

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2018-2019)]

[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. : [PR-38/2015/DD/47/15/DC/609/17]

In the matter of:

Shri Anil Kumar Jangra
C-342, 2nd Floor,
Lohia Nagar
Ghaziabad
(U.P.) 201 001

.....Complainant

Versus

CA. Neha Rani (M.No.520569)
C-619, Saraswati Vihar,
Pitampura,
New Delhi -110034

.....Respondent

MEMBERS PRESENT:

CA. Prafulla P. Chhajer, Presiding Officer
Shri Rajeev Kher, I.A.S. (Retd.), Govt. Nominee
CA. Amarjit Chopra, Government Nominee
CA. Mangesh P. Kinare, Member

DATE OF FINAL HEARING : 18.09.2018

PLACE OF FINAL HEARING : ICAI Bhawan, New Delhi

PARTIES PRESENT:

Complainant : Shri Anil Kumar Jangra
Counsel for the Respondent : CA. C. V. Sajan alongwith husband of the Respondent CA. Gagan Gupta

Charges in Brief:-

1. The allegations in the instant case relates to filing of Form 32 by the Respondent relating to resignation of the Complainant and other two Directors namely Mr. Siddharth Jagdish and Mr. Vikas Agarwal from the Directorship of the Company namely M/s Alglow Extrusion Engineers Pvt. Ltd.

1.1 The Complainant alleged that the signatures on the resignation letters were forged and no AGM was held to accept their resignation. The Complainant has further alleged that the Respondent has given different replies to ROC in her different letters whereupon ROC has recommended taking action under suitable Section against the Respondent.

Brief facts of the Proceedings:

2. The Committee noted that on the day of hearing i.e. 18/09/2018, the Complainant in person and Counsel for the Respondent along-with husband of the Respondent CA. Gagan Gupta were present and appeared before it.

2.1 The Complainant was put on oath. The Complainant explained the charges. On being asked to the Counsel for the Respondent whether the Respondent pleads guilty, he replied in negative. Thereafter, the Committee directed him to proceed ahead with his defence.

2.2 The Counsel for the Respondent filed written submissions of the Respondent and stated that the Respondent was working with CA. Brij Mohan Agrawal and Form 32 was filed by the office using her digital signature. She was not actively involved in filing Form 32 and even the Form was filed on the basis of representations made by one of the Directors of the Company. The Counsel for the Respondent further contended that vide letter dated 20/07/2015, the Respondent has written to Registrar of Companies withdrawing her digital signature on the impugned Form 32.

2.3 On being asked by the Committee, the Counsel admitted that no complaint has been filed by the Respondent against CA. Brij Mohan Agrawal or against the said Director of the Company.

The Committee recorded the final submissions of the Counsel for the Respondent and Complainant and concluded the hearing in the captioned matter.

Findings of the Committee

3. The Committee noted that there is only one charge against the Respondent which is explained in para 1 above.

3.1 Upon perusal of the documents on record, the Committee noted that three Directors of the Company namely the Complainant, Mr. Siddharth Jagdish and Mr. Vikas Agarwal have complained to Registrar of Companies on 25th February, 2014 that Form 32 relating to their resignation from the Company has been filed fraudulently with their forged signatures on the resignation letters.

3.2 The Committee perused Form 32 and observed that the same has been digitally signed by the Respondent relating to the resignation of the Complainant and other two Directors from the Directorship of the Company w.e.f. 20th January, 2014. The Respondent in her defence brought on record the copy of resignation letters of the Complainant dated 20th January, 2014 and other two Directors, Mr. Siddharth Jagdish and Mr. Vikas Agarwal and also Minutes of the Board of Directors meeting dated 20th January, 2014.

Upon perusal of the above documents, it is observed that the resignation letter of Mr. Vikas Agarwal is dated 3rd February, 2014 while on Form 32, the date of his resignation has been mentioned as 20.01.2014 which is a date prior to the date of resignation letter. This is a conclusive evidence to prove that the allegation of the Complainant that the signatures on resignation letters were forged.

3.3 The Committee also noted that vide letter dated 10/07/2014 in response to letter of ROC dated 23/06/2014, the Respondent has submitted that “*she has received Form*

32 through mail, in which all scanned documents are attached on relying the certification done by the directors". Therefore, the contention of the Respondent that the office of CA. Brij Mohan Agrawal done the certification work without her involvement is also not wholly acceptable. Further, upon a perusal of said letter, the Committee was of the opinion that said certification of Form 32 appears to be done by the Respondent herself as she has admitted to receiving all documents certified by the Director of the Company through mail and uploading the same with ROC on her own.

3.4 The Committee was also not convinced with the defence adopted by the Counsel of the Respondent that the Respondent had distanced herself from the impugned Form 32 by writing a letter to Registrar of Companies on 22/07/2015. The Committee was of the view that the said letter is dated 22/07/2015 i.e. a date much after the date when this complaint was filed by the Complainant to Disciplinary Directorate. Therefore, this act of the Respondent appears to be mere afterthought which cannot be a mitigating factor for professional misconduct she has committed.

3.5 The Committee further noted that the Registrar of Companies, New Delhi in their letter dated 23rd June, 2014 addressed to the Respondent has raised query on this aspect. Further, it is also seen that Joint Director, Inspection, O/o Regional Director, Ministry of Corporate Affairs in a letter dated 23rd September, 2014 addressed to the Secretary of MCA, vide para (b) stated as under:-

"ROC has also stated that there appears to be a gross negligence at the end of certifying professional that Board Meeting took place on 20.01.2014 whereas resignation letter of Sh. Vikas Agarwal carries date 03.02.2014. Her reply is also not satisfactory that she certified the form 32 relying on signature of Director, Sh. Rajendra Kumar Garg who signed it. Therefore, prima facie there is a case of wrong certification by professional and liable for action under section 628 of the Companies Act, 1956."

The submissions of the Respondent to the allegation are perused by the Committee wherein she has submitted that she was not personally involved in the matter. The same was done by the office of CA. Brij Mohan Agrawal of M/s BNPSY & Associates, using her digital signatures where she was working like an employee.

The Respondent also submitted that replies to the queries raised by Registrar of Companies in the said matter were also prepared by said CA. Brij Mohan Agarwal on her behalf and the Respondent simply signed the same.

In this regard, the Committee was in agreement of the view of the Director (Discipline) that the job of a professional requires Independence and Objectivity so as to discharge professional assignments without compromising professional judgment and to act with integrity and professional skepticism. However, in the instant case, the act of the Respondent allowing someone else to use her signatures and signing of letters blindly shows that she had been negligent and careless in not attaching due importance expected of a professional to the documents being certified under her name and signatures.

3.6 The Committee was also of the view that the Respondent on one hand is trying to shift her act of certification to the office of CA. Brij Mohan Agrawal and one of then Director of the Company and on the other hand, she has admittedly chosen not to file any complaint in any forum against anyone of them, which is quite incomprehensible.

Conclusion

4. Thus in the considered opinion of the Committee, the Respondent is **GUILTY** of professional misconduct falling within the meaning Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

**Sd/-
(CA. PRAFULLA P. CHHAJED)
PRESIDING OFFICER**

**Sd/-
(SH. RAJEEV KHER, I.A.S. (Retd.)
GOVERNMENT NOMINEE**

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

**Sd/-
(CA. MANGESH P. KINARE)
MEMBER**

**DATE : 05th February, 2019.
PLACE : New Delhi**

DISCIPLINARY COMMITTEE [BENCH-I (2019-2020)]
[Constituted under Section 21B of the Chartered Accountants Act, 1949]

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:

Shri Anil Kumar Jangra, Ghaziabad (U.P.)

-Vs-

**CA. Neha Rani (M.No.520569), Partner, M/s. NSP & Associates, New Delhi
[PR-38/2015-DD/47/15/DC/609/2017]**

MEMBERS PRESENT:

Shri Jugal Kishore Mohapatra, I.A.S. (Retd.) (Government Nominee), Presiding Officer,

Ms. Rashmi Verma, I.A.S. (Retd.) (Government Nominee),

CA. Babu Abraham Kallivayalil, Member

CA. Dayaniwas Sharma, Member

1. That vide report dated 05.02.2019, the Disciplinary Committee has inter-alia held **CA. Neha Rani (M.No.520569)** (hereinafter referred to as the “**Respondent**”) **GUILTY** of professional misconduct falling within the meaning of Clauses (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.
2. That pursuant to the said report, an action under Section 21B (3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and communication dated 13th August, 2019 was addressed to her thereby granting an opportunity of being heard in person and/or to make a written representation before the Committee on 29th August, 2019 at New Delhi.
3. The Committee noted that on 29th August, 2019, the Respondent was present and she made her oral submissions on the report of the Disciplinary Committee. The Respondent vide her letter dated Nil (received on 28th March, 2019) also made her written representations on the said report.
4. The Committee observed that the Respondent reiterated her submissions as made before the Disciplinary Committee at the time of hearing and requested to take lenient view in this matter.
5. The Committee has considered the reasoning (s) as contained in paras no.3 to 3.6 and 4 of the Disciplinary Committee report holding the Respondent Guilty of professional misconduct vis-à-vis representations of the Respondent on the findings of the Disciplinary Committee.
6. Keeping in view the facts and circumstances of the case, material on record and representations of the Respondent made before it, the Committee is of the view that the professional misconduct on the part of the Respondent is established and however, keeping in view the circumstances as brought on record by the Respondent, the said misconduct does not qualify for a severe sentence. Accordingly, the Committee orders that name of the Respondent,

CA. Neha Rani (M.No.520569) be removed from the Register of Members for a period of 1 month (One Month).

**Sd/-
(SHRI JUGAL KISHORE MOHAPATRA)
GOVERNMENT NOMINEE**

**Sd/-
(MS. RASHMI VERMA)
GOVERNMENT NOMINEE**

**Sd/-
(CA. BABU ABRAHAM KALLIVAYALIL)
MEMBER**

**Sd/-
(CA. DAYANIWAS SHARMA)
MEMBER**

DATE : 29th August, 2019

PLACE : New Delhi