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/114/2023/DD-30/TAQRB-INF-2023/DC-2125-2025]

In the matter of:
CA. Dhanpatraj Phoolchand Mehta, (M. No. 038816)
25/B, Shanti Nagar,
98 Napean Sea Road
Mumbai - 400006
Maharashtra.

...Respondent

MEMBERS PRESENT:
1. CMA. Chandra Wadhwa, (Government Nominee and Presiding officer) (In person)
2. CA. Mahesh Shah, Government Nominee (In person)
3. CA. Satish Kumar Gupta, Member (In person)
4. CA. Hans Raj Chugh, Member (In person)

DATE OF HEARING: 24th August 2026

DATE OF PRONOUNCEMENT OF ORDER: 24th August 2026

DATE OF ORDER: 24th August 2026

1. That vide Findings dated 10th February 2026 under Rule 18(8) 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. Dhanpatraj Phoolchand Mehta, (M. No. 038816), (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 24th August, 2026.

3. The Committee noted that on the date of hearing on 24th August, 2026, the Respondent was present through VC and made verbal submissions on the findings of the Committee. The Committee noted the verbal and written representation of the Respondent dated 22nd August 2026 on the Findings of the Committee, which, inter alia, are as under: -

- That the violation of the Institute's Code of Conduct was an inadvertent and genuine mistake.
- The Respondent had no mala fide intention or deliberate intent to breach, disregard, or undermine the applicable rules and regulations.
- That the breach was not committed with any malicious or improper motive and was purely a bona fide error.
- The Respondent requested the Committee to take a lenient view in the matter.

4. The Committee considered the reasoning as contained in Findings holding the Respondent 'Guilty' of Professional Misconduct vis-à-vis verbal and written 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 and written submissions of the Respondent on the Findings, the Committee observed that the Respondent was found to have conducted and uploaded three Tax Audit Reports under Section 44AB of the Income Tax Act, 1961 during 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 no 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 241" meeting in March 2004, decided that effective from 01st April 2005, members holding a Part Time COP are not entitled to perform attest functions.

7. The Committee also noted that, during the hearing in the instant matter, the Respondent admitted to having conducted said audit and pleaded guilty. Accordingly, the Committee held that the Respondent, despite holding a Part-Time Certificate of Practice, had issued tax audit report under Section 44AB of the Income-tax Act, 1961 during 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.

8. 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.

9. 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. Dhanpatraj Phoolchand Mehta, (M. No. **038816),** 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/-
(CMA CHANDRA WADHWA)
(GOVERNMENT NOMINEE AND PRESIDING OFFICER)

Sd/-
(CA. MAHESH SHAH)
GOVERNMENT NOMINEE

Sd/-
(CA. **SATISH** KUMAR GUPTA)
MEMBER

Sd/-
(CA. HANS **RAJ** CHUGH)
MEMBER

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Grover
अंजू ग्रोवर / Anju Grover
सहायक सचिव / Assistant Secretary
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-1, Noida-201301 (U.P.)

CONFIDENTIAL

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

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

[PPR/MISC/TAQRB/114/2023/DD-30/TAQRB-INF-2023/DC-2125-2025]

In the matter of:

CA. Dhanpatraj Phoolchand Mehta, (M. No. **038816)**
25/B, Shanti Nagar,
98 **Napean** Sea Road
Mumbai - 400006
Maharashtra. **...**Respondent

MEMBERS **PRESENT(in person):**

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

Date of Final Hearing: 7th January 2026

PARTIES **PRESENT**(**through** Video Conferencing):

CA. Dhanpatraj Phoolchand Mehta (M. No. 038816)

1. BACKGROUND OF THE CASE:

1.1 The Committee noted that in the year 2011 the Central Board of Direct Taxes (CBDT) had provided information to the ICAI relating to the Tax Audit reports filed in 2010-11 by its members. Thereafter, vide office note dated 30th December 2022, the Secretary, Taxation Audits Quality Review Board (hereinafter referred to as "Informant/ TAQRB") forwarded recommendation of the Council on 'Audits reportedly conducted by members not holding COP/ members holding Part time COP/ Members whose name had been removed from the Register of Members' to the Disciplinary Directorate. The said note of TAQRB alleged certification of Tax Audit Report despite holding Part Time Certificate of Practice (COP) during the financial year 2010-11 against CA. Dhanpatraj Phoolchand Mehta (M. No. 038816), 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 30TH APRIL 2025. FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF, ARE GIVEN BELOW: -

3.1 With respect to charge that The Respondent conducted Tax Audit under Section 44AB of the Income Tax Act, 1961 and uploaded his Report against his membership number despite having Part Time Certificate of Practice (COP) during the financial year 2010-11:

3.1.1 As per the provisions mentioned in Section 6(1) of the Chartered Accountants Act, 1949 read with the decision of the Council at its 241st meeting held in March 2004 which was effective from 1st April 2005, any member in part-time practice (namely, holding certificate of practice and is also engaging himself in any other business and/or occupation) is not entitled to perform attest function and that the resolution has been passed by the Council in pursuance of provision of Regulation 190A.

3.1.2 It is observed that the Respondent in his submissions dated 12th March 2012 submitted that he was Managing Director of Reliance Finlease Limited in year 1995 for five years and based on this salary employment, he was issued part time COP. He further submitted that his term of employment ended in the year 2000 and he was under the impression that he is entitled to full-time practice, and this fact was brought by him to the notice of the Institute. He further submitted that he never wants to breach the Code of Conduct.

3.1.3 It is further observed that the Respondent has not brought on record any evidence to substantiate that he had made any effort to update his employment status with the Institute or applied for full time COP even after receiving letter asking clarifications from the Institute regarding filling of tax audit report without having full time COP.

3.1.4 Though, in present case, the number of audit reports uploaded is 3 only, yet it is viewed that the highest standards of ethical behaviour and professional compliance to the Guidelines prescribed are expected from the members of the profession and violation of any Rules/Regulations is not acceptable.

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 are given below:

S. No.	Particulars	Date
1.	Date of 'Information' letter	30th June 2023
2.	Date of Written Statement filed by the Respondent	25th July 2023
3.	Date of Prima Facie Opinion Formed by Director (Discipline)	30th April 2025
4.	Written Submissions by the Respondent after Prima Facie Opinion	18th December 2025 received vide mail dated 22nd December 2025

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

5.1 The Respondent in his submissions dated **18th** December 2025 received vide e-mail dated 22nd December 2025 pursuant to prima facie opinion, **inter-alia,** submitted as under:

(a) The violation of the code of conduct was through oversight and being under mistaken belief as on the date of violation.
(b) He had no intention to breach the Code.
(c) No malafide intention can be inferred by his conduct in the matter.
(d) He requested that a lenient view be taken as it was a genuine mistake and expressed his remorse for the same.

6. BRIEF FACTS OF THE PROCEEDINGS:

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

S.No.	Date	Status of Hearing
1.	30.12.2025	Adjourned due to network issues
2.	07.01.2026	Heard and concluded

6.2 At the time of hearing held on **30th** December 2025, the Committee noted that the case was adjourned due tonon-availability of the Respondent at the time when the case was taken up for hearing due to network issues.

6.3 On the day of hearing on 07th 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 also pleaded Guilty to the **charge(s)** levelled against him.

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

"18. Procedure to be followed by the Committee

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

7. FINDINGS OF THE COMMITTEE: -

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

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

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

7.3 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.

7.4 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
3	Part time Certificate of Practice	Admission of Guilt before the Committee at the time of hearing on 7th January 2025 as well as in the written submissions before the Committee/Director(Discipline)/Secretary(ICAI)

7.5 Thus, the Committee held that the Respondent, despite holding a part-time Certificate of Practice, undertook and uploaded Tax Audit Report under Section 44AB of the Income Tax Act, 1961 in respect of 3 assesses. The Committee also held that the certification of a Tax Audit Report is a statutory audit function, which is expressly permitted only to members holding a full-time Certificate of Practice. By undertaking such an assignment while being ineligible to do so, the Respondent contravened the provisions of the Chartered Accountants Act, 1949 and the Regulations framed thereunder.

7.6 Accordingly, the Committee in terms of Rule 18(8) of Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 recorded the plea of guilt of the Respondent and decided to hold him Guilty of Professional Misconduct falling within the meaning of Item (1) of Part II of Second Schedule to the Chartered Accountants Act, 1949.

8. CONCLUSION:

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 7.1 to Para 7.6 as above	**Guilty-** Item (1) of Part II of the Second Schedule

9. 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**

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निशा शर्मा / Nisha Sharma
सहायक सचिव / Assistant Secretary
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