



# 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/365/2022-DD/249/2022-DC/1842/2023]**

In the matter of:

**CA. Umesh Chandra (M. No. 071564)**

4, Kansal Arcade, First Floor, Chhipi Tank

Meerut

Pin code: 250001

.... Complainant

Versus

**CA. Amit Kumar Puniani (M.No.517791)**

A 6/4, Second Floor,

Sector 85 BPTP

Faridabad

Pin code: 121002

.... 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 (In person)
4. CA. Mangesh P. Kinare, Member (In person)
5. CA. Satish Kumar Gupta, Member (In person)

**DATE OF HEARING: 21<sup>st</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 **CA. Amit Kumar Puniani (M.No.517791)** (hereinafter referred to as the **Respondent**) is **GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.



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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 him thereby granting an opportunity of being heard in person/ through video conferencing and to make representation before the Committee on 21<sup>st</sup> January 2026.

3. The Committee noted that on the date of hearing on 21<sup>st</sup> January 2026, the Respondent was present In-person. During the hearing, the Respondent made verbal submissions and also referred to the written representation dated 07<sup>th</sup> January 2026 on the Findings of the Committee. The Committee noted the verbal and written representation of the Respondent dated 07<sup>th</sup> January 2026 on the Findings of the Committee, which, inter alia, are as under: -

- The charge of "not exercising due diligence" was based on non-reporting of TDS on Rs.10.50 lakh of professional fees in the tax audit report.
- The amounts of salary and professional charges were accidentally interchanged in presentation, which was an innocuous mistake by the auditee firm and did not warrant adverse action against the auditor.
- Tax returns were reviewed prior to audit, and no assessing default, tax loss, or revenue loss existed.

4. The Committee considered the reasoning as contained in Findings holding the Respondent 'Guilty' of Professional Misconduct vis-à-vis 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 was of the view that during FY 2019-20, the firm transferred Rs. 11,50,000/- to Ms. Radha Gupta/Aggarwal. The Committee confined its examination to the relevant year and observed that no documentary evidence was produced to substantiate the expenditure of Rs. 10.50 lakhs. On examination of records, the Committee noted that Rs. 10.50 lakhs constituted over 70% of the firm's total expenditure of Rs. 14.71 lakhs and was paid to a single individual. No TDS was



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deducted on this amount, as reflected in Clause 34(a) of Form 3CD certified by the Respondent, stating that TDS provisions were not applicable.

6. The Committee further observed an internal inconsistency, as the amount was shown as "Salary" in the Profit & Loss Account and as "Professional Charges" in the annexure to the financial statements of the firm. The Committee further observed that despite the materiality of the transaction, the Respondent failed to obtain or verify any supporting documents such as agreements, invoices, or details of services rendered. The Committee was of the view that although verification of genuineness may not be required, incorrect reporting of TDS obligations in Form 3CD attracted professional responsibility and the argument that audit was not mandatory is irrelevant once a CA certifies a report. 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.

7. Accordingly, the Committee was of the view that the ends of justice would be met if punishment is given to him in commensurate with his Professional Misconduct.

8. Thus, the Committee ordered that the Respondent i.e. CA. Amit Kumar Puniani (M.No.517791), Faridabad be REPRIMANDED, under Section 21B (3)(a) of 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

प्रमाणित होने के लिए प्रमाणित / Certified to be True Copy

*Rajeev*  
विश्वनाथ तिवारी / Bishwa Nath Tiwari  
वरिष्ठ कार्यकारी अधिकारी / Senior Executive Officer  
अनुशासनात्मक विदेशासय / 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 (2025-2026)]**

**[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/365/2022-DD/249/2022-DC/1842/2023]**

**In the matter of:**

**CA Umesh Chandra (M. No. 071564)**  
4, Kansal Arcade, First Floor, Chhipi Tank  
Meerut  
Pincode- 250001

.....Complainant

**Versus**

**CA Amit Kumar Puniani (M.No.517791)**  
A 6/4, Second Floor,  
Sector 85 BPTP  
Faridabad  
Pincode: 121002

.....Respondent

**MEMBERS PRESENT:**

**CA. Prasanna Kumar D, Presiding Officer (In Person)**  
**Adv. Vijay Kumar Jhalani, Government Nominee (In Person)**  
**CA. Mangesh Pandurang Kinare, Member (In Person)**  
**CA. Satish Kumar Gupta, Member (Through VC)**

**DATE OF FINAL HEARING : 8<sup>th</sup> November 2025**

**PARTIES PRESENT:**

**Complainant:** CA. Umesh Chandra (Through VC)  
**Respondent:** CA. Amit Kumar (Through VC)  
**Counsel for Respondent:** CA. C.V.Sajan (Through VC)

1. **Background of the Case:**

It is stated that CA. Amit Puniani (M.No.517791) has audited the financial accounts of partnership firm, namely M/s Om Prakash Rathi & Co., Chartered Accountants (hereinafter



referred to as 'Audit Firm') in which CA. Kanika Gupta (M. No 520423) is a partner. M/s OM Prakash Rathi & Co. was defrauding the exchequer by showing fake expenditure and claiming the whole of TDS deducted as refund to the firm. From the bank account of the firm, amount of Rs 11,50,000/- had been transferred to Radha Gupta i.e., on 25.9.2019 Rs 6,00,000 and on 13.03.2020 Rs. 5,50,000 which were allegedly transfer of secret profit of the firm to benami holder. This entry was not expenditure. It is also stated that debit side of bank account was Rs 18,72,431/-. If Rs 11,50,000/- was deducted from the total then, Rs. 7,22,431/- should be expenditure. However, expenditure booked in the Profit and Loss Account was Rs. 14,71,011/- which is overstatement.

2. **Charges in brief:**

- 2.1 The Respondent had signed the Balance Sheet of M/s OM Prakash Rathi & Co., partnership firm in which CA. Kanika Gupta was partner for the period 2019-20 in the capacity of an auditor. It is noted that amount of Rs 11,50,000/- had been transferred by the Firm to Ms. Radha Gupta during FY 2019-20. As per the Complainant, this is a fake expenditure which leads to overstatement of expenditure.

3. **The relevant issues discussed in the Prima facie opinion dated 04<sup>th</sup> September 2023 formulated by the Director (Discipline) in the matter in brief, are given below:**

- 3.1 The payment to Ms. Radha Gupta amounting to Rs. 11,50,000/-, while submitting Written Statement, the Respondent had submitted that the amount of Rs 10,50,000/- had been transferred to Ms Radha Aggarwal as a professional services and rest amount as reimbursement of expenses incurred by her for office. In his defence, he has brought on record the computation of ITR of Ms. Radha Gupta Agarwal where the said amount has been reflected/offered by her as her professional income during FY 2019-20. However, the Complainant while refuting the said contention of the Respondent has stated in his rejoinder that if the said payment to Ms. Radha Gupta/ Aggarwal was on account of professional charges, then TDS should also have been deducted on the said amount by the firm.
- 3.2 From perusal of Profit and Loss Account of the firm for FY 2019-20 which has been audited by the Respondent as auditor, it has been observed that total expenditure for FY 2019-20 was Rs. 14,71,011/- out of which Rs 10,50,000/- had been paid to a single person i.e., Ms. Radha Gupta/Aggarwal on account of Professional Charges which is clearly not only a material item but also appears to be a disproportionate expenditure being more than 70% of total expenditure for the whole year. Further, it was also surprising to note that Rs 10,50,000 was paid to single person only i.e. Radha Aggarwal in a single year as professional fees, but no TDS has been deducted by the firm on the same. The same is evident from clause 34 (a)

given under Form 3CB of the Firm for FY 2019-20 certified by the Respondent as tax auditor wherein it has been mentioned that provisions of Chapter XVII-B and Chapter XVII-BB are not applicable on the firm which clearly indicate that no TDS on professions charges has been deducted by the firm on the same. The same fact is also supported by the income tax return of Ms Radha Agarwal wherein TDS on Interest (Section 194 A) has been claimed by her, however, TDS on Professional Charges (under Section 194J) has not been claimed.

3.3 Moreover, there is contradiction of information provided at two places of the same financial statements submitted by the Respondent. On the face of the Profit and Loss Account of the firm for FY 2019-20, the amount of Rs. 10,50,000/- has been disclosed as Salary whereas in Annexure to the same financial statement, it has been disclosed as Professional Charges. Hence, the nature of expense is also not clear at this stage.

3.4 It is also very surprising to note that being such a material amount of expense, the Respondent being an auditor could not produce any supporting document like invoice, any agreement between the Firm and Ms. Radha Gupta/ Agarwal which may prove the genuineness of the said expenditure. Even Respondent could not explain as to what type of professional services were being provided by Ms. Radha Gupta/Agarwal to the Firm to justify such a huge payment to her on this head. Therefore, at this stage, it is incomprehensible as to on what basis, the Respondent could satisfy himself while certifying the said expense as an auditor. Thus, it is viewed that the Respondent has not exercised due diligence while performing his attest function.

3.5 Accordingly, the Director (Discipline) in his Prima Facie Opinion dated 04th September 2023 opined that the Respondent was *prima facie* **Guilty** of Professional Misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949. The said clauses of the Schedule to the Act, states as under:

**Clause (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                    x

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

3.6 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 26th December 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 is

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**GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part I 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.

4. **Date(s) of Written Submissions/Pleadings by parties:**

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	08 <sup>th</sup> April, 2022
2.	Date of Written Statement filed by the Respondent	15 <sup>th</sup> July, 2022
3.	Date of Rejoinder filed by the Complainant	06 <sup>th</sup> September, 2022
4.	Date of Prima Facie Opinion formed by Director (Discipline)	04 <sup>th</sup> September, 2023
6.	Written Submissions filed by the Complainant after PFO	10 <sup>th</sup> July 2025, 05 <sup>th</sup> November 2025 and 08 <sup>th</sup> November 2025
5.	Written Submissions filed by the Respondent after PFO	03 <sup>rd</sup> November 2025

5. **Written Submissions filed by the Respondent:**

The Respondent vide letter dated 03<sup>rd</sup> November 2025, inter-alia, made the submissions which are given as under: -

- 5.1 The charge against the Respondent is that the Director-Discipline was unable to ascertain on what basis the Respondent, as auditor of M/s Om Prakash Rathi & Co, CAs, had satisfied himself about the genuineness of the expenses of Rs 10,50,000.00 paid to Ms Radha Aggarwal and shown under "professional charges" in the profit and loss account for FY 2019-20.
- 5.2 Non deduction of TDS on the said amount and contradiction in its description as "salary" in the profit and loss account were also reasons behind the apprehension of the Directorate (Discipline), due to which the Respondent was held prima facie guilty of professional misconduct under clause 7 of Part I of the Second Schedule to the CA Act.
- 5.3 It is clarified that the said expense and its payment are duly recorded in the books of accounts and can be verified from the bank statement of the assessee. At the time of audit, there was no written contract for this expenditure, but the Respondent relied on the oral

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explanation provided by the partner to substantiate the amount of Rs 10.50 lakh as being towards outsourcing of back-office services.

- 5.4 The said services primarily included salary for clerical staff, provision of office equipment, computers in operating condition, power supply, consumables, and stationery. Regarding non-deduction of TDS, the partner of the firm explained that the service provider had obtained exemption from tax deduction under section 1971. The Respondent, trusting the explanation given by the partner (the auditee being a CA firm), did not insist on verifying the exemption certificate.
- 5.5 Considering the Prima facie opinion received, the Respondent sought confirmation from the auditee to substantiate the explanations provided by the partner at the time of the audit. The auditee has obtained a confirmation and affidavit from Ms Radha Aggarwal, which supports and confirms the explanations provided by the Respondent.
- 5.6 The description of "salary" in the profit and loss account was a clerical error by the firm that escaped the Respondent's attention. Since the error had no material consequence when the financial statements are taken as a whole, it does not qualify as lack of due diligence by the Respondent.

6. **Rejoinder filed by the Complainant:**

The Complainant vide letter dated 10<sup>th</sup> July 2025, inter-alia, made the submissions which are given as under:-

- 6.1 During FY 2019-20, M/s Om Prakash Rathi & Co received Gross Professional Receipts of Rs. 16,11,464. Net profit was fraudulently reduced to Rs. 1,40,453 by showing fake expenditure Salary of Rs. 10,50,000 to Radha Agarwal.
- 6.2 In P&L A/c ending 31.03.2020, Rs. 10,50,000 was shown as salary, but in a revised annexure submitted later by CA Amit Kumar Puniani, it was shown as Professional Charges. Entire TDS deducted of Rs. 46,354 by M/s Om Prakash Rathi & Co was claimed as refund. No TDS deducted on Rs. 10,50,000 shown as Professional Charges in revised annexure.
- 6.3 Radha Agarwal was falsely shown as professional; her ITR filed u/s 44ADA to claim refund, without paying any tax. Radha Agarwal acted as benami holder for siphoning Rs. 10,50,000 from M/s Om Prakash Rathi & Co. Both CA Kanika Gupta and CA Amit Kumar Puniani

colluded in misrepresenting the same payment as Salary in the firm and Professional Charges in Radha Agarwal's ITR.

- 6.4 No disallowance of Rs. 10,50,000 expenditure was made in M/s Om Prakash Rathi & Co. Both Cas defrauded the Honourable Court and the Income Tax Department by dual treatment of the Rs. 10,50,000 expenditures.

The Complainant vide email dated 05<sup>th</sup> November 2025 and 08<sup>th</sup> November 2025, inter-alia, made the submissions which are given as under:-

- 6.5. The same modus operandi adopted by M/s Om Prakash Rathi & Co. and CA Amit Puniani—namely, booking bogus expenditure in the name of Ms. Radha Agarwal to artificially reduce the net profit of the firm—was not limited to one year. This fraudulent practice was consistently followed during F.Y. 2018–19, F.Y. 2020–21, and F.Y. 2021–22, with the sole intention of defrauding the exchequer.
- 6.6. Further, no TDS was deducted on the alleged payments made to Radha Agarwal during F.Y. 2018–19, F.Y. 2020–21, and F.Y. 2021–22, again with the intention of facilitating tax evasion by M/s Om Prakash Rathi & Co.
- 6.7. The Respondent in his capacity as auditor, provided continuous and deliberate unethical protection to the firm by endorsing and overlooking these irregularities year after year.
- 6.8. Thus, F.Y. 2019–20 was neither the first nor the last instance of such misconduct. The same modus operandi was repeatedly followed in F.Y. 2018–19, F.Y. 2020–21, and F.Y. 2021–22. In all these years, Radha Agarwal was shown as providing professional data entry services, which were fictitious in nature.
- 6.9. This clearly establishes willful collusion among four Chartered Accountants—three partners of the firm and one statutory auditor—with the common objective of defrauding the exchequer.
- 6.10. During F.Y. 2018–19, F.Y. 2019–20, F.Y. 2020–21, and F.Y. 2021–22, CA Amit Puniani issued false and misleading audit reports under Section 44AB, thereby facilitating and concealing the fraudulent activities.

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

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

S. No.	Date of meeting(s)	Status
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1	16 <sup>th</sup> July 2025	Complainant and the Respondent put on Oath
2	26 <sup>th</sup> September 2025	Adjourned at the request of Respondent
3	08 <sup>th</sup> November 2025	Hearing concluded and Decision Taken

- 7.1 On the day of first hearing on 16th July 2025, the Committee noted that the Complainant was present through VC while the Respondent was present in person and appeared before it. Being first hearing of the case, the Complainant and the Respondent were put on oath. Thereafter, the Committee enquired from the Respondent as to whether the Respondent was aware of the charges against him and whether he pleads guilty. The charges as contained in prima facie opinion were also read out. On the same, the Respondent replied that he is aware of the charges and pleaded 'Not Guilty' to the charges levelled against him. 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.
- 7.2 On the day of hearing on 26<sup>th</sup> September 2025, the Complainant was present through VC and Respondent had sought an adjournment vide email dated 24th September 2025 due to some professional commitment. Being first hearing of the case after oath and respondent had sought adjournment, acceding to the request of the Respondent, the Committee adjourned the subject case to a future date.
- 7.3 On the day of final hearing on 08th November 2025, the Committee noted Complainant and Respondent along-with Counsel was present through VC and appeared before it. Further the Committee noted that the allegation against the Respondent was regarding the failure to deduct Tax Deducted at Source (TDS) on an expenditure of Rs. 11,50,000 paid to Ms. Radha Gupta for outsourcing services. The complainant stated that the Respondent `relied on oral explanations from the firm's partners without obtaining documentary evidence to substantiate the expenditure.
- 7.4 The counsel for Respondent stated that the audit was conducted in good faith, relying on the oral explanations provided by the firm's partners due to the absence of documentary evidence. He emphasized that the firm was a small entity with limited resources, making it impractical to maintain extensive documentation. The counsel stated that the partners assured him that the expenditure fell under Section 197A, which exempts certain payments from TDS. However, it was later revealed that the recipient did not possess exemption certificate, leading to a misrepresentation by the firm's partners.

- 7.5 The Committee clarified that the present case pertained only to the specific year in question and would not consider allegations from other years.
- 7.6 It is observed that, under Form 34(a) under Income Tax Act, 1961, there has been a failure to report the tax deduction. On this count, the Respondent is in default and is accordingly held guilty of non-compliance. However, it is viewed that the Respondent is not under any obligation to verify the genuineness of the underlying transaction.
- 7.7 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.

8. **Findings of the Committee:**

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

- 8.1 The Committee noted that there is one allegation against the Respondent in which he has been held prima facie guilty and the same has been given in para 2.1 above.
- 8.2 On perusal of the information and documents on record, it is noted that the that amount of Rs 11,50,000/- had been transferred by the Firm to Ms. Radha Gupta during FY 2019-20. As per the Complainant, this is a fake expenditure which leads to overstatement of expenditure.
- 8.3 The Complainant alleged that the Respondent failed to deduct TDS on the payment, showed discrepancies in the payment amounts, and followed a similar modus operandi in previous years, accusing the Respondent and other CAs of defrauding the income tax department.
- 8.4 The Respondent's counsel submitted that the audit firm in question was small, with a total income of Rs. 16 lakhs, and the expenditure was based on an oral arrangement between the partners and the service provider. The Respondent argued that he relied on the explanations of the audit firm, who assured him that the payment was exempt from TDS. The Respondent also clarified that the typographical error in the Profit & Loss account regarding the classification of salary and professional expenses was minor and did not impact the overall financial accuracy.
- 8.5 The Committee observed that the case pertains only to the relevant year and emphasized that the Complainant should restrict his submissions to the specific complaint filed in Form-I.

The Committee noted the lack of documentary evidence to substantiate the expenditure of Rs. 10.50 lakhs and sought explanation from the Respondent on this matter. The Respondent reiterated his reliance on the partner's oral explanation and offered to provide an affidavit from the recipient of the payment, which the Committee deemed unnecessary. The Committee noted the Respondent's argument that the audit of a small firm may involve a relaxed approach but emphasized the importance of exercising professional skepticism and ensuring proper documentation.

- 8.6 Upon consideration of the submissions and material placed on record, the Committee note that, in respect of the payment of Rs. 11,50,000/- made to Ms. Radha Gupta/Aggarwal, the Respondent has contended that Rs. 10,50,000/- constituted professional fees and the balance represented reimbursement of office expenses, relying upon her income-tax computation of Ms. Radha Gupta Agarwal wherein the said amount has been offered as professional income for FY 2019-20. However, the Profit and Loss Account of the firm for FY 2019-20, audited and certified by the Respondent, reveals that out of the total expenditure of Rs. 14,71,011/-, a disproportionately large amount of Rs. 10,50,000/-, being more than 70% of the total expenditure, was paid to a single individual. Notwithstanding the materiality of the amount, no tax was deducted at source on such alleged professional charges, as is evident from Clause 34(a) of Form 3CD, certified by the Respondent himself, wherein it is stated that the provisions of Chapter XVII-B and XVII-BB were not applicable to the firm. This is further corroborated by the income-tax return of Ms. Radha Aggarwal, wherein no TDS has been claimed under Section 194J. The Committee observed an internal inconsistency in the financial statements signed by the Respondent, in as much as the sum of Rs. 10,50,000/- is reflected as "Salary" in the Profit and Loss Account, whereas in the Annexure it is described as "Professional Charges," rendering the nature of the expenditure unclear. Despite the magnitude and questionable nature of the transaction, the Respondent failed to produce any supporting documents—such as invoices, agreements, or details of services rendered—to substantiate the genuineness of the said payment. While the genuineness of the transaction itself may not be required to be verified by the Respondent, however, the record contains the Form 3CD tax report for the F.Y. 2019-20, and Clause 34(a) therein clearly establishes non-reporting of tax deduction, attracting professional responsibility. The Committee also opined that the contention of the Respondent that the Audit was not mandatory is not relevant here as once any Chartered Accountant signs any Report, he is supposed to have exercised the requisite professional diligence.

- 8.7 In view of the foregoing, the Committee finds that the Respondent did not exercise due diligence expected of him while performing his attest functions, particularly in relation to an

incorrect reporting of non deduction of TDS in form 3CD on materially significant expenditure forming part of the financial statements certified by him. Accordingly, the Respondent is held **GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

9. **Conclusion:**

In view of the findings stated in 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 8.1 to 8.7 as Above.	<b>GUILTY</b> - Clause (7) of Part I of Second Schedule

10. In view of the above observations, considering the oral and written submissions of the Respondent and Complainant and material on record, the Committee held the Respondent **GUILTY** of Professional Misconduct falling within the meaning Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

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

Sd/-  
(ADV. VIJAY JHALANI)  
GOVERNMENT NOMINEE

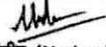
Sd/-  
(CA. MANGESH P KINARE)  
MEMBER

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

  
नीलम पुंडीर / Neelam Pundir  
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अनुशासनात्मक निदेशालय / Disciplinary Directorate  
भारतीय सनदी लेखाकार संस्थान  
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