup> November 2014 and again joined the Respondent firm; M/s. MIS and Associates on 1<sup>st</sup> December 2020.

7.14. In this regard, the Committee noted the provisions contained in Clause (3) of Part II of the Second Schedule to the Chartered Accountants Act, 1949, which stipulates as follows:

*8. "A member of the Institute whether in practice or not shall be deemed to be guilty of professional misconduct if he/she includes in any information, statement, return or form to be submitted to the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority any particulars knowing them to be false."*

7.15. The Committee observed that although the Respondent has attempted to deny the allegation, she has, on the one hand, admitted that she was functioning as a "non-executive partner" in a firm while simultaneously holding a full-time Certificate of Practice. However, she has remained silent on the specific allegation regarding her period of employment from 01.04.2013 to 19.03.2019, as asserted by the Complainant. The Respondent's Income Tax Return for A.Y. 2017-18 clearly establishes her employment with HSBC Electronic Data Processing India Pvt. Ltd., thereby demonstrating that the Respondent furnished incorrect information to ICAI by representing herself as being in full-time practice during that period.

7.16. The Committee noted that ICAI records' reflect the Respondent's association with M/s MIS & Associates as continuing until 2<sup>nd</sup> March 2019, notwithstanding her claim that she had

submitted an application for surrender of her COP in February 2014. The Committee finds that the Respondent has not produced any credible evidence—such as a copy of the alleged engagement letter terminating her involvement with the firm or any corroborative documentation—to substantiate her assertion that she had ceased association earlier.

7.17. Further, the Committee noted that the Respondent failed to respond to ICAI's communication dated 14<sup>th</sup> March 2014 seeking clarification regarding the date of COP surrender. The Respondent's counsel conceded that the Respondent may have overlooked the email and acknowledged the lapse in not addressing the matter. The Committee also observed that the Respondent raised grievance regarding the non-processing of her surrender application only at the stage of hearing and after a significant lapse of time.

7.18. The Respondent's continued recorded association with the firm reflected lack of due diligence and non-compliance with the regulatory framework of ICAI by concealing the fact about her employment, thereby wrongfully claiming as full time in practice in all ICAI records

7.19. In view of the foregoing, the Committee holds that the Respondent is **Guilty** of Professional Misconduct within the meaning of Clause (3) of Part II of the Second Schedule to the Chartered Accountants Act, 1949.

**CONCLUSION**

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

CHARGES (AS PER PFO)	FINDINGS	DECISION OF THE COMMITTEE
Para 2.1 as above	Para 7.1 to 7.12 as above	<b>GUILTY</b> - Clause (11) of Part I of the First Schedule
Para 2.2 as above	Para 7.13. to 7.19 as above	<b>GUILTY</b> - Clause (3) of Part II of the Second Schedule

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- 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 Clause (11) of Part I of First Schedule and Clause (3) of Part II of Second Schedule to the Chartered Accountants Act, 1949.

Sd/-  
(CA. PRASANNA KUMAR D)  
PRESIDING OFFICER

Sd/-  
(MS. DAKSHITA DAS, I.R.A.S(RETD.))  
GOVERNMENT NOMINEE

Sd/-  
(ADV. VIJAY JHALANI)  
GOVERNMENT NOMINEE

Sd/-  
(CA. MANGESH P.KINARE)  
MEMBER

Sd/-  
(CA. SATISH KUMAR GUPTA)  
MEMBER

DATE: 05<sup>th</sup> January 2026

PLACE: Noida

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy  
मीनू गुप्ता / Meenu Gupta  
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer  
अनुशासनमन्त्रालय / Disciplinary Directorate  
भारतीय सनदी लेखाकार संस्थान  
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