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/116/2023/DD/32/TAQRB/INF/2023/DC-2123-2025]
In the matter of:
CA. Gupta Devaki Nandan Madanlal (M. No. 040576),
Bldg. No. 1, G Wing
Flat No. 142
Kalptaru Aura
L B S Marg, Ghatkopar West
Mumbai – 400086. **...Respondent**

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

DATE OF HEARING: 25th August 2026

DATE OF PRONOUNCEMENT OF ORDER: 25th August 2026

DATE OF ORDER: 25th 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. Gupta Devaki Nandan Madanlal (M.No. 040576),** (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 25th August 2026.

3. The Committee noted that on the date of hearing on 25th August 2026, the Respondent was present through VC and made verbal submissions on the findings of the Committee. The Committee noted that the Respondent reiterated his written submissions dated 26th February 2026 which, inter alia stated, as under: -

- That the lapse was unintentional, without mala fide intention, dishonesty, or conscious disregard of professional rules.
- That he was not aware of the Council's guidelines, as set out in Regulation 190A, prohibiting part-time COP holders from undertaking attestation functions.
- That the attestation function does not result in loss or undue benefits to any stakeholder.
- That he is presently retired from the professional practices.
- The Respondent prayed the Committee for leniency 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 eight 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 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.

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, undertook and uploaded Tax Audit Report under Section 44AB of the Income Tax Act, 1961 in respect of 8 assessee(s). 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 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. Gupta Devaki Nandan Madanlal (M. No. 040576), Mumbai be Reprimanded and also imposed a fine of Rs. 25,000 (Rupees Twenty Five 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
निशा शर्मा / Nisha Sharma
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/116/2023/DD/32/TAQRB/INF/2023/DC-2123-2025]

In the matter of:

CA. Gupta Devaki Nandan Madanlal (M. No. 040576),
Bldg. No. 1, G Wing
Flat No. 142
Kalptaru Aura
L B S Marg, Ghatkopar West
Mumbai – 400086. ...**Respondent**

MEMBERS PRESENT (in person):

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

Date of Final Hearing: 30th December 2025

Date of decision taken: 7th January 2026

PARTIES PRESENT (through videoconferencing):

CA. Gupta Devaki Nandan Madanlal (M. No. 040576)

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. Gupta Devaki Nandan Madanlal (M. No. 040576), 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 2nd MAY 2025, FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF, ARE GIVEN BELOW: -**

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

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

3.1.2 The Respondent in his submissions 20th February 2012 read with submission dated 13th July 2023 submitted that he is holding Part Time COP since 1987 and admitted that he has certified eight tax audit reports despite having part time COP. He further admitted that the same was done out of ignorance about the resolution passed by the Council under Regulation 190A.

3.1.3 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	13th July 2023
3.	Date of Prima Facie Opinion Formed by Director (Discipline)	02nd May, 2025
4.	Written Submissions by the Respondent after Prima Facie Opinion	6th December 2025

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

5.1 The Respondent in his submissions dated 6th December 2025, inter-alia, submitted as under:

(a) During the relevant period, he was holding a Part-Time Certificate of Practice.
(b) He was not aware of the Council's decision under Regulation 190A passed at the 241st meeting of the Council, which prohibits members in part-time practice from performing attest functions with effect from 01.04.2005.
(c) During the financial year 2010-11, he inadvertently performed attest functions relating to Tax audit, Vat audit and Co-operative Housing Society Audit and this was done without any intention to violate any Council Guidelines.

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	Heard and concluded
2.	07.01.2026	Final decision taken on the conduct of Respondent

6.2 At the time of hearing held on 30th December 2025, the Committee noted that the Respondent was present before it through video conferencing and 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 :

"***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."

The Committee also directed the office to seek the current membership status of the Respondent from the SSP of ICAI. Thus, the decision on the conduct of the Respondent was kept reserved by the Committee.

6.3 At the meeting held on 7th January 2026, the Committee noted that the Respondent held a Part-time Certificate of Practice during the alleged period and currently is an active member of ICAI holding full-time Certificate of Practice. The Committee further noted that the Respondent vide communication dated 6th December 2025 provided the copy of his written submissions, wherein he stated that during the relevant period, he was holding a Part-Time Certificate of Practice. He was not aware of the Council's decision under Regulation 190A passed at the 241st meeting of the Council, which prohibits members in part-time practice from performing attest functions with effect from 01.04.2005. He further stated that during the financial year 2010-11, inadvertently performed attest functions relating to Tax audit, Vat audit and Co-operative Housing Society Audit and this was done without any intention to violate any Council Guidelines.

6.4 Thus, the Committee, on consideration of the facts of the case vis-a-vis documents/submissions available on record and plea of the Respondent recorded under Rule 18(8) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, decided on the conduct of the Respondent.

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

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

No. of Tax audit conducted	Status of Certificate of Practice at the time of alleged misconduct	Status of admission of guilt of the Respondent
8	Part time Certificate of Practice	Admission of Guilt before the Committee at the time of hearing on 30th December 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 8 assessee(s). 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 Thus, on consideration of the documents and submissions on record, the Committee noted that the Respondent not only in his submissions admitted his guilt/misconduct but also at the time of hearing on 30th December 2025, on being asked by the Committee, pleaded guilty to the charge levelled against him. 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-à-vis material on record, the Committee gives its Findings as under:

CHARGE (AS PER PFO)	FINDINGS	DECISION OF THE COMMITTEE
S.no. 1 of Para 2 as above	Para 7.1 to Para 7.6 as above	**Guilty**- Item (1) of Part II of 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/-
(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 Copy
Bishwa Nath
बिश्वनाथ तिवारी / Bishwa Nath Tiwari
वरिष्ठ कार्यकारी अधिकारी / Senior 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-1, Noida-201301 (U.P.)