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-II (2026-2027)]**
[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/120/2023/DD-35/TAQRB-INF-2023/DC/2120/2025]**

In the matter of:
CA. Praful **Devraj Pasad** (M. No. **105073),**
44/A2, 4th Floor, B Wing
Ashwini Apartments
M.P Road
Murnbai-400081 **...**Respondent

MEMBERS PRESENT:
1. CA. Prasanna Kumar D, Presiding Officer (In person)
2. CMA. Chandra Wadhwa, Government Nominee (through VC)
3. CA. Mahesh Shah, Government Nominee (In person)
4. **CA.** Satish Kumar Gupta, Member (In person)
5. CA. Hans **Raj** Chugh, Member (In person)

DATE OF HEARING: **20th** August 2026

DATE OF PRONOUNCEMENT OF ORDER: **20th** August 2026

DATE OF ORDER: **20th** August 2026

1. That vide Findings dated **10th** February 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. Praful **Devraj Pasad** (MI. No. 105073) (hereinafter referred to as the Respondent) is GUILTY of Professional Misconduct falling within the meaning of **Item** (1) 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 him thereby granting an opportunity of being heard in **person/** through video conferencing and to make representation before the Committee on **20th** August 2026.

3. The Committee noted that on the date of hearing on 20th August, 2026, the Respondent was present through VC and made verbal submissions on the findings of the Committee. An opportunity was given for the submission of written representations; however, the Respondent failed to file any written response/submissions. The Committee noted that, in his verbal submissions, the Respondent, inter alia, stated that he had not signed any audit report since October 2010.

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

5. Thus, keeping in view the facts and circumstances of the case, material on record including verbal submissions of the Respondent on the Findings, the Committee observed that the Respondent was found to have conducted and uploaded two Tax Audit Reports under Section 44AB of the Income Tax Act, 1961 for the financial year 2010-11 despite holding only a Part Time Certificate of Practice (COP).

6. In this regard, the Committee noted the provisions of Section 6(1) of the Chartered Accountants Act, 1949, which provides that nb member of the Institute shall be entitled to practice unless he has obtained from the Council a certificate of practice. The Committee further noted that the Council, at its 241st meeting in March 2004, decided that effective from 01st April 2005, members holding a Part Time COP are not entitled to perform attest functions, which includes tax audits.

7. The Committee also noted that, during the hearing in the instant matter, the Respondent submitted that, at the relevant time, i.e., during the financial year 2007–08, the part-time practice concept was there, and he did one or two audits relating to closely held private companies and, a Private Partnership Firm.

8. In view of the above, the Committee held that the Respondent, despite holding a Part-Time Certificate of Practice, had issued tax audit reports under Section 44AB of the Income-tax Act, 1961 for the financial year 2010–11, thereby contravening the provisions of the Chartered Accountants Act, 1949 and the Regulations framed thereunder. Hence, the Professional Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 10th February 2026 which is to be read in consonance with the instant Order being passed in the case.

9. 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.

10. 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. Praful **Devraj Pasad** (M. No. **105073),** Mumbai be Reprimanded and also imposed a fine of Rs. **50,000/-** (Rupees Fifty Thousand only) upon him, which shall be paid within a period of 60 (sixty) days from the date of receipt of the order.

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

Sd/-
(CMA CHANDRA WADHWA)
GOVERNMENT NOMINEE

Sd/-
(CA. MAHESH SHAH)
GOVERNMENT NOMINEE

Sd/-
(CA. SATISH KUMAR GUPTA)
MEMBER

Sd/-
(CA. HANS RAJ CHUGH)
MEMBER

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy
Charan Singh
चरण सिंह / Charan Singh
कार्यकारी अधिकारी / Executive Officer
अनुशासनात्मक 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-?.Noida-201301 (U.P.)

CONFIDENTIAL

DISCIPLINARY COMMITTEE **[BENCH – II** (2025-2611
[Constituted under Section 21B of the Chartered Accountants Act, **1949]**

Findings under Rule 181171 of the Chartered Accountants (Procedure of **Investigations** of Professional and **Other** Misconduct and Conduct of Cases) Rules. 2007

[PPR/MISC/TAQRB/120/2023/DD-35/TAQRB-INF-2023/DC/2120/2025]

In the matter of:

CA. Praful Devraj Pasatl (M. No. **105073),**
44/A2, 4th Floor, B Wing
Ashwini Apartments
M.P Road
Mumbai-400081
Maharashtra. ...Respondent

MEMBERS PRESENT:

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

Date of Final Hearing: **7th** January 2026

PARTIES PRESENT (through Video Conferencing):

CA. Praful Devraj **Pasad** (M. No. 105073)

1. BACKGROUND OF THE CASE:

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 certification of Tax Audit Report despite holding Part Time Certificate of Practice (COP) during the financial year 2010-11 against CA. Praful **Devraj Pasad** (M. No. 105073), **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 charae that the Respondent conducted Tax Audit under Section 44AB of the Income Tax Act 1961 and uploaded his Report aaainst his membership number despite having Part Time Certificate of Practice (COP) during the financial vear 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 It is observed that the Respondent in his submissions dated nil received on 16th March 2012 had admitted that the said audits (i.e., 2 Audits only) mentioned in the letter were conducted by him during the said year. He was under the belief that he could conduct the audit as being part-time COP holder, and he was not aware of the fact that he was not eligible to conduct the audit as being holder of a part-time COP. He further stated that he has carried out the said audit with utmost care and strictly as per the Rules and Regulations of the Act. He further stated that, during the audit time, he was not employed but rather was on a retainer basis with the Company. Also, he used to get the time after 5.00 pm as well as on the whole Saturday to conduct the audit. The same needed to be updated in the Institute's record, which was not done by him, as he was under the belief that a part-time COP holder can conduct the Audit. He further stated that he has not conducted an audit after 111012010.

3.1.3 Although, in the present case, the number of audit reports uploaded is only two, 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.

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, states 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	Dated
1.	Date of 'Information' letter	21st July 2023
2.	Date of Written Statement filed by the Respondent	------
3.	Date of Prima Facie Opinion Formed by Director (Discipline)	14th May 2025
4.	Written Submissions by the Respondent after Prima Facie Opinion	--

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

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

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

5.2 At the time of 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 of hearing due to network issues.

5.3 On the day of hearing on 07" January 2026, the Committee noted 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 pleaded Not Guilty to the charge(s) levelled against him and chose to argue his case before the Committee.

5.4 He submitted before the Committee that at the time of this incident in 2007-08, the part-time practice concept was there, and he did one or two audits relating to closely held private companies and, a Private Partnership Firm. This is an old case and after October 2010, he is not into practice, and has not signed any audit report. He requested the Committee to quash this matter and pardon his offence. He also informed the Committee that he is a part-time COP holder even now. On consideration of the submissions made, the committee posed certain questions to the Respondent which were responded to by them. Thereafter, upon perusal of the documents on record and on consideration of the oral and written submissions of the Respondent vis-a-vis facts of the case, the Committee decided to conclude the hearing in the case.

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

6.1 At the outset, the Committee noted that ihe 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.

6.2 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."

6.3 In this regard it is 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 Notes on Related Services published in the July 2001 issue of the Institute's Journal.

6.4 The Committee 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 before Secretary ICAI that he conducted 2 tax audits

6.5 The Committee noted that Respondent submitted before the Committee at the time of hearing held on 7th January 2026 that at the time of this incident in 2007-08, the part-time practice concept was there, and he did one or two audits relating to closely held private companies and, a Private Partnership F i n . He further iterated that this is an old case and after October 2010, he is not into practice and has not signed any audit report. He requested the Committee to quash this matter and pardon his offence. He also informed the Committee that he is a part-time COP holder even now.

6.6 Thus, the Committee noted that the Respondent not only in his submissions but also at the time of hearing before the Committee, admitted that he was holding part time Certificate of Practice at the time of undertaking two Tax Audits under Section 44AB of the Income Tax Act, 1961. The Committee thus, 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.

6.7 Accordingly, the Committee held the Respondent Guilty of Professional Misconduct within the meaning of Item (1) of Part II of the Second Schedule to the Chartered Accountants Act. 1949.

7. <u>CONCLUSION:</u>

In view of the findings stated in the above paras, vis-a-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 6.1 to Para 6.7 as above	**Guilty**- Item (1) of Part II of the Second Schedule

8. In view of the above observations, considering the 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: 10.02.2026
PLACE: NEW DELHI

सत्यापित होने के लिए प्रमाणित / Certified to be True Co
निशा शर्मा / Nisha Sharma
सहायक सचिव / Assistant Secretary
अनुशासनात्मक निदेशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
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