

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2026-2027)]

[Constituted under Section 21B of the Chartered Accountants Act, 1949]

Findings under Rule 18(17) read with Rule 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

File No: [PR/166/2019-DD/169/2019-DC/1516/2021]

In the matter of:

Shri Abhishek Kumar Mishra
H-1201, Parkview City - 2
Sector- 49, Gurgaon,
Haryana – 122018

..... Complainant

Versus

CA. Ashish Dilipkumar Parikh (M. No. 116745)
M/s Parikh Mehta & Associates (FRN 112832W)
PMA House, Gokhle Colony,
Dinesh Mill Road, Urmi Char Rasta, Akota,
Vadodara (Gujarat) - 390020

..... Respondent

MEMBERS PRESENT:

CA. Prasanna Kumar D, President, ICAI, Presiding Officer (In person)
CMA Chandra Wadhwa, Government Nominee (In person)
CA. Mahesh Shah, Government Nominee (In person)
CA. Satish Kumar Gupta, Council Member (In person)

DATE OF FINAL HEARING : 14th May 2026
DATE OF DECISION TAKEN : 25th July 2026
DATE OF PRONOUNCEMENT OF DECISION : 29th August 2026

PARTIES PRESENT:

Complainant : Shri Abhishek Kumar Mishra (Through VC)
Respondent : CA. Ashish Dilipkumar Parikh (Through VC)
Counsel for the Respondent : CA. Jayant Gokhale (Through VC)

1. **Background of the Case:**

- 1.1. The Complainant has raised certain issues against the Respondent who was the Statutory Auditor of **M/s Sawan Residency Private Limited** (hereinafter referred to as the "SRPL/ Company") for FY 2017-18 with regard to, among others, not mentioning UDIN on the certificate issued by the Respondent to SRPL and not reporting on non-disclosure of related party transactions with Directors etc. On the other hand, the Respondent has denied all the charges levelled against him.

2. **Charges in brief:**

- 2.1. The Respondent has issued a certificate to SRPL dated 09.03.2019 that doesn't bear Unique Document Identification Number (UDIN) which according to the Complainant was in contravention of rules and regulations under the Chartered Accountants Act/ Council of ICAI. He further alleged that vide announcement dated September 26, 2018 the concept of UDIN was introduced by ICAI and was implemented w.e.f. February 1, 2019 by making it mandatory for CAs issuing certificates to quote UDIN on the certificates. In addition to this, the Complainant, in his Rejoinder, alleged that the Respondent secured UDIN for the certificate in question post sending an email by the former to the latter in this regard. He emphasised that such UDIN was secured after Respondent's reply to Complainant's mail. Thus, he alleged this action as an 'after thought'.
- 2.2. It is alleged, among others, that audited books of accounts of SRPL for FY 2017-18 did not disclose the expenditure of Rs 1,02,11,849/- while the Respondent had issued a certificate certifying such expenditure based on the same books of accounts. The Complainant questioned that such a huge amount which was quite a number of times bigger than the total revenue of SRPL, how could this amount be spent out of the funds of the Company to build on a land owned by the Directors, being a private property. The Complainant, in addition to the above, alleged that since such transaction was with the promoters/ directors of the Company and no corresponding disclosure was made in the Director's Report with regards to Related Party Disclosure, hence the Respondent was allegedly guilty for not attracting attention in his Audit Report in this regard.

3. **The relevant issues discussed in the Prima Facie Opinion dated 28th July 2021 formulated by the Director (Discipline) in the matter, in brief, are given below:**

3.1 With respect to charge mentioned in Point 2.1 above, it was noted that from 1st February, 2019, the concept of UDIN had been made mandatory by ICAI and it was required to be quoted on all the certificates which, among others, include certificates issued on the basis of financials books of accounts and annual financial statements. It was also noted that since the certificate in question was issued post 01st February, 2019 and it was issued in respect of certifying an expenditure of Rs 1,02,11,849/- towards a property, this indicates that the said certificate was issued on the basis of books of accounts/ financial statements of SRPL, this was mandatorily required to carry a UDIN. Besides this observation, it was also noted that the Respondent vide his letter dated 19th April, 2019 stated that he withdrawn his certificate issued on 09th March 2019 by quoting reason of mentioning date of 09th March, 2019 due to oversight and requested SRPL to treat it as certified on 17th April, 2019. He also enclosed certificate dated 17th April, 2019 issued by him in this regard. It was also noted that UDIN was secured by the Respondent on 22nd April, 2019 at 1:29 PM for the said certificate dated 17th April, 2019, while the Respondent replied to Complainant's mail on 22nd April, 2019 at 10:39 AM. This clearly indicates that the letter addressed to SRPL by the Respondent to withdraw his earlier certificate dated 09th March, 2019 was mere an afterthought as he first withdrawn his earlier certificate and issued a new certificate with a new date (i.e., 17th April, 2019) and then generated UDIN on 22nd April, 2019. Moreover, the claim of the Respondent that such certificate was only drafted on 09th March, 2019 and actually issued on 17th April, 2019 was also not tenable and cannot be accepted as on the face of such certificate, there was no date mentioned by the Respondent either at the bottom of his signature or anywhere on the face of the said certificate indicating a different issue date i.e., 17th April, 2019 as claimed by him.

3.2 Hence, it was clear that the Respondent not only failed to comply with the decision of the Council of ICAI passed by it with regards to UDIN making mandatory but also he tried to evade his lapse in his Written Statement to the disciplinary proceedings in this regard by adopting contradicting stands. Moreover, the two stands taken by the Respondent where in the first stand, he claimed 'withdrawal of earlier certificate dated

09th March 2019 and issuing of a fresh certificate dated 17th April 2019' clearly contradicts with his other stand where he had claimed the validity of the earlier certificate only which as per his claim was 'prepared on 09th March 2019 and was signed on 17th April 2019. Therefore, the conduct of gross negligence on the part of Respondent falls within the meaning of 'Professional Misconduct' categorised under Clause (7) of Part I of the Second Schedule and Clause (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949.

3.3 It was observed that as far as accounting of Rs 1.02 Crores as land development charges is concerned, it was observed that as per certificate of the Respondent this expenditure was incurred by two directors. It was also observed that unsecured loan from directors was Rs. 5,47,45,034/-. Hence the source of the fund was loan from directors. The expenditure was shown in fixed assets. Thus the accounting of the funds appears to be in order.

3.4 With respect to charge mentioned in Point 2.2 above, it was observed that simply a consent letter of the Directors/ owners of land permitting Company to develop the land and use for commercial purposes without any corresponding Rent Agreement in this regard, doesn't indicate the exact nature of transaction to determine its disclosure as Related Party transaction. In addition to this, it was also noted that while the same consent letter of owners of land provides that a formal Rent Agreement was to be entered after approval of the Board, the Respondent in his Written Statement had stated that no rent was agreed to be paid to the owners of land by the Company which were contradictory to each other. It was seen that no copy of such relevant Board minutes was provided on record to justify the stand taken by the Respondent. Hence, in absence of any documentary evidence read with the content of letter dated 14th December, 2015 which talks about the formal rent agreement to be entered in between the owners of land and the Company, the bonafide of the Respondent cannot be established as it cannot be presumed that such transaction does not involve a financial outflow out of the funds of the Company for using land of Directors / their wives for commercial purposes and since, no corresponding related party transactions' disclosure is made either in the Director's Report or Notes to Accounts or Audit Report, it was held that the Respondent acted gross negligently for not attracting attention to this effect in his Audit Report. Accordingly, the Respondent is held prima-facie Guilty of 'Professional Misconduct'

within the meaning of Clause (5) and (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

- 3.5 Accordingly, the Director (Discipline) in his Prima Facie Opinion dated 28th July 2021 opined that the Respondent was held **GUILTY** of Professional Misconduct falling within the meaning of Clause (5) and (7) of Part I of the Second Schedule & Clause (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949. The said Clauses of the Schedule to the Act, states as under:

Clause (5) and (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

(5) fails to disclose a material fact known to him which is not disclosed in a financial statement, but disclosure of which is necessary in making such financial statement where he is concerned with that financial statement in a professional capacity;

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

Clause (1) of Part II of Second Schedule:

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

X X X X X X X

(2) contravenes any of the provisions of this Act or the regulations made thereunder or any guidelines issued by the Council;."

- 3.6 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 30th September 2021. The Committee on consideration of the same, concurred with the reasons given against the charges 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 Clause (5) and (7) of Part I of the Second Schedule & Clause (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. Dates of Written Submissions/ Pleadings by the 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	21 st May, 2019
2.	Date of Written Statement filed by the Respondent	17 th July, 2019
3.	Date of Rejoinder filed by the Complainant	20 th September, 2019
4.	Date of Prima Facie Opinion formed by Director (Discipline)	28 th July, 2021
5.	Written Submissions filed by the Respondent after PFO	19 th November, 2021
6.	Rejoinder filed by the Complainant after PFO	28 th December, 2021

5. Written Submissions filed by the Respondent:

5.1 The Respondent, vide letter dated 19th November 2021, had inter alia, made the following submissions which are given as under:-

- i. That as soon as the Respondent realised the omission of obtaining UDIN, he immediately applied for and obtained the same, stating that there was no disregard to the Regulations and that it was purely an accidental and inadvertent omission at the first stage.
- ii. That so long as the contents of the certificate are correct, the complainant should not be concerned about such technical default which is procedural in nature.
- iii. That the contents of the second certificate issued after obtaining UDIN were absolutely the same and identical, and therefore there was no negligence or error in issuing the certificate.

- iv. That the Council had announced an Amnesty Scheme in respect of UDIN, which covered defaults during the period 1st February 2019 to 31st December 2020, with UDIN to be obtained between 01.01.2021 to 31.01.2021.
- v. That the first certificate was issued on 01.02.2019 without UDIN, and the second certificate was issued on 17.04.2019, and both the dates fall within the Amnesty period.
- vi. Accordingly, it was requested that the benefit of the Amnesty Scheme be given to the Respondent.
- vii. That there was no outflow, no liability accepted by the company, and no claim made by the owner, therefore the question of reporting it as a related party transaction does not arise.
- viii. That the Board Resolution permitted the company to construct the building based on the consent letter of the owners, and it was interpreted that the rent agreement would be entered into when both parties decide to charge rent and finalise other terms and conditions.
- ix. As per Accounting Standard 18 – Related Party Disclosures, only financial transactions are required to be disclosed, and therefore the matter was not disclosed being a non-financial transaction.
- x. That the construction was undertaken based on the consent letter of the landowners, and subsequently an agreement dated 01.01.2016 was entered between the landowner and the company, stating that rent would be charged after lapse of certain time or after development/completion of construction.
- xi. That the Complainant has no reason to have any grievance if the company, with the consent of the concerned directors, started construction of its hotel on the said plot.

6. Rejoinder filed by the Complainant:

- 6.1 The Complainant, vide letter dated 28th December 2021, had inter alia, made the submissions which are given as under –
- i. That the Respondent has facilitated Benami property transaction and concealed money flow to related parties, including father of Director Muskan Tanwani.
 - ii. That the money trail from accounts of SRPL was not reflected in the books and audited balance sheet as on 31.03.2016 signed by the Respondent.

- iii. That the Company has shown Mr. Ashok Tanwani as related party in the audited financial statements, but no related party transactions were disclosed despite the money trail indicated in Table 1.
- iv. That the Respondent issued a certificate dated 09th March 2019 certifying expenditure of Rs. 1,02,11,849/-, supported by an expense sheet signed by CA Rupesh Chokshi for FY 2017-18, but no mention of the same was made in the audited balance sheet despite the amount being about six times the annual revenues, allegedly to create levy for Benami transaction.
- v. That the Respondent claimed the transaction related to construction of a hotel and was treated as capital expenditure of Rs. 1.02 crores in FY 2017-18 by SRPL.
- vi. That the Respondent allegedly failed to disclose and report mis-management, as the Gujarat High Court had imposed a stay on the land and VUDA had revoked development permission for non-compliance, yet the Respondent certified the expenses despite the stay order.
- vii. That the Respondent failed to obtain architect's certificate to ensure that SRPL's money was invested in rightful construction, despite statutory obligation as auditor.
- viii. That the Respondent was aware of the related party transaction involving an amount about ten times the revenue of SRPL, yet did not disclose it in the audit report.
- ix. That the Company did not hold title of the land in its name despite incurring expenditure of Rs. 1.02 crores, and the Respondent did not report this fact in the audit report.
- x. That the UDIN was generated on 22nd April 2019, after the Respondent had already replied to the complainant earlier on the same day, raising questions regarding the timing of UDIN generation.
- xi. That the certificate issued by the Respondent dated 09th March 2019 was produced in court on 19th April 2019.
- xii. That the material contracts or arrangements not at arm's length basis were required to be disclosed, but the Respondent reported them as NIL despite having information.
- xiii. That the Respondent designed complex transactions in collusion with the directors to conceal benami transactions.
- xiv. That the Respondent caused loss of tax revenue to the government by facilitating conversion of black money into assets while evading taxes such as Income Tax, GST and Service Tax.

7. Brief facts of the Proceedings:

7.1 Details of the hearing(s) fixed and held/ adjourned in the said matter are given as under—

S. No.	Date of Meeting(s)	Status
1.	12 th May, 2023	Oath taken by Complainant and adjourned.
2.	31 st October, 2023	Oath taken by Respondent and adjourned.
3.	17 th March, 2026	Deferred due to paucity of time.
4.	08 th April, 2026	Part heard and adjourned.
5.	24 th April, 2026	Adjourned at the request of Complainant.
6.	14 th May, 2026	Hearing Concluded & Finding Reserved.
7.	25 th July 2026	Decision Taken.

7.2 On the day of first hearing held on 12th May 2023, the Committee noted that the Complainant was present through Video Conferencing Mode. The Committee noted that the Respondent vide email dated 07th May 2023 sought adjournment on the ground of the non-availability of his Counsel. The Complainant was administered on Oath. Thereafter, looking into the adjournment request of the Respondent and the fact that this was the first hearing, the Committee decided to adjourn the hearing to a future date.

7.3 On the day of hearing held on 31st October 2023, the Committee noted that the Respondent was present before it for the first time. Accordingly, the Respondent was administered on Oath. Thereafter, the Committee enquired from the Respondent as to whether he 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. Thereafter, looking into the fact that this was the first hearing, the Committee decided to adjourn the hearing to a future date.

7.4 On the day of hearing held on 17th March 2026, consideration of subject case was deferred by the Committee due to paucity of time.

7.5 On the day of hearing held on 08th April 2026, the Committee noted that Respondent along with his Counsel were present through VC and appeared before it. However, the

Complainant sought an adjournment vide email dated 08th April 2026 due to some sudden compelling circumstances and non-availability of Complainant on scheduled date of hearing. The Committee directed the Respondent/Counsel for the Respondent to make submissions.

As regards the first allegation related to UDIN generation, the Counsel for the Respondent submitted that the Respondent had issued a certificate dated 09th March 2019 without generating a UDIN, although the requirement had been introduced with effect from 01st February 2019. The Respondent withdrew the said certificate and issued a fresh certificate in April 2019 with identical contents, duly incorporating the UDIN. He further argued that no allegation had been made regarding the correctness of the contents of the certificate, and that the only lapse alleged pertained to non-generation of UDIN.

The Counsel further argued that the requirement of UDIN was initially introduced through announcements, and that a formal notification giving regulatory effect was issued only on 02nd August 2019. Additionally, reliance was placed on the one-time condonation scheme introduced by the Institute, permitting generation of UDINs for documents issued between 01st February 2019 to 31st December 2020, thereby regularizing delays. The Counsel submitted that the Respondent had rectified the lapse promptly by withdrawing the earlier certificate and issuing a fresh one with UDIN, and that in view of the condonation scheme, no misconduct could be sustained.

As regards the second allegation related to related party transactions, the Counsel submitted that it was observed in the prima facie opinion that supporting documents such as rent agreements were not furnished, leading to adverse inferences. Further, the Counsel submitted that the Respondent had furnished relevant documents, including consent letters, Board resolutions and rent agreements. It was further noted from a notarized rent agreement that the agreement was executed in January 2016 and that rent was payable only from January 2019, which fell outside the alleged period.

The Counsel argued that there was no financial transaction during the relevant financial year, and therefore no disclosure obligation arose under the applicable accounting standards for related party transactions. The Respondent stated that he had duly disclosed related parties and prior transactions in earlier financial statements, and that absence of disclosure in the current year was due to absence of any transaction. The Counsel submitted that the Respondent had complied with all disclosure requirements and there is no failure or misstatement. The Committee noted the submissions of the

Counsel for the Respondent and adjourned the matter to the next date for hearing. With this, the case was part heard and adjourned.

- 7.6 On the day of hearing held on 24th April 2026, the Committee noted that the Complainant sought an adjournment vide email dated 18th April 2026 due to a matter listed before Hon'ble Gujarat High Court. Acceding to the request of the Complainant, the Committee, keeping in view the principles of natural justice, adjourned the subject case to a future date.
- 7.7 On the day of hearing held on 14th May 2026, the Committee noted that the Respondent along with Counsel and the Complainant were present through VC and appeared before. The Committee noted that first allegation related to the issuance of certificate by the Respondent without a mandatory UDIN (Unique Document Identification Number), and second allegation related to misappropriation and violations of provisions of the Companies Act, particularly regarding related party transactions and the concealment of significant financial outflows. The Complainant asserted that the Respondent deliberately omitted the UDIN on a letter used in court proceedings, failed to withdraw or correct the letter when notified, and did not inform the court as required. He further alleged that the Respondent acting beyond his statutory auditor role, colluded in concealing related party transactions and the rotation of large sums that were not properly disclosed in the audited financial statements, thereby facilitating the misuse of company funds and hindering the process of justice. The Counsel for the Respondent submitted that the omission occurred inadvertently during the initial phase of implementation of the UDIN system. The UDIN requirement was introduced through announcements and that the implementation phase witnessed practical difficulties among members.

The Committee noted the submissions of Respondent's Counsel that the omission occurred inadvertently during the initial phase of implementation of the UDIN system. The UDIN requirement was introduced through announcements and that the implementation phase witnessed practical difficulties among members. The Counsel for Respondent submitted that the Company have entered into a related party transaction in 2016 and entered into a rent agreement which did not include any outflow of rent. Therefore, there was no requirement to report. Further it was agreed that rent will be

paid from January 2019. He argued that the Complainant misunderstood the nature and timing of the transactions, and that no reporting failure or professional misconduct occurred regarding related party disclosures. The defense also emphasized that the Complainant's grievances stemmed from parallel civil litigation and that the auditor was being unnecessarily implicated. The Committee noted the submissions of both the parties.

Based on the documents and material available on record and after considering the verbal and written submissions made by both the parties, the Committee concluded the hearing in the matter and Findings was reserved.

- 7.8 At the meeting held on 25th July 2026, the Committee noted that the subject case was heard by it at length in the presence of the Complainant and the Respondent and the hearing was concluded at its meeting held on 14th May 2026 and the Findings was reserved. The Committee considered the material on record including the submissions of the parties. The Committee deliberated in detail on the said case and took 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 Respondent, documents / material on record and gives its findings as under: -

- 8.1 With regard to charge as mentioned in **para 2.1** as above, the Committee noted that the charge against the Respondent is that he issued a certificate dated 09th March 2019 without mentioning a Unique Document Identification Number (UDIN).
- 8.2 The Committee noted that the Respondent has submitted that he had issued the certificate dated 09th March 2019 without generating the UDIN, but upon realizing the omission, he took appropriate action by issuing a fresh certificate on 17th April 2019 and generating the UDIN on 22nd April 2019 i.e. within 15 days of permissible time. It is further noted that the contents of the original certificate and the subsequent certificate

remained identical and no allegation has been made by the Complainant regarding the correctness or authenticity of the contents certified in certificate.

- 8.3 The Committee noted that the Respondent, in his defense, submitted that the omission occurred inadvertently during the initial phase of implementation of the UDIN system. The UDIN requirement was introduced through announcements and that the implementation phase witnessed practical difficulties among members. The UDIN Directorate, of ICAI subsequently introduced a 'One-time Condonation Scheme to regularize UDINs' permitting generation of UDINs for documents issued during the period from 01st February 2019 to 31st December 2020. UDIN generated under this scheme would be treated as UDIN generated without any violation of the Gazette dated 02nd August 2019 read with 15 days window allowed for exceptional circumstances.
- 8.4 The Committee observed that the omission to mention UDIN on the certificate dated 09th March 2019 was subsequently rectified by the Respondent through issuance of a fresh certificate dated 17th April 2019 and generation of UDIN within the period permitted under the applicable guidelines. The Committee further noted that no material has been brought on record to establish that the certification was incorrect or misleading. The omission appears to have occurred during the initial implementation phase of the UDIN system, and the certificate has been rectified and UDIN generated thereof. Accordingly giving due regard to the corrective measures taken by the Respondent, and the benefit flowing from the condonation scheme of ICAI, the Committee decided to extend benefit of doubt to the Respondent.
- 8.5 Therefore, the Committee, held the Respondent **NOT GUILTY** of professional misconduct under Clause (7) of Part I of the Second Schedule and Clause (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949 in respect of this charge.
- 8.6 With regard to charge as mentioned in **para 2.2** as above, the Complainant has alleged that the Respondent, while acting as the statutory auditor of M/s Sawan Residency Private Limited, failed to disclose related party transactions and the quantum thereof, particularly in relation to an expenditure amounting to Rs. 1.02 crore. It has further been alleged that the company lacked sufficient funds to incur such expenditure and that the

Respondent colluded with the management in facilitating rotation of unaccounted funds and in concealing material information from stakeholders.

- 8.7 The Committee noted that the Respondent submitted a notarized rent agreement entered between Company and Owners of land on 01st January 2016 mentioning that tenant shall pay rent from 01st January 2019. He submitted that Company have entered into a related party transaction in January 2016 which did not include any outflow of rent and further the rent agreement provided that the rent will be paid from January 2019. The Committee noted that the transaction falls outside the alleged period i.e. F.Y. 2017-18.
- 8.8 The Respondent further submitted that all related party disclosures required under the Companies Act, 2013 and the applicable accounting framework were duly made in the financial statements. The Respondent has explained that the rent agreement relied upon by the Complainant, though executed earlier, provided for commencement of rent payments only from January 2019 and, therefore, did not give rise to any reportable financial transaction during the financial year 2017-18 under audit. The Respondent has further demonstrated that the expenditure of Rs. 1.02 crore was duly reflected in the books of account and appropriately classified between revenue expenditure and capital expenditure.
- 8.9 The Committee finds merit in the Respondent's explanation. The documentary evidence on record clearly indicates that the alleged rent liability had not crystallized during the financial year under consideration and, therefore, there was no occasion for recognition of any corresponding financial outflow in the accounts for F.Y. 2017-18. Consequently, the allegation of non-disclosure of the said transaction is not borne out from the records. Further, the Committee noted that as per AS -18 'Related Party Disclosures', *'Name of the related party and nature of the related party relationship where control exists should be disclosed irrespective of whether or not there have been transactions between the related parties'*. Therefore, the Committee observed that the Respondent has disclosed name of related parties in financial statements for the F.Y. 2017-18.
- 8.10 The Committee further observed that the financial statements and accompanying Notes contain disclosures regarding related parties as required under the applicable legal

framework. No material discrepancy or misstatement has been demonstrated by the Complainant. The Committee also noted that the findings recorded by the Director (Discipline) support the position that the expenditure in question stood duly accounted for in the books and that the reporting requirements applicable to the audit engagement had been complied with.

- 8.11 In view of the above facts and circumstances, the Committee is of the opinion that the Respondent had a reasonable basis for concluding that no reportable related party transaction existed during the relevant financial year. Consequently, his decision not to make any specific disclosure or qualification in the Audit Report cannot be regarded as negligence or professional misconduct.
- 8.12 Accordingly, the Committee concluded that the charge relating to non-disclosure of related party transactions and concealment of expenditure, are not proved and the Respondent is held **NOT GUILTY** of Professional Misconduct under Clause (5) and Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.
- 8.13 Accordingly, the Committee held the Respondent **NOT GUILTY** of Professional Misconduct falling within the meaning of Clause (5) and (7) of Part I of the Second Schedule and Clause (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949.

9. Conclusion:

- 9.1 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 8.1 to 8.5 as Above	NOT GUILTY Clause (7) of Part I of the Second Schedule and Clause (1) of Part II of the Second Schedule.
Para 2.2 as above.	Para 8.6 to 8.12 as Above	NOT GUILTY Clause (5) and (7) of Part I of the Second Schedule.

10. In view of the above observations, considering material on record including the verbal and written submissions of the parties, the Committee held the Respondent **NOT GUILTY** of Professional Misconduct falling within the meaning of Clause (5) and (7) of Part I of the Second Schedule and Clause (1) of Part II of the Second Schedule to the Chartered Accountants Act, 1949.

11. **Order**

Accordingly, in terms of Rule 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee passes an Order for closure of this case against the Respondent.

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

DATE: 29.08.2026

PLACE: Noida

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

Arjun Grover

अंशु ग्रोवर / Arjun Grover

सहायक सचिव / Assistant Secretary

अनुशासनिक निदेशक / Disciplinary Directorate

भारतीय प्र accountants का संस्थान

The Institute of Chartered Accountants of India

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