



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
(Set up by an Act of Parliament)

[PR/109A/2015/DD/114/15/DC/743/2018]

**ORDER UNDER SECTION 21B(3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH  
RULE 19(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATION OF  
PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007.**

**In the matter of:**

**Dr. A Subramanyeswara Rao**  
**Supdt. Of Police & HOB, CBI:ACB**  
No. 36, Bellary Road  
Ganganagar  
**Bangalore - 560 032**

**-Vs.-**

**CA. Kasi Viswanadh Yamujala (M.No 029446)**  
14, 4<sup>th</sup> Cross, 1<sup>st</sup> Floor, J M Lane  
**Bangalore - 560 054**

[PR/109A/2015/DD/114/15/DC/743/2018]

**MEMBERS PRESENT:**

- 1. CA. Atul Kumar Gupta, Presiding Officer**
- 2. CA. Amarjit Chopra, Government Nominee**
- 3. CA. Rajendra Kumar P, Member**
- 4. CA. Chandrashekhar V. Chitale, Member**

1. That vide findings under Rule 18 (17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 dated 04.09.2019, the Disciplinary Committee was inter-alia of the opinion that **CA. Kasi Viswanadh Yamujala (M.No 029446)** (hereinafter referred to as the **Respondent**) was **GUILTY** of



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professional misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

2. That an action under Section 21B (3) of the Chartered Accountants Act, 1949 was contemplated against the Respondent and a communication dated 19<sup>th</sup> November, 2019 was sent to him thereby granting an opportunity of being heard in person and/or to make oral/written representation before the Committee on 10<sup>th</sup> December, 2019 at Chennai.

3. Further, on 10<sup>th</sup> December, 2019, the Committee noted that the Respondent was not present and even there was no intimation for his presence, nor he has made any submission on the findings of the Committee holding him Guilty of professional misconduct within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

4. The Committee noted the findings contained in Report of the Disciplinary Committee dated 04/09/2019 holding the Respondent guilty of professional misconduct, which are as under:-

*5.1 "The Committee observed that the Respondent has himself accepted his mistake before them that he has relied upon various documents supplied to him by the financial consultant Mr. S.V. Isloor, without verifying the same with the books of accounts of the firm, and thus, certified the wrong figures for the F/Y 2010-11.*

*The Committee further observed that the financial statements certified by the Respondent do not match with the data furnished to the Commercial Tax Department. It is noted that as per 'VAT 100 Return', summary of the Firm for the period 2010-11 the total turnover is coming out to be approximately Rs. 68 lakhs, whereas as per the Income Statement for 2010-11 certified by the Respondent the turnover is shown as approximately Rs.5.91 crores. Thus, a substantial difference is arising between the aforesaid figures for the same caption and the same has also been agreed upon by the Respondent in his statement before the Inspector of Police."*



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5. The Committee perused the above facts and looking into all these aspects noted that although the Respondent has accepted his mistake at the time of hearing. However, the Committee was of the view that the Respondent has been relied upon the information supplied to him by one financial consultant Mr. S.V. Isloor. He failed to examine the books of accounts of the firm. Further, the Respondent even not verified the turnover of the firm with VAT return. As turnover as per VAT return for the same period was Rs. 68 lakhs, whereas as per income statement certified by the Respondent it was Rs. 5.91 crores.

In view of above, the Committee is of the opinion that the Respondent has not exercised any due diligence while performing said attest function of the firm.

Based on the above findings the Respondent being held guilty of professional misconduct, the Committee is of the view that ends of justice will be met, if the punishment awarded to the Respondent is commensurate with the seriousness of the nature of misconduct.

6. Thus, Keeping in view the facts and circumstances of the case, material on record and submissions of the Respondent before it, the Committee ordered that the name of the Respondent i.e. CA. Kasi Viswanadh Yamujala (M.No.029446) be removed from the register of members for a period of 06 (Six) months.

Sd/-  
(CA. ATUL KUMAR GUPTA)  
PRESIDING OFFICER

Sd/-  
(CA. AMARJIT CHOPRA)  
GOVERNMENT NOMINEE

Sd/-  
(CA. RAJENDRA KUMAR P)  
MEMBER

Sd/-  
(CA. CHANDRASHEKHAR V. CHITALE)  
MEMBER

DATE : 10/12/2019

PLACE : CHENNAI

Dr. A. S. Rao, SP, CBI, Bangalore -Vs.- CA. Kasi Viswanadh Yamujala (M.No 029446), Bangalore



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**CONFIDENTIAL**

**DISCIPLINARY COMMITTEE [BENCH – II (2019-2020)]**

**[Constituted under Section 21B of the Chartered Accountants (Amendment) Act, 1949]**

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

**File No. : [File No. PR/109A/2015-DD/114/15/DC/743/2018]**

**In the matter of:**

**Dr. A Subramanyeswara Rao  
Supdt. Of Police & HOB, CBI:ACB,  
Central Bureau of Investigation  
No.36, Bellary Road,  
Ganganagar  
Bangalore-560 032**

**..... Complainant**

**Versus**

**CA. Kasi Viswanadh Yamujala (M.No 029446), Bangalore,  
14,4<sup>th</sup> Cross,  
1<sup>st</sup> Floor, J M Lane,  
Bangalore-560 054**

**.....Respondent**

**MEMBERS PRESENT:**

**CA. Atul Kumar Gupta, Presiding Officer  
CA. Amarjit Chopra, Member (Govt. Nominee)  
CA. Rajendra Kumar P, Member  
CA. Chandrasekhar Vasant Chitale, Member**



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**DATE OF FINAL HEARING : 29.07.2019**

**PLACE OF FINAL HEARING : ICAI Bhawan, Chennai**

**PARTIES PRESENT :**

**Complainant : Not Present**

**Respondent : A. Kasi Viswanadh Yamujala**

**: CA C.V. Sajan (Counsel For the Respondent)**

**Charges in Brief:-**

1. The Committee noted that in the Prima-Facie Opinion 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 is guilty under Clause (7) of Part I Second Schedule of Chartered Accountant Act 1949. The said clause (7) states that :-

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

2. In this case the prime allegation against the Respondent is that he, in connivance with the owners of M/s Nikhara Electronics & Allied Technics, has prepared the Project Reports based on the inflated and false financial statements of the said firm. Thus, bringing wrongful loss of Rs. 344 lakhs to Vijaya Bank. It is being further alleged that the financial statements certified by the Respondent do not match with the data furnished to the Commercial Tax Department.



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**Brief facts of the Proceedings:**

3. On the day of hearing, the Committee noted that Complainant was not present; on other side, the Respondent with his Counsel appeared before the Committee. The Respondent was put on oath. In the absence of the Complainant. With consent of the Respondent, the charges were taken as read. On being asked to the Respondent whether he pleads guilty, he replied in positive. Thereafter, considering all papers available on record, the Committee decided to proceed with the matter.

**Findings of the Committee**

4. At the time of hearing the Respondent accepted his mistakes and submitted further that he is “victim” in the entire organized process. The Respondent was approached by Mr. B. Lakshman, partner of the aforesaid firm, through Mr. S. V. Isloor (financial consultant of the firm) who was also known to the Respondent, and sought preparation of Project Report for availing credit facilities from the Bank.
5. The Respondent further submitted that he had asked Mr. S.V. Isloor to get, the Provisional Balance Sheet and Profit & Loss Account for the F/Y 2010-11 and Provisional Balance Sheet for the period 1st April, 2011 to 30th June, 2011, signed by the previous Chartered Accountant CA. Maddannaswamy B V, since the same were prepared by him. Instead, Mr. S. V. Isloor brought the NOC from CA. Maddannaswamy B V, and therefore, the Respondent has attested the statement by going through various documentary evidences supplied to him, however, without going into the actual transactions and other related records including the VAT returns etc.



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6. The Committee observed that the Respondent has himself accepted his mistake before them that he has relied upon various documents supplied to him by the financial consultant Mr. S.V. Isloor, without verifying the same with the books of accounts of the firm, and thus, certified the wrong figures for the F/Y 2010-11.
7. The Committee further observed that the financial statements certified by the Respondent do not match with the data furnished to the Commercial Tax Department. It is noted that as per 'VAT 100 Return', summary of the Firm for the period 2010-11 the total turnover is coming out to be approximately Rs. 68 lakhs, whereas as per the Income Statement for 2010-11 certified by the Respondent the turnover is shown as approximately Rs.5.91 crores. Thus, a substantial difference is arising between the aforesaid figures for the same caption and the same has also been agreed upon by the Respondent in his statement before the Inspector of Police.

**Conclusion**

8. In view of the above the committee after noting the acceptance of guilt by the Respondent that he has relied upon various documents supplied to him by the financial consultant without verifying the same with the books of accounts of the firm and certified financial statements which do not match with the data furnished to the Commercial Tax Department clearly indicates that the Respondent was Grossly Negligent in performing his professional duties and does not exercise due diligence. Accordingly, in the considered opinion of the Committee, the Respondent is **GUILTY** under Clause (7) of the Part I of Second Schedule of Chartered Accountant Act 1949.



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**PRESIDING OFFICER**

**Sd/-**  
**(CA. AMARJIT CHOPRA)**  
**GOVERNMENT NOMINEE**

**Sd/-**  
**(CA. RAJENDRA KUMAR P)**  
**MEMBER**

**Sd/-**  
**(CA. CHANDRASEKHAR VASANT CHITALE)**  
**MEMBER**

**DATE: 04-09-2019**  
**PLACE: MUMBAI.**