

BOARD OF DISCIPLINE

(Constituted under Section 21A of the Chartered Accountants Act 1949)

**FINDINGS OF THE BOARD OF DISCIPLINE UNDER RULE 14 (9)
READ WITH RULE 15 (2) OF THE CHARTERED ACCOUNTANTS
(PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND
OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007**

CORAM: (PRESENT IN PERSON)

CA. Rajendra Kumar P, Presiding Officer
Ms. Dolly Chakrabarty, Government Nominee
CA. Priti Savla, Member

IN THE MATTER OF:

CA. Bipin Babubhai Shah (M. No. 016862), Mumbai in Re:

Date of Final Hearing : 29th July 2025
Place of Final Hearing : ICAI Tower, Mumbai

PARTY PRESENT (IN PERSON):

Respondent : CA. Bipin Babubhai Shah

BACKGROUND OF THE CASE:

1. A case bearing number RC AC1 2008A 0001 was registered by CBI on 08.03.2008 based on source information against Shri Ashutosh Verma, the then Deputy Director (Investigation), Income Tax Department, New Delhi; Shri Suresh Nanda, a businessman; his son Shri Sanjeev Nanda; the Respondent CA. Bipin Babubhai Shah; and other unknown persons. The case involves offences under Sections 120B, 201, 204, and 218 of the IPC, and Sections 13(2) read with 13(1)(d) of the Prevention of Corruption Act, 1988. A charge sheet was filed on 30.11.2012 before the Court of the Special Judge, Patiala House, New Delhi.
2. According to the charge sheet, during the year 2007-2008, the accused persons conspired to manipulate an Income Tax Investigation report to favour Shri Suresh Nanda and his associates. Shri Ashutosh Verma, who was investigating financial transactions related to suspected income tax evasion and links to defence deals, allegedly accepted illegal gratification to alter his official report. Acting on instructions from the Nanda family, the Respondent contacted Shri Ashutosh Verma, who subsequently withheld and destroyed incriminating evidence and modified the report to shield the Nanda family from legal consequences.
3. The investigation revealed that the Respondent and Shri Ashutosh Verma met on multiple occasions specifically on 22.02.2008, 23.02.2008, and 04.03.2008 to discuss the report. The Respondent received Shri Ashutosh Verma at Mumbai Airport, where they later met the Nandas at Hotel J. W. Marriott. All four were apprehended on 08.03.2008 during a secret meeting in Room No. 161 of the said hotel. Intercepted phone calls and SMS communications during February–March 2008 confirmed active coordination between the accused.

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4. A crucial piece of evidence was a three-hour recorded conversation between Shri Ashutosh Verma and the Respondent on 04.03.2008 at Hotel Intercontinental Eros, where they discussed illegal payments, dilution of findings, and removal of references to sensitive defence transactions. The CFSL confirmed the recording's authenticity. The conversation also included Shri Ashutosh Verma thanking the Respondent for gifts sent to his wife and estimating the bribe amount to be around "maximum 10 lakhs." Both parties expressed mistrust towards the Nanda family and concerns over the risks involved. Witnesses later identified the voices in the recording, and the Respondent's statement dated 10.03.2008 was submitted in support of the charges.
5. The evidence suggests a well-orchestrated conspiracy involving a senior public servant and private individuals to manipulate official proceedings for personal and financial gain, substantiated through forensic analysis, electronic surveillance, and corroborative witness testimony.

CHARGE ALLEGED:

6. It is alleged that the Respondent (being accused no. 4) during the years 2007-2008 in collusion with Sh. Ashutosh Verma (being accused no. 1) the then Deputy Director of Income Tax (Investigation), was involved in evasion of tax by minimizing the Income tax liability of Shri Suresh Nanda (being accused no. 3).

BRIEF OF PROCEEDINGS HELD:

7. The details of the hearing fixed and held in the instant matter are given as below:

S. No.	Date of Hearing	Status of hearing
1.	29 th July 2025	Matter Heard and Concluded.

BRIEF SUBMISSIONS OF THE RESPONDENT:

8. The Respondent vide email dated 15th March 2025, has submitted his Written Statement denying all allegations made against him. He has specifically drawn attention to the findings of the Special Court, which, while noting the allegation that Shri Ashutosh Verma diluted the appraisal report at the behest of CA. Bipin Babubhai Shah, concluded that no evidence was found to prove any such corrections were made on Shri Verma's laptop as alleged. The Court, therefore, held that the prosecution failed to establish that the report was altered at the instance of the Respondent. Furthermore, the Respondent has contended that the present proceedings have been initiated after an inordinate delay of approximately 17 years, which may hinder the availability and efficacy of evidence. Accordingly, he submitted to drop the disciplinary proceedings on the grounds of limitation as per Rule 12 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and conduct of Cases) Rules 2007, arguing that the matter is time-barred and continued prosecution at this stage would be contrary to the principles of natural justice.

OBSERVATIONS OF THE BOARD:

9. The Board, after affording the Respondent an opportunity of being heard and upon due consideration of his Written Submissions dated 15th March 2025, has taken cognizance of the objection raised with respect to the applicability of Rule 12 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. The Respondent has contended that the incident forming

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the basis of the charge sheet pertains to the year 2008, whereas the first communication received by him in relation to the matter was only in 2018-indicating an unexplained delay of nearly 10 years. Furthermore, the Respondent has underscored that the initiation of disciplinary proceedings after an inordinate delay of approximately 17 years has resulted in serious prejudice to his right to a fair defence. He submitted that such a prolonged lapse of time has likely led to the loss, deterioration or unavailability of crucial evidence, thereby materially impairing his ability to effectively contest the allegations. The Respondent contended that this delay contravenes the principles of natural justice and undermines the fairness of the proceedings.

10. The Board also noted the Respondent's reliance on the findings of the Special Court, which observed that although allegations were levelled against Shri Ashutosh Verma for allegedly diluting the appraisal report at the behest of the Respondent, no evidence was found to support the claim that any such alterations were made by Shri Verma on his laptop. Consequently, the Court held that the prosecution had failed to substantiate this critical charge against the Respondent.
11. Having examined the matter strictly from the perspective of procedural limitation and considering the provisions of Rule 12 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Board is of the considered view that the continuation of disciplinary proceedings after such an inordinate and unexplained delay is not sustainable. Accordingly, the Board accepts the Respondent's plea under Rule 12 and decides to close the case by holding the Respondent Not Guilty in the present proceedings. It is clarified that this decision is limited solely to the issue of limitation and does not constitute an adjudication on the merits of the case, nor does it imply any expression of opinion on the factual or evidentiary aspects of the criminal proceedings pending or adjudicated before the competent court.

CONCLUSION:

12. Thus, in conclusion, in the considered opinion of the Board, the Respondent is '**Not Guilty**' of Other Misconduct falling within the meaning of Item (2) of Part-IV of the First Schedule of the Chartered Accountants Act 1949.

Sd/-

CA. Rajendra Kumar P
Presiding Officer

Sd/-

Dolly Chakrabarty, IAAS (Retd.)
Government Nominee

Sd/-

CA. Priti Savla
Member

Date:26-09-2025

समस्तित हुने के लिए प्रमाणित / Certified to be True Copy

Chaman Singh

चमन सिंह / Chaman Singh

कार्यकारी अधिकारी / Executive Officer

अनुशासनिक विभाग / Disciplinary Directorate

कायित्वकारी बोर्ड, नई दिल्ली

The Institute of Chartered Accountants of India
आई.सी.ए.आई. बिल्डिंग, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)
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