



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

[PR/41/16-DD/74/16-DC/909/18]

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.

PR/41/16-DD/74/16-DC/909/18

In the matter of:

**Mr. Sanjeev Kumar,
Mr. Sameer Sheikh, and
Mrs. Asefa Vijay Kumar,
33, Gera Greensville,
Near EON SEZ and World Trade Centre,
Kharadi,
Pune – 411 014**

.....Complainants

-Vs.-

**CA. Preetam Shah..... (M. No. 151083)
Plot No. 33,
Gulabnagar Society,
Dhankawadi,
Pune - 411 043**

.....Respondent

MEMBERS PRESENT:

1. CA. Atul Kumar Gupta, Presiding Officer
2. CA. Amarjit Chopra, Government Nominee
3. CA. Rajendra Kumar P, Member
4. CA. Pramod Kumar Boob, 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 16.12.2019, the Disciplinary Committee was inter-alia of the opinion that **CA. Preetam Shah (M. No.151083)** (hereinafter referred to as the **Respondent**) was **GUILTY** of professional misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

Mr.Sanjeev Kumar, Mr. Sameer Sheikh and Mrs. Asefa Vijay Kumar, Pune -Vs.- CA. Preetam Shah (M. No. 151083), Pune



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2. The Respondent was present before the Committee in Mumbai office of ICAI through video conferencing mode. He submitted that he never had the ill-intentions in the alleged matter and in-fact the said Complaint was filed against him to harass him and to settle score with him by the Complainant. Hence, he requested the Committee for taking a lenient view in his case.

3. The Committee while looking into the matter and the conduct of the Respondent, is of the opinion that though the Respondent signed the financial statements without getting a pre-approved copy of accounts from the management duly passed through a resolution of the Board of the Society, yet this is just a case of technical breach on the part of the Respondent which also did not caused any financial loss to the stakeholders. The Committee also noted that though the Respondent claimed that he had also reported fraud in the financial statements, yet, he failed to bring documentary proof of the same before the committee. It is also noticed that no negligence is noticed in figures certified by the Respondent in the Financial Statements.

4. Therefore, 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 Respondent i.e. CA. Preetam Shan (M.No.151083) be reprimanded.

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

Sd/-
(CA. RAJENDRA KUMAR P)
MEMBER

Certified Copy
Parvesh
PARVESH BANSAL
Deputy Secretary
Disciplinary Directorate
The Institute of Chartered Accountants of India
ICAI Bhawan, I.P. Marg, New Delhi-110 002

Sd/-
(CA. AMARJIT CHOPRA)
GOVERNMENT NOMINEE

Sd/-
(CA. PRAMOD KUMAR BOOB)
MEMBER

DATE : 02/03/2020

PLACE : Delhi

Mr.Sanjeev Kumar, Mr. Sameer Sheikh and Mrs. Asefa Vijay Kumar, Pune -Vs.- CA. Preetam Shah (M. No. 151083), Pune

CONFIDENTIAL

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

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

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

Ref. No.PR- 41/2016-DD/74/16/DC/909/18

In the matter of:

**Mr.Sanjeev Kumar,
Mr. Sameer Sheikh, and
Mrs.Asefa Vijay Kumar,
33, Gera Greensville,
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Pune - 411 043**

.....Respondent

MEMBERS PRESENT:

**CA. Atul Kumar Gupta, Presiding Officer,
Shri Rajeev Kher, IAS (Retd.), Government Nominee
CA. Rajendra Kumar P, Member
CA. ChandrashekharVasantChitale, Member**

DATE OF FINAL HEARING : 29.05.2019

PLACE OF FINAL HEARING :ICAI Tower, BandraKurla Complex, Mumbai

PARTIES PRESENT:

Respondent : CA. Preetam Shah

Counsel for the Respondent : CA. SharadVaze





CHARGES IN BRIEF:-

1. In this case, Mr. Sanjeev Kumar, Mr. Sameer Sheikh and Mrs. Asefa Vijay Kumar, Pune (hereinafter referred to as the “Complainants”) were the Treasurer, Chairman and Secretary respectively of Gera’s Green Ville Amenities Maintenance Services Sahakari Sanstha Maryadit, Kharadi, Pune (hereinafter referred to as the “Society”), for financial year 2014-15. The Respondent was appointed as auditor of the Society for the financial year 2014-15. It was alleged that the Respondent as auditor signed the financial statements without discussion or signature of official signatories on financial statements.

BRIEF OF THE DISCIPLINARY PROCEEDINGS:-

2. The Complainant was not present for hearings of the case. The Respondent was present along with his Counsel. Since the Complainant was absent without any prior intimation, the Committee decided to proceed with matter ex-parte the Complainant. The Respondent was put on oath. On being enquired as to whether the Respondent is aware of the charges levelled against him, the Respondent replied affirmatively and pleaded not guilty. Thereafter, the Respondent made submissions on the charges. The Committee also posed questions to the Respondent. After hearing the final submissions, the Committee decided to conclude the hearing in the above matter.

FINDINGS OF THE DISCIPLINARY COMMITTEE

3. The Committee observed that the crux of the charges is that the Respondent relied upon the unauthenticated financial statements and completed audit relying upon the same. In respect of the charge, the Respondent stated that in the Companies Act, 2013, there is a specific requirement that before placing the accounts to the auditor for audit, the accounts should be approved and signed by at least two directors. But in case of a Society, no such provisions or rule has been made stating that accounts should be pre-approved and signed by the office bearers of the Society.

3.1 On being enquired from the Respondent as to whether he was involved in preparing the financial statement or accounts of the Society, the Respondent denied

the same and stated that the accounts were prepared by the Accountants of the Society. He has only audited the accounts of the Society.

4. Upon perusal of the documents on record and written submissions as well oral submissions of the Respondent and his Counsel, the Committee noted that it is a case where the Respondent has signed the financial statement of the Society as an auditor without ensuring the authenticity of the financial statements. The financial statements were not signed by any office bearers of the Society. The Respondent failed to explain as to how he checked the authenticity of the financial statements. The Committee is of the view that the Respondent as an Auditor of the Society, before signing the financial statement, was required to check as to whether it is signed by the office bearers of the Society as authentic document of the society. Though signing the unauthenticated financial statements is not impacting other aspect of the financial statements but being a professional person and as per practice followed, the Respondent should have exercised prudence and should not have signed the financial statements which had not been signed by any officer bearers of the Society thereby owning up of the same. Hence, the Committee decided to hold the Respondent guilty of professional misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

CONCLUSION

12. Thus, taking an overall view of the facts and circumstances of the case and law and based on the submissions / documents placed on record before it, in the considered opinion of the Committee, the Respondent is **GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountant Act, 1949.

Sd/-

(CA. ATUL KUMAR GUPTA)
PRESIDING OFFICER

Sd/-

(CA. RAJENDRA KUMAR P)
MEMBER

Sd/-

(SHRI RAJEEV KHER, IAS (Retd.))
GOVERNMENT NOMINEE

Sd/-

(CA. CHANDRASEKHAR VASANT CHITALE)
MEMBER

DATE: 16.12.2019

PLACE: NEW DELHI

Certified True Copy



R.S. Srivastava
Assistant Secretary
Disciplinary Directorate

