CONFIDENTIAL

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

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

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

File No: [PR/186/2020-DD/174/2020-DC/1980/2025]

In the matter of:
YES Bank Limited,
Resolution & Recoveries Unit,
Northern Regional Corporate Office,
Max Towers, Level 4,
Plot No. C-001/A/1,
Sector 16B,
Noida -201301 .....**Complainant**

Versus

CA. Gopal Krishan Gupta (M. No. 092700)
D-5/2, Sector 15
Rohini,
New Delhi-110089 .....**Respondent**

MEMBERS PRESENT (In Person):

1. **CA. Mangesh Kinare, Presiding Officer & Vice-President**
2. **Ms. Dakshita Das, IRAS (Retd.), Government Nominee**
3. **Adv. Vijay Jhalani, Government Nominee**
4. **CA. Dayaniwas Sharma, Member**
5. **CA. Ravi Kumar Patwa, Member**

Date of Final Hearing	**: 21st July 2026**
Date of Judgement Given	**: 03rd September 2026**
Date of Pronouncement of Decision	**: 23rd November 2026**

PARTIES PRESENT ON THE DATE OF FINAL HEARING:

Authorised Representative of the Complainant	**: Mr. Arun Goel (through VC)**
Respondent	**: CA. Gopal Krishan Gupta (through VC)**

1. **Background of the Case:**

The Complainant extended financial assistance to M/s P.D. Memorial Religious and Educational Association **(PDMREA)** to the tune of Rs. 47.50 crore, in the nature of Term Loan (TL), aggregating to Rs. 39 crores, which included TL-I of Rs. 22 Crore as part financing of an on-going capital expenditure (Capex) with a total cost of Rs. 32.5 crore towards construction of staff residences, food court and extension of engineering college building and dental college buildings, and TL-II of Rs. 17 crores as a takeover from loans given by Punjab National Bank (PNB). In addition, the loans included an overdraft facility of Rs. 5 crores sanctioned for meeting operating expenses and a Bank Guarantee of INR 3.5 crore. Subsequently, due to non-payment of dues, the loan accounts of PDMREA were classified as Non-Performing Assets (NPA) in accordance with RBI Guidelines. The Complainant thereafter commissioned a forensic audit of the PDMREA account for the period from 01.04.2012 to 31.03.2018, which was conducted by Grant Thornton **(GT)**. GT submitted its forensic audit report dated 21.01.2020, wherein it was reported that out of the TL-I disbursement of Rs. 22 crores, an amount of Rs. 16.50 crore had been utilized in a manner indicating various anomalies and possible diversion/mis-utilization of funds. It was reported that Rs. 14.50 crores had been paid to two related parties, allegedly contrary to the approved end-use of the sanctioned facility; Rs. 1.15 crore had been utilized towards operating expenses and Rs. 0.11 crores withdrawn in cash; Rs. 0.52 crores had been transferred to PDMREA's Debt Recovery Account for settlement of its dues; Rs. 0.16 crores had been transferred to other accounts, the utilization of which could not be ascertained due to non-availability of the relevant account statement; and utilization of a further INR 0.06 crore could not be ascertained as individual transactions below INR 5 lakh were outside the scope of the forensic audit.

During visits to the registered addresses of the group entities, namely M/s. Prabhu Shanti Real Estate (P) Ltd., M/s. HRHK Builders (P) Ltd., M/s. Bhagwati Tiles and M/s. Bharti Techno Medical Enterprises, it was found that all the entities were registered at the same address, i.e., D-5/2, Sector 15, Rohini, Near Manav Chowk, Delhi-110089, which was stated to be a residential flat owned by the promoters' family. It was also found that the books of account of the aforesaid group entities as well as PDMREA were audited **by CA. Gopal Krishna Gupta (the Respondent), of M/s. Gopal K. Gupta & Associates**, whose registered address was also the same.

The Complainant further submitted that, during site visits, no new construction corresponding to the buildings stated to have been financed from the loan funds was found or identified. The Complainant stated that it had, on several occasions, sought from the Respondent the relevant documents and supporting records on the basis of which End-Use Certificates had been issued in respect of the utilization of

the Working Capital and Term Loan facilities for construction of the aforesaid buildings. However, in response, the Respondent furnished only those working papers pertaining to certificates issued by him in his individual capacity and, subsequently, on behalf of his proprietary firm after its establishment.

2. **Charges in brief:**

Allegation No. (As per PFO)	Allegations against the Respondent	PFO of DD	Clauses
01	The Respondent, an auditor of the group entities namely, M/s Prabhu Shanti Real Estate (P) Ltd., M/s HRHK Builders (P) Ltd, M/s Bhagwati Tiles and M/s Bharti Techno Medical Enterprises as well as PDMREA, has the same registered address, i.e., D-5/2, Sector 15, Rohini, Near Manav Chowk, Delhi-110089 as that of the group entities, thus, compromising his independence.	Guilty	Items (7) & (8) of Part-I of the Second Schedule
02	M/s P.D. Memorial Religious and Educational Association (PDMREA) submitted End Use Certificates, issued by the Respondent on various dates, which inter alia contained that the funds disbursed, had been utilized for the sanctioned purposes, whereas the forensic audit report submitted by GT reveals diversion/mis-utilization of funds.	Guilty	Items (7) & (8) of Part-I of the Second Schedule

3. The Committee noted that in the Prima Facie Opinion dated 13th September 2024 formed by Director (Discipline) in terms of Rule 9 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Respondent was held Prima Facie Guilty in respect of both the allegations (Allegation No. 1 & 2 as above). He was held Prima Facie Guilty of Professional Misconduct falling within the meaning of Items (7) & (8) of Part-I of the Second Schedule to the Chartered Accountants Act, 1949 which is as under:

Items (7) & (8) of Part-I of Second Schedule states as under: -

"A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he:

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

(8) fails to obtain sufficient information which is necessary for expression of an opinion or its exceptions are sufficiently material to negate the expression of an opinion;"

4. **Brief of the Disciplinary Proceedings: -**

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.	17th March 2026	Oath taken by the Respondent and adjourned
2.	07th April 2026	Adjourned at the request of the Respondent.
3.	17th April 2026	Part Heard and adjourned.
4.	25th May 2026	Adjourned at the request of the Respondent.
5.	23rd June 2026	Part Heard and adjourned.
6.	21st July 2026	Heard & concluded. Judgement Reserved.
7.	03rd September 2026	Decision Taken.

4.1 On the day of hearing held on 17th March 2026, the Committee noted that the Respondent was present through VC. However, the Complainant was not present despite delivery of notice to him. Being first hearing of the case, the Respondent was put 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. In response the same the Respondent replied that he is aware of the charges and pleaded 'Not Guilty' to the charges levelled against him. Accordingly, 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 a future date. The Committee also directed the office to write a letter to the Managing Director of Complainant bank to depute the concerned official before the Committee so that this matter be reached to its logical conclusion. With this, the case was adjourned.

4.2 On the day of hearing held on 07th April 2026, the Committee noted that the Respondent vide his email dated 03/04/2026 had sought an adjournment stating that he has some prior professional commitments. The Committee acceded to the request of the Respondent and decided to adjourn the case to a future date.

4.3 On the day of hearing held on 17th April 2026, the Committee noted that the Respondent along with his Counsel was present in person. However, the Complainant was neither present nor any adjournment request was received from him.

Thereafter, the Committee directed the Counsel for the Respondent to make his submissions in the matter. The Counsel for the Respondent submitted that the Respondent has issued approx. 9 certificates from year 2012 till September 2014 and approx. 4 certificates were issued from October 2014 to October 2015. First set of certificates signed by him in the capacity of partner of CA firm, M/s Devendra Dahiya and Company. Thereafter, he discontinued with the firm with effect from 30th September 2014 and then in the individual capacity, he issued certain certificates. He further submitted that the bank had raised two concerns. Firstly, there appears to have been a lack of due diligence in the execution of the assignment and in the issuance of the certificates. Secondly, there is a failure to furnish the requisite working papers. With specific reference to the working papers pertaining to the initial set of certificates, the Counsel for the Respondent stated that he is not in possession of all the relevant documentation, as the same was maintained by the firm. In respect of the remaining certificates issued by the Respondent in his individual capacity, he has duly furnished all the relevant documents and no objections in this regard had been raised by the Complainant.

The Committee noted the submissions made by the Counsel of the Respondent and decided to adjourn the matter to a future date. With this the matter was Partly heard and adjourned.

4.4 On the day of hearing held on 25th May 2026, the Committee noted that the Complainant was not present, however, the Respondent vide his email dated 21/05/2026 had sought an adjournment stating that he has some prior professional commitments. The Committee acceded to the request of the Respondent and decided to adjourn the case to a future date.

4.5 On the day of hearing held on 23rd June 2026, the Committee noted that the Authorised Representatives of the Complainant were present through VC while the Respondent and his Authorised Representative were present in person and appeared before it.

The Committee directed the Authorised Representative of the Respondent to make his submissions. With regard to Allegation No. 1 pertaining to Respondent having same address as that of related entities of the auditee, the Authorised Representative of the Respondent submitted that the very premise of the allegation was defective since the tittle deed of Rohini property referred to in the Complaint was owned by the Respondent's wife and not by the promoters or their family members. He further submitted that he had started his independent practice from the said premises only after his resignation from M/s Devendra Dahiya & Co, and therefore, no issue of independence arose on the facts of the case.

With regard to Allegation No. 2 concerning the non-availability of working papers against the impugned End Use Certificates, the Authorised Representative of the Respondent submitted that the impugned certificates pertained to the period when the Respondent was a partner of M/s Devendra Dahiya & Co. He further referred to Para 85 of SQC 1 and submitted that the responsibility of custody and retention of engagement documentation was the responsibility of the Firm and not of an individual partner after cessation of association with the Firm. He further submitted that the Respondent had, even prior to initiation of the present proceedings, informed the Bank that the working papers were available with the Firm and requested it to obtain the same directly from the Firm. Since the Firm did not hand over the records to the Respondent at the time of his resignation, he was not in a position to produce the same before the Directorate.

The Authorised Representative of the Respondent further submitted that detailed certificate-wise procedures performed by the Respondent had been explained in his Written Submissions. He submitted that the End Use Certificates merely required certification on the basis of the books of account and records made available and there was no stipulation requiring any physical verification or site inspection before issuance of the certificates. He further submitted that the Respondent had exercised his professional judgment in accordance with the applicable ICAI Guidance Note and that the Bank had accepted the certificates without objection at the relevant time.

Thereafter, the Committee directed the Authorised Representatives of the Complainant to make their submissions. The Authorised Representatives of the Complainant submitted that they were not associated with the Yes Bank when the transactions took place and had relied upon the records available with the Bank while filing the complaint. They further referred to a communication received from M/s Devendra Dahiya & Co. stating that the transactions had been handled by one of its partners in his personal capacity.

The Committee enquired from the Authorised Representative of the Respondent regarding the Respondent's responsibility as the engagement partner who had signed the certificates. In response, the Authorised Representative of the Respondent submitted that the Respondent had signed the certificates on behalf of the Firm as an engagement partner. The Committee also enquired whether the Respondent had approached the Firm for obtaining the working papers. The Authorised Representative of the Respondent submitted that the Respondent had requested the Firm to provide the records, however, the Firm did not cooperate.

The Committee also enquired about the construction project for which payments had been made. The Authorised Representative of the Respondent submitted that the loan was sanctioned for construction activities, however, the Respondent had

ceased to be associated with the audit thereafter and was not aware of the subsequent status of the project.
After hearing the submissions of both the parties, the Committee directed the Complainant to file its reply to the submissions made by the Respondent and granted one final opportunity to the Complainant to place any additional material on record. With this, the case was Part heard and adjourned.

4.6 On the day of hearing held on 21st July 2026, the Committee noted that the Respondent was present through VC. The Authorised Representative of the Complainant was also present through VC and appeared before it.

The Committee noted that the matter was part heard on 23.06.2026 in which the Counsel for the Respondent made his submissions on the allegation in which the Respondent was held Prima Facie Guilty by Director (Discipline). In the said hearing the Committee directed the Complainant to file his reply to the submissions made by the Respondent. The Committee noted that no reply has been filed by the Complainant.

The Committee thereafter directed the Respondent to make his submissions. The Respondent inter alia submitted that although the address of the group entity was changed subsequently, no office of the group entity was functioning from the Respondent's registered office during the relevant audit period. He submitted that the certificate in question was issued on 08th July 2014, whereas the address of the group entity was changed on 01st November 2014. He further submitted that the investigation report only stated that the entities were registered at the same address and did not establish that the entities were functioning from the said premises. Respondent further submitted that the books of accounts of the Company were maintained at Bahadurgarh, Haryana, and that the required filings for change of registered office were the responsibility of the Company.

Thereafter, the Committee directed the Authorised Representative of the Complainant to make his submissions. The Authorised Representative of the Complainant submitted that as per the report of GT the Respondent and the entities shared the same registered address at the relevant time.

With regard to the allegation pertaining to the end-use certificates, the Respondent submitted that four certificates had been issued by him in his capacity as proprietor, while nine certificates had been issued in the name of M/s Devender Dahiya & Co., of which he was then a partner. He stated that he had been unable to furnish the complete working papers pertaining to the nine certificates as the firm had not provided the same despite his requests and he had also filed a complaint against the Firm.

After hearing the submissions of both the parties, the Committee directed the Respondent to provide the following documents within 10 days:-

i. Documentary evidence that subject auditee Companies have shifted their registered office address.
ii. Copy of letter seeking working papers form M/s. Devender Dahiya & Co. Chartered Accountants.
iii. Copy of complaint filed by the Respondent against M/s. Devender Dahiya & Co. Chartered Accountants.

The Committee also directed the Complainant to provide his reply on the submissions made by the Respondent with respect to the working papers pertaining to the 4 certificates within 10 days. With this, the Committee decided to conclude the matter and judgement was kept reserved.

4.7 In the meeting held on 03rd September 2026, the Committee noted that the subject case was heard by it in the presence of the authorised representative of the Complainant and the Respondent, and the hearing was concluded at its meeting held on 21st July 2026 and the Findings was kept reserved. The Committee considered the material on record. The Committee deliberated in detail on the said case and took decision on the conduct of the Respondent.

5. **Submissions of the Complainant/ Respondent and Findings of the Committee:**

5.1 **Allegation 1: -** It is alleged that the Respondent, being the Auditor of the group entities, namely, M/s. Prabhu Shanti Real Estate (P) Ltd., M/s. HRHK Builders (P) Ltd., M/s. Bhagwati Tiles, M/s. Bharti Techno Medical Enterprises, as well as M/s. P.D. Memorial Religious and Educational Association (PDMREA), had his registered office at the same address as that of the aforesaid auditee entities, i.e.,D-5/2, Sector 15, Rohini, Near Manav Chowk, Delhi-110089. It is further alleged that having the same registered address gave rise to a conflict of interest and compromised the Respondent's independence as an auditor of the said entities. The Committee noted that the Complainant and the Respondent during the course of hearing and through their written submissions had inter-alia stated as under:

5.2 The Respondent, in his defence, submitted that the very premise of the allegation was defective since the tittle deed of Rohini property referred to in the Complaint was owned by the Respondent's wife and not by the promoters or their family members. He further submitted that he had started his independent practice from the said premises only after his resignation from M/s Devendra Dahiya & Co, and therefore, no issue of independence arose on the facts of the case.

5.3 He further submitted that he had conducted the audits of the concerned entities for the financial years 2014-15 and 2015-16 and that no office of the group entity was actually functioning from his registered office during the relevant period. He clarified that, although the registered address of the entity continued to be reflected as his office address in the records, the entity had ceased its operations from the said premises.

5.4 He further submitted that the report relied upon by the Complainant merely established that the entities were registered at the same address and did not establish that their offices were functioning from his premises. The Respondent further stated that, when the Complainant conducted its field enquiry during the year 2019-20, neither the group entity nor the borrower was functioning from his office, and there was no board or other indication suggesting the existence of such an office at the premises.

5.5 He submitted that the books of account were maintained at Bahadurgarh, Haryana, although the registered office continued to be reflected as being situated in Delhi. He clarified that the premises had been provided to the entity only for approximately three months, after which it vacated the same. He further submitted that his proprietary firm had been approved in March 2015.

5.6 The Complainant submitted that all relevant information and supporting documents had already been placed before the Committee and that there was nothing further to add. However, when specifically enquired regarding the common address, the Counsel submitted that, as per the investigation report of Grant Thornton (GT), the concerned entities had the same registered address at the relevant time when the certificate was issued.

5.7 During the hearing held on 21st July 2026, the Committee specifically directed the Respondent to provide the documentary evidence that subject auditee Companies have shifted their registered office address. In compliance with the aforesaid directions, the Respondent furnished the requisite documents vide letter dated 02nd August 2026 wherein:

i. He submitted that the Group Companies had temporarily operated from D-5/2, Sector-15, Rohini, Delhi for approximately four months pursuant to a mutual understanding, after which they vacated the premises. However, the Companies failed to file the requisite e-Forms with the ROC for change of registered office, which required the DSCs of their respective Directors and was beyond the Respondent's authority and technical control.

ii. He also submitted that he repeatedly requested and warned the management to update the registered office address and also published public notices in Punjab Kesari and The Hindu in July 2026 confirming that no PDM Group entity was operating from the said premises.

iii. He further submitted that the MCA records and MGT-7A filings established that the companies were not operating from his premises and that, in the case of Bharti Techno Medical Equipments Pvt. Ltd. and HRHK Builders Pvt. Ltd., their books of account were maintained at Bahadurgarh, Haryana.

iv. He also contended that no independence threat existed either at the time of issuance of the certificates or thereafter, as the relevant certificate period preceded the formal change of address, the temporary use involved no rent or consideration, and no audit work, records or files were maintained at the premises.

v. He submitted that the continued reflection of the Rohini address on the MCA portal was merely a procedural lapse of the Group Companies and was beyond his control, and therefore no professional misconduct could be attributed to him.

6. The Committee after considering the allegations, the submissions made by the Complainant and the Respondent, the documents placed on record, including the investigation material relied upon by the Complainant, the documents furnished by the Respondent pursuant to the directions of the Committee, and the relevant provisions governing the registered office of a company and independence of an auditor, gives its findings as under:

6.1. The Committee noted that the Complainant's allegation proceeds principally on the fact that the registered office address of the concerned Group Companies and that of the Respondent was the same. The Complainant had relied upon the investigation report of Grant Thornton (GT) to submit that the entities had the same registered address at the relevant time. However, the Committee observed that the existence of a common address in statutory records, by itself, does not establish that the Respondent and the auditee entities were carrying on their respective professional/business activities from the same premises during the relevant audit period. The Respondent has consistently explained that the Rohini premises were owned by his wife and that the Group Companies had been permitted to use the premises temporarily for a limited period of approximately four months pursuant to a mutual understanding. According to the Respondent, the entities thereafter vacated the premises, although the registered office address continued to remain reflected in the MCA records because the requisite statutory forms for change of registered office were not filed by the companies, which was beyond the control of the Respondent.

6.2 The Committee examined the documents furnished by the Respondent pursuant to its specific direction dated 21st July 2026 and finds that the Respondent has placed on record material concerning the subsequent registered office address of the Group Companies and has explained that the companies had ceased functioning from the Rohini premises. He has also stated that their books of

account were maintained at Bahadurgarh, Haryana, and that no books, records or audit files of the Group Companies were maintained at the Respondent's professional premises.

6.3 The Committee further noted that the continued reflection of the Rohini address in the MCA records was attributable to the failure of the respective Companies to file the requisite forms for change of registered office address. The Committee observed that, under the Companies Act, the obligation to intimate the Registrar regarding a change in the registered office is an obligation of the Company.

6.4 The Committee noted that as per Section 12 of the Companies Act, 2013 deals with the registered office of a Company and requires the company to furnish information regarding its registered office and changes thereto to the Registrar in the prescribed manner. The statutory responsibility for making such filing cannot automatically be attributed to the statutory auditor merely because the auditor was aware of the address reflected in the records. Further, Section 12(5) deals with change of registered office from one city/ town/ village to another. The aforesaid provisions regulate the company's registered office and the company's statutory compliance in respect thereof.

6.5 The Committee further observed that there is no material on record provided by the Complainant demonstrating that the Respondent was a director, shareholder, promoter, employee or person exercising management or financial control over the concerned Group Companies merely by virtue of the common address. Likewise, no material has been placed before the Committee establishing that the Respondent received rent, consideration, commission or any other financial benefit from permitting temporary use of the premises by the Group Companies.

6.6 The Committee also found no material establishing that the Respondent maintained the accounting records of the Group Companies at his professional office or that the same premises were used as a common office for the Respondent and the auditee entities in a manner which could reasonably impair his professional judgment. The Respondent has specifically stated that the books of account were maintained at Bahadurgarh, Haryana. This explanation has not been effectively rebutted by the Complainant through contrary documentary evidence.

6.7 The Committee further noted that the Respondent has repeatedly advised the management of the concerned entities to update their registered office particulars. The mere coincidence of an address, without evidence of common ownership, management, financial interest, business operations or other relevant relationship, cannot automatically be treated as establishing a conflict of interest.

6.8 In the present case, the Complainant has not brought on record sufficient evidence to establish that the ownership of the premises itself created a financial or managerial connection between the Respondent and the auditee entities. Nor has the Complainant demonstrated that the Respondent had any beneficial interest in the business or assets of the Group Companies by reason of the temporary use of the premises. The Committee noted that the Respondent's status as auditor did not impose upon him the statutory obligation to file Forms for changing the registered office of the auditee companies. The Respondent could advise the management regarding the requirement, but the actual filing required the statutory action and authorisation of the concerned company/directors.

6.9 The Committee further observed that , no evidence has been brought on record showing that the Respondent used the common address to conceal the identity of the Group Companies, that the companies were operated from his office during the relevant audit period, that their books or records were maintained there, or that the Respondent exercised any management function in the affairs of the auditee entities. Similarly, no evidence has been produced showing that the Respondent derived any financial benefit from the continued reflection of the address in the MCA records.

6.10 The Committee opined that the allegation of conflict of interest and compromise of independence is regarding the common registered address, which is not supported by sufficient corroborative evidence establishing an actual independence threat. The mere existence of the same registered address in MCA records, particularly when the Respondent has furnished an explanation regarding the temporary use of the premises and the subsequent cessation of such use, is insufficient to establish professional misconduct.

6.11 In view of the foregoing deliberations, the Committee opined that the Complainant has failed to establish that the common registered address resulted in any conflict of interest or compromised the Respondent's independence as an auditor of the concerned entities. Accordingly, the Committee decided to hold the Respondent **NOT GUILTY** of any Professional or Other Misconduct in respect of instant allegation.

7. **Allegation 2: -** It is alleged that M/s P.D. Memorial Religious and Educational Association (PDMREA) submitted End Use Certificates issued by the Respondent on various dates, wherein it was, inter alia, certified that the funds disbursed had been utilised for the sanctioned purposes. However, the forensic audit report submitted by Grant Thornton (GT) reportedly revealed diversion and/or misutilisation of the said funds, thereby raising questions regarding the correctness of the End Use Certificates issued by the Respondent. The Committee noted that

the Complainant and the Respondent during the course of hearing and through their written submissions had inter-alia stated as under:

7.1 The Respondent, in his defence, submitted that he had issued approximately nine certificates during the period from year 2012 to September 2014 and approximately four certificates during the period from October 2014 to October 2015. The first set of certificates was issued by him in his capacity as a Partner of the CA firm, M/s. Devendra Dahiya and Company. Thereafter, upon his cessation from partnership of the Firm with effect from 30.09.2014, he issued certain certificates in his individual capacity. The Respondent further submitted that the Bank had raised two concerns, namely, (i) an alleged lack of due diligence in the execution of the assignment and issuance of the certificates; and (ii) non-furnishing of the requisite working papers. Regarding the working papers pertaining to the initial set of certificates, the Respondent submitted that the Respondent was not in possession of the complete relevant documentation, as the same had been maintained by the Firm. However, in respect of the certificates subsequently issued by the Respondent in his individual capacity, all relevant documents had been duly furnished, and no objection in this regard had been raised by the Complainant.

7.2 He further referred to Paragraph 85 of SQC 1 and submitted that the responsibility for custody and retention of engagement documentation rested with the Firm and not with an individual Partner after cessation of his association with the Firm. He further submitted that, even prior to initiation of the present proceedings, the Respondent had informed the Bank that the relevant working papers were available with the Firm and had requested the Bank to obtain the same directly from the Firm. However, since the Firm had not handed over the records to the Respondent at the time of his resignation, he could not produce the said records before the Directorate.

7.3 The Respondent further submitted that the detailed, certificate-wise procedures performed by him had already been explained in his Written Submissions. The Respondent submitted that the End Use Certificates required certification based on the books of account and other records made available to him and that there was no stipulation requiring physical verification or site inspection prior to issuance of such certificates. He further submitted that he had exercised his professional judgment in accordance with the applicable ICAI Guidance Note and that the Bank had accepted the certificates without raising any objection at the relevant time.

7.4 The Respondent reiterated that the certificates had been signed by him on behalf of the Firm in his capacity as the engagement Partner. He further submitted that he had requested the Firm to provide the relevant records and working papers, however, the Firm had not cooperated or furnished the same, due to which the Respondent was unable to produce the said records before the Directorate.

7.5 The Complainant submitted that he was not associated with Yes Bank (Complainant) at the time when the transactions in question took place and that the complaint had been filed based on the records available with the Bank. The Complainant further referred to a communication received from M/s. Devendra Dahiya & Co., wherein it was stated that the transactions had been handled by one of its Partners in his individual capacity.

7.6 During the hearing held on 21st July 2026, the Committee specifically directed the Respondent to provide copy of letter seeking working papers form M/s. Devender Dahiya & Co. Chartered Accountants and copy of complaint filed by the Respondent against M/s. Devender Dahiya & Co. Chartered Accountants. In compliance with the aforesaid directions, the Respondent furnished the requisite documents vide letter dated 06th August 2026. The Respondent submitted a copy of the complaint filed against M/s. Devendra Dahiya & Company, which has been registered by the Institute under Reference No. PR/133/2026/DD/168/2026.

7.7 The Respondent further submitted that the working papers relating to the certificates issued and signed by him in his capacity as a Partner of M/s. Devendra Dahiya & Company, would be obtained from the erstwhile Firm. It was submitted that the Firm, being the legal custodian of the engagement working papers and records, is responsible for their custody and retention, and the Respondent, having ceased to be associated with the Firm, is not in possession of the said working papers. Accordingly, the Respondent submitted that the requisite working papers should be furnished by the erstwhile Firm rather than by the Respondent.

7.8 The Committee considered the allegation, the submissions made by the Complainant and the Respondent as above, the End Use Certificates relied upon in the complaint, the findings referred to in the forensic audit report of M/s Grant Thornton ("GT"), and the additional documents furnished by the Respondent pursuant to the directions of the Committee. The Committee noted that the Complainant had relied upon the GT report regarding diversion/ misutilisation of funds which cannot be treated as conclusive evidence that the Respondent, at the time of issuance of each End Use Certificate, had knowledge of such diversion or had failed to perform procedures which were specifically required to be performed under the terms of his engagement.

7.9 The Respondent submitted that the End Use Certificates were issued based on books of account, records and information made available to him. The Committee noted that the certificates issued by the Respondent in his capacity as Partner of M/s Devendra Dahiya & Company as well as in his individual capacity. The Respondent maintained that the engagement documents and working papers relating to the certificates issued in his capacity as a Partner of the Firm were

retained by the erstwhile Firm and were not in his possession after his cessation from the partnership of the Firm.

7.10 In view of submissions of the Respondent, the Committee took perusal of Paragraph 85 of SQC 1, which provides that, unless otherwise specified by law or regulation, engagement documentation is the property of the auditor firm. The ICAI has also clarified that the retention period prescribed under SQC 1 applies to engagement documentation maintained by the auditor firm. Therefore, the mere inability of an erstwhile Partner to independently produce the complete engagement file after cessation from the Firm cannot, without further evidence, lead to the conclusion that the Respondent had failed to maintain or prepare the requisite documentation or that the certificates issued by him were incorrect.

7.11 The Committee also considered the subsequent steps taken by the Respondent. The Committee observed that the Respondent has subsequently been unable to produce the complete working papers of the Firm cannot be equated with a finding that no working papers existed at the relevant time. There is no material on record conclusively establishing that the Respondent had destroyed, suppressed, withheld or fabricated any engagement documentation. On the contrary, the Respondent has placed on record his efforts to obtain the records from the erstwhile Firm and has specifically identified the Firm as the custodian of the engagement documentation.

7.12 The Committee also considered that the Bank had accepted the certificates at the relevant time without raising an objection concerning the procedures followed by the Respondent. The Committee opined that a Chartered Accountant issuing a certificate for a specific purpose is required to exercise appropriate professional care and to base the certificate on adequate and appropriate underlying records and information. ICAI's Guidance Note on Reports or Certificates for Special Purposes recognises the need to consider the scope of the assignment, the information on which the certificate is based and the procedures appropriate to the reporting requirement.

7.13 The Committee noted that the inability of the Respondent to produce the complete working papers relating to the certificates issued while he was a Partner of M/s Devendra Dahiya & Company cannot, in the circumstances of the present case, independently sustain a finding of professional misconduct. The responsibility for custody of engagement documentation of the Firm rests with the Firm, subject to applicable law and regulations, and the Respondent has placed material on record demonstrating that he sought the records from the erstwhile Firm.

7.14 The Committee noted that the Respondent has furnished the documents called for by the Committee and has brought on record his complaint filed against the erstwhile Firm wherein he had, inter alia, alleged that the Firm had failed to provide him with

the audit working papers relating to the certificates issued by him in his capacity as a Partner of the Firm. No material has been placed before the Committee to establish that the certificates issued by the Respondent on false or unverified information. In view of aforesaid deliberations, the Committee finds that the allegation against the Respondent regarding failure to exercise due diligence while issuing the End Use Certificates has not been established by the Complainant. Accordingly, the Committee decided to hold the Respondent **NOT GUILTY** of any Professional or Other Misconduct in respect of instant allegation.

8. **CONCLUSION**

In view of the above observations, considering the oral and written submissions of the parties and material on record, the Committee held the Respondent **NOT GUILTY** of Professional Misconduct falling within the meaning of Items (7) & (8) of Part-I of the Second Schedule to the Chartered Accountants Act, 1949.

9. **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. Mangesh Kinare)
PRESIDING OFFICER

Sd/-
(Ms. Dakshita Das, IRAS (Retd.))
GOVERNMENT NOMINEE

Sd/-
(Adv. Vijay Jhalani)
GOVERNMENT NOMINEE

Sd/-
(CA. Dayaniwas Sharma)
MEMBER

Sd/-
(CA. Ravi Kumar Patwa)
MEMBER

DATE: 23.11.2026
PLACE: New Delhi

सीए. अंशुल कुमार / CA. Anshul Kumar
सहायक निदेशक / Assistant Director
अनुशासनात्मक निदेशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
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ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)