



CNR: KAHC010567512026

NC: 2026:KHC:43694-DB
WP No. 25547 of 2026

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IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 17TH DAY OF AUGUST, 2026

PRESENT

THE HON'BLE MR. JUSTICE D K SINGH

AND

THE HON'BLE MR. JUSTICE H.SHANTHI BHUSHAN

WRIT PETITION NO. 25547 OF 2026 (GM-RES)

BETWEEN:

CA. M.G. VINAYA SIMHA,
S/O LATE SRI M.N. GOPALA SWAMY,
AGED ABOUT 53 YEARS,
NO. 21/A, PEARL GARDENS,
VAJARAHALLI, KANAKAPURA ROAD,
BENGALURU - 560 062.

...PETITIONER

(BY SRI. YOVINI RAJESH ROHRA.,ADVOCATE)

AND:

1. THE APPELLATE AUTHORITY
CONSTITUTED UNDER THE CHARTERED
ACCOUNTANTS ACT, 1949
2ND FLOOR, RESEARCH BLOCK,
ICAI BHAWAN, A-29, SECTOR 62,
NOIDA 201 309.
REPRESENTED BY ITS REGISTRAR

2. THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA
CONSTITUTED UNDER THE CHARTERED
ACCOUNTANTS ACT, 1949
ICAI BHAWAN, INDRAPRASTHA MARG,
POST BOX NO. 7100,
NEW DELHI - 110 002.
REPRESENTED BY ITS SECRETARY.

Digitally
signed by
MALA K N
Location:
High Court
of Karnataka



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3. THE DIRECTOR (DISCIPLINE)
DISCIPLINARY DIRECTORATE,
THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA,
ICAI BHAWAN, 52, 53 AND 54,
INSTITUTIONAL AREA, VISHWAS NAGAR,
SHAHDARA, NEAR KARKARDOOMA COURT,
DELHI 110 032.
4. SHRI AMITH D. MALLINATHPURA, IRS
DEPUTY COMMISSIONER OF INCOME TAX,
CENTRAL CIRCLE 2(2), C.R. BUILDING (ANNEXE),
QUEEN'S ROAD, BENGALURU - 560 001.

...RESPONDENTS

THIS WRIT PETITION IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA, PRAYING TO A) CALL FOR THE RECORDS IN FILE NO.PR-45/2014/DD/75/2014/BOD/319/2017 AND IN APPEAL NO.29/ICAI/2024 BEFORE THE RESPONDENT NO.1 / APPELLATE AUTHORITY, AND ISSUE A WRIT OF CERTIORARI, OR ANY OTHER APPROPRIATE WRIT, ORDER OR DIRECTION IN THE NATURE THEREOF, QUASHING THE IMPUGNED NOTIFICATION DATED FOR PUBLICATION ON 18/08/2026 (ANNEXURE-A), THE IMPUGNED JUDGEMENT DATED 03/06/2026 (ANNEXURE-B), THE FINDINGS DATED 10/02/2023 (ANNEXURE-C), AND THE PUNISHMENT ORDER DATED 15/06/2023 (ANNEXURE-D), ALL AS BEING ARBITRARY, ILLEGAL, PERVERSE AND UNTENABLE IN LAW AND/OR ETC.,

THIS PETITION, COMING ON FOR ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE D K SINGH
AND
HON'BLE MR. JUSTICE H.SHANTHI BHUSHAN



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ORAL ORDER

(PER: HON'BLE MR. JUSTICE H. SHANTHI BHUSHAN)

The integrity of a Chartered Accountant is not merely a professional virtue, it is the foundation upon which the creditability of financial reporting and public trust rests.

2. The petitioner, a Chartered Accountant, is enrolled with the second respondent-Institute bearing Membership No.20-088-74. He has approached this Court calling in question the order passed in Appeal No.29/ICAI/2024 by the first respondent-Appellate Authority dated 3rd June 2026, as also the consequential notification directing removal of his name from the Register of Members for a period of 15 days with effect from 18th August 2026.

3. The petitioner states that he has been practising as a Chartered Accountant since the year 1997. The fourth respondent lodged a complaint before the second respondent on 18th February 2014 alleging that



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the petitioner, while acting as the authorised representative of the assessee H. Nagaraja and his group concern, had furnished false and fabricated tax-paid challans to the Income Tax Department. The material relied upon in support of the allegation included the statement of the petitioner dated 29th January 2014 recorded under Section 131 of the Income Tax Act, 1961 (for brevity 'the IT Act').

4. Pursuant to the complaint, the petitioner submitted his written statement on 16th April 2014 and thereafter filed a rejoinder on 13th June 2014. It is his case that, based upon the said written statement and rejoinder, the Director (Discipline) formed a prima facie opinion only on 11th May 2017, nearly three years after the complaint.

5. During the course of the enquiry, the petitioner submitted his written submissions on 15th June 2022. He relied upon certain judgments and also sought that the disciplinary proceedings be kept in abeyance pending the outcome of the criminal proceedings initiated by the fourth



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respondent. The said criminal proceedings related to offences punishable under Sections 177, 193, 196, 201, 420, 465, 468, 471 and 477A of the Indian Penal Code and were registered as C.C.No.52528/2015 before the Court of the XXIX Additional Chief Metropolitan Magistrate, Bengaluru.

6. The petitioner further contends that, despite the pendency of the criminal proceedings, the Board of Discipline proceeded with the enquiry and on 10th February 2023, recorded a finding holding him guilty. The said finding was communicated to him on 23rd February 2023.

7. The petitioner was thereafter afforded an opportunity of being heard on the question of penalty under Section 21A(3) of the Chartered Accountants Act, 1949 ('the CA Act' for brevity). He submitted his written submissions on 28th February 2023, reiterating, among other things, that the principal and according to him, the sole evidence against him was his own statement recorded under Section 131 of the IT Act, 1961.



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8. The Board of Discipline by its order dated 15th June 2023, proceeded to impose a penalty of removal of the petitioner's name from the Register of Members for a period of 15 days. The petitioner contends that the Board, while imposing the said penalty, recorded that it had already arrived at its finding and that no review lay against the same. It is further his grievance that no reasons were assigned as to why the punishment of removal from the Register for a period of 15 days was considered appropriate instead of a lesser punishment or reprimand. The said order was communicated to the petitioner by email dated 19th December 2023.

9. Aggrieved by the said order, the petitioner preferred a memorandum of appeal on 15th March 2024 under Section 22G of the CA Act before the first respondent-Appellate Authority. The appeal was registered as Appeal No.29/ICAI/2024. Along with the appeal, the petitioner also filed an application seeking stay of the punishment order.



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10. Before the Appellate Authority, the petitioner urged several grounds. It was contended that the proceedings and the finding suffered from violation of Article 20(3) of the Constitution of India, that the order of discharge in the criminal proceedings had not been properly considered and that the finding of misconduct was based upon the sole and uncorroborated statement recorded under Section 131 of the IT Act. It was also contended that the appeal had been filed within the period of 90 days prescribed under Section 22G of the CA Act.

11. The petitioner further contended that the punishment order would become operative only upon issuance of the requisite notification and that, as on the date of filing of the appeal, no such notification had been issued or communicated to him. It was also his case that, at the relevant point of time, the Appellate Authority had not yet been constituted.

12. According to the petitioner, notwithstanding the pendency of the appeal, the second respondent-Institute



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sought to give effect to the punishment order by issuing a notification directing removal of his name from the Register of Members with effect from 16th April 2024. The petitioner challenged the said action before this Court in W.P.No.10548/2024. The said writ petition came to be stayed. Thereafter, upon constitution of the Appellate Authority and the appeal becoming ripe for consideration, the writ petition was withdrawn as having become infructuous, reserving liberty to the petitioner to urge all his contentions before the Appellate Authority.

13. The petitioner accordingly urged all his grounds before the Appellate Authority. The Appellate Authority, by its judgment and order dated 3rd June 2026, dismissed the appeal and upheld the finding dated 10th February 2023 as well as the punishment order dated 15th June 2023 in their entirety.

14. Pursuant to the said order, the impugned notification at Annexure-A came to be issued directing that the petitioner's name be removed from the Register of



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Members for a period of 15 days with effect from 18th August 2026. It is this order and the consequential action which have brought the petitioner before this Court.

15. The principal contention of the learned counsel for the petitioner is that the order passed by the Appellate Authority is perverse and has been rendered without proper application of mind. It is contended that the principles of natural justice have not been followed and that the order is not a speaking order, inasmuch as the contentions urged by the petitioner have not been properly considered. It is further contended that the impugned order has the effect of violating the fundamental rights of the petitioner and is therefore arbitrary and unsustainable in law.

16. We have heard the learned counsel for the petitioner and have carefully considered the material placed before us.

17. The point that arises for our consideration is,



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"Whether it is a fit case for interference of the order passed by the 1st and 3rd respondent?"

18. At the outset, it is necessary to bear in mind the nature of the profession with which we are concerned. The role and functions discharged by a Chartered Accountant are of considerable importance. The profession rests substantially upon the confidence reposed by the public, clients and statutory authorities in the integrity of its members. A Chartered Accountant is expected to discharge his professional duties with utmost sincerity and probity. There can be no place for dishonesty in a profession which occupies such a position of trust.

19. The case of the petitioner is that the criminal proceedings initiated against him ultimately resulted in his acquittal and, therefore, the disciplinary proceedings ought not to have been continued or the finding sustained. We are unable to accept the submission in the manner in which it is urged.



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20. The criminal proceedings and the disciplinary proceedings operate in different fields. The purpose of a criminal prosecution is to determine whether the accused has committed an offence punishable under the criminal law. A disciplinary proceeding, on the other hand, is concerned with the conduct of the member and whether such conduct amounts to professional misconduct under the governing statute and rules. The two proceedings are therefore distinct, and the outcome of one cannot, in every case, automatically determine the outcome of the other.

21. We have also examined the grievance of the petitioner that he was not afforded a proper opportunity in the disciplinary proceedings. The material on record does not support such a contention. The prima facie opinion formed by the disciplinary authority, together with the relevant material, was furnished to the petitioner. He was given an opportunity to place his defence. He submitted his written statement, thereafter filed a rejoinder and, during the course of the proceedings, submitted further



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written submissions. He also had an opportunity to make his submissions on the question of penalty.

22. The petitioner has, therefore, not been able to show that he was prevented from placing his case before the disciplinary authority or that any material relied upon against him was withheld from him. Equally, no specific prejudice caused to him by reason of the procedure adopted has been demonstrated.

23. The contention that the disciplinary proceedings ought to have been kept in abeyance till the conclusion of the criminal case also cannot, in the facts of the present case, be accepted as a ground for interference. The mere pendency of criminal proceedings does not by itself bring the disciplinary proceedings to a standstill. More particularly, when the disciplinary authority is examining the professional conduct of a member, it is required to consider the material placed before it in the context of the obligations imposed upon a member of the profession.



24. The petitioner has also questioned the reliance placed upon his statement recorded under Section 131 of the IT Act. It is not necessary for us, in exercise of jurisdiction under Article 226 of the Constitution of India, to re-appreciate the evidence as though we were sitting in appeal over the finding of the disciplinary authority. The question before us is not whether another view could have been taken on the evidence, but whether the decision-making process suffers from any illegality, perversity or violation of the principles of natural justice.

25. It is well settled that, while exercising jurisdiction under Article 226 of the Constitution of India in the matters arising out of disciplinary proceedings, the Court is primarily concerned with the decision-making process. If the procedure adopted is fair and reasonable and the principles of natural justice have been complied with, the writ Court would ordinarily not interfere with the finding merely because it may be possible to take another view of the material.



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26. In the present case, the petitioner has not been able to demonstrate that the procedure adopted by the disciplinary authority was either unfair or contrary to the procedure prescribed under the applicable Rules. The record, on the contrary, shows that the petitioner was given adequate opportunity to defend himself at every relevant stage of the proceedings.

27. The procedure that is to be followed by the Disciplinary Committee on finding of professional misconduct has been recorded by the Apex Court in ***D.K. Agrawal v. Council of the Institute of Chartered Accountants of India***¹, wherein it has been observed as under:

"17. It is clear from the above provisions that the report of the Disciplinary Committee will contain a statement of the allegations, the defence entered by the members, the recorded evidence and the conclusions expressed by the Disciplinary Committee. The conclusions of the Disciplinary Committee are tentative and the same are not recorded as findings. It is only the Council which is empowered to find out whether the member is guilty

¹ 2021 SCC OnLine SC 903



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of misconduct. If on receipt of the report, the Council finds that the member is not guilty of misconduct, Section 21(2) requires that it shall record its finding accordingly and direct that the proceedings shall be filed or the complaint shall be dismissed. On the other hand, if the Council finds that the member is guilty of misconduct, Section 21(3) requires it to record a finding accordingly and to proceed in the manner laid down in the succeeding sub-sections. The findings by the Council constitute the determinative decision as to the guilt of the member and because it is determinative in character, the Act requires it to be recorded. Thus, the Council has to determine that a member is guilty of misconduct and the task of recording of the findings has been specifically assigned to the Council. Sub-section (4) of Section 21 mandates that where a member of the Institute has been guilty of professional misconduct specified in the First Schedule of the Act, the Council shall afford to such member an opportunity of being heard before any orders are passed against him. After recording a finding that a member is guilty of misconduct, the Act moves forward to the final stage of penalisation. The recording of the finding by the Council is the jurisdictional springboard for the penalty proceedings which follow."

28. The submission that the order of the Appellate Authority is not a speaking order also does not persuade us to interfere with the matter in exercise of our writ jurisdiction. The Appellate Authority has considered the challenge to the finding as well as the punishment imposed upon the petitioner and has affirmed the same.



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Merely because every submission advanced by the petitioner has not been dealt with in the manner suggested by him cannot, by itself, justify interference, particularly when no failure of the decision-making process resulting in prejudice has been demonstrated.

29. This Court is also conscious of the fact that the petitioner seeks, in substance, a re-examination of the material on the basis of which the disciplinary authority arrived at its conclusion. Such an exercise is not ordinarily undertaken in proceedings under Article 226 of the Constitution. Unless the finding is shown to be wholly unsupported by the material on record, perverse, or arrived at in breach of the principles of natural justice, interference would not be warranted.

30. In the present case, the petitioner has not been able to demonstrate any such infirmity. The proceedings disclose that the prescribed procedure was followed and that the petitioner was given sufficient opportunity to put forward his defence.



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31. The misconduct found against the petitioner is also not of a trivial nature. A finding of dishonesty against a Chartered Accountant has serious implications, not merely for the individual concerned, but also for the confidence which the public and statutory authorities repose in the profession as a whole. The professional standards applicable to a Chartered Accountant necessarily require a high degree of integrity, and conduct which is found to fall short of those standards cannot be viewed lightly.

32. The Supreme Court in ***Lucknow Kshetriya Gramin Bank v. Rajendra Singh***², has held as under:

"19. The principles discussed above can be summed up and summarised as follows:

19.1. When charge(s) of misconduct is proved in an enquiry the quantum of punishment to be imposed in a particular case is essentially the domain of the departmental authorities.

19.2. The courts cannot assume the function of disciplinary/departmental authorities and to decide the quantum of punishment and nature of penalty

² (2013) 12 SCC 372



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to be awarded, as this function is exclusively within the jurisdiction of the competent authority.

19.3. Limited judicial review is available to interfere with the punishment imposed by the disciplinary authority, only in cases where such penalty is found to be shocking to the conscience of the court.

19.4. Even in such a case when the punishment is set aside as shockingly disproportionate to the nature of charges framed against the delinquent employee, the appropriate course of action is to remit the matter back to the disciplinary authority or the appellate authority with direction to pass appropriate order of penalty.

The court by itself cannot mandate as to what should be the penalty in such a case.

19.5. The only exception to the principle stated in para 19.4 above, would be in those cases where the co-delinquent is awarded lesser punishment by the disciplinary authority even when the charges of misconduct were identical or the co-delinquent was foisted with more serious charges. This would be on the doctrine of equality when it is found that the employee concerned and the co-delinquent are equally placed. However, there has to be a complete parity between the two, not only in respect of nature of charge but subsequent conduct as well after the service of charge-sheet in the two cases. If the co-delinquent accepts the charges, indicating remorse with unqualified apology, lesser punishment to him would be justifiable."



33. We are also required to examine whether the punishment imposed calls for interference. The petitioner has been directed to be removed from the Register of Members for a period of only 15 days. Having regard to the nature of the misconduct found proved against him, we cannot say that the punishment imposed is so disproportionate as to warrant interference by this Court. In fact, having regard to the seriousness of the allegations and the finding recorded against the petitioner, the Appellate Authority has been considerably lenient in restricting the punishment to a period of 15 days.

34. We are conscious that the petitioner has been practising as a Chartered Accountant since 1997 and that the consequence of a disciplinary order may have an impact upon his professional standing. Nevertheless, the length of service by itself cannot justify interference when the misconduct has been found proved in accordance with the procedure prescribed by law.



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35. On an overall consideration of the matter, we find that the petitioner was afforded due opportunity, that the procedure contemplated under the applicable Rules was followed and that the petitioner has failed to establish any violation of the principles of natural justice or any perversity in the decision-making process. The grounds urged before us essentially invite this Court to re-appreciate the evidence and substitute its own conclusion for that of the disciplinary and appellate authorities. Such an exercise is not warranted in the present proceedings.

36. For the aforesaid reasons, we find no ground to interfere with the judgment and order dated 3rd June 2026 passed by the first respondent-Appellate Authority or with the consequential notification directing removal of the petitioner's name from the Register of Members for a period of 15 days. Accordingly, we pass the following;



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ORDER

The writ petition is ***dismissed***.

No order as to costs.

**Sd/-
(D K SINGH)
JUDGE**

**Sd/-
(H.SHANTHI BHUSHAN)
JUDGE**

KNM
List No.: 2 SI No.: 2