



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

[PR/34/16-DD/322/16-DC/1024/19]

**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/34/16-DD/322/16-DC/1024/19]

**Shri Chandrashekhar M. Sharma,
Flat No. D/401, Railvihar CHS Ltd.,
Sector-4, Kharghar,
Navi Mumbai – 410210**

.....Complainant

Versus

**CA. Manoj Kumar Ramrikh Pandey, (M. No. 122659)
Shop no. 16 & 17,
Shanti Kunj CHS,
Sector 4, Kharghar,
Navi Mumbai – 410210**

..... Respondent

MEMBERS PRESENT:

- 1. CA. Atul Kumar Gupta, Presiding Officer**
- 2. Shri Rajeev Kher, I.A.S. Retd., Govt. Nominee**
- 3. CA. Amarjit Chopra, Government Nominee**
- 4. CA. Pramod Kumar Boob, Member**

DATE OF MEETING : 9.10.2020 (Through Video Conferencing)



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[PR/34/16-DD/322/16-DC/1024/19]

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 10.02.2020 the Disciplinary Committee was inter-alia of the opinion that **CA. Manoj Kumar Ramrikh Pandey, (M. No. 122659)** was **GUILTY** of Professional Misconduct falling within the meaning of Item (9) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

2. The Committee noted that the Respondent was present before the Bench through Video Conferencing mode and gave declarations as to he is being alone in the room from where he was attending the hearing and as to he was not recording the proceedings of the Committee. He made submissions in his defense. The Committee heard all the submissions of the Respondent patiently.

3. The Respondent, among others, discussed the issue of capital expenditure in the society. He submitted his stand as to not seeking management representation with regards to revenue expenditure. The point with regards to possible dispute between the society members was also brought to the notice of the Committee by the Respondent. The Committee observed that the Respondent was supposed to take a clear stand with regards to classification of expenditure between the two categories of heads i.e, one, under the capital nature & the other one, under the revenue nature.

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[PR/34/16-DD/322/16-DC/1024/19]

4. 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. Manoj Kumar Ramrikh Pandey (M.No.122659), Navi Mumbai be reprimanded along with monetary penalty amounting to Rs 25,000/- (Rupees Twenty Five Thousands only) to be payable by him within a period of 30 days from the date of receipt of the order.

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sd/-

(CA. ATUL KUMAR GUPTA)
PRESIDING OFFICER

(approved and confirmed through e-mail)
(SHRI RAJEEV KHER, I.A.S. Retd)
GOVERNMENT NOMINEE

(approved and confirmed through e-mail)
(CA. AMARJIT CHOPRA)
GOVERNMENT NOMINEE

(approved and confirmed through e-mail)
(CA. PRAMOD KUMAR BOOB)
MEMBER

Certified to be true copy
Jyotika
Jyotika Grover
Assistant Secretary,
Disciplinary Directorate
The Institute of Chartered Accountants of India,
ICAI Bhawan, Vishwas Nagar, Shadra, Delhi-110032

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Main body of the document containing several paragraphs of extremely faint, illegible text.

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The Institute of Chartered Accountants of India
Jyotika Goyal
Assistant Secretary
Dissemination Directorate
ICAI Bhubaneswar, Bhubaneswar, Odisha

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. : [PR-304/2016-DD/322/2016/DC/1024/2019]

In the matter of:

Shri Chandrashekhar M. Sharma,
Flat No. D/401, Railvihar CHS Ltd.,
Sector-4, Kharghar,
Navi Mumbai – 410210

.....Complainant

Versus

CA. Manoj Kumar Ramrikh Pandey, (M. No. 122659)
Shop no. 16 & 17,
Shanti Kunj CHS,
Sector 4, Kharghar,
Navi Mumbai – 410210

.....Respondent

MEMBERS PRESENT:

CA. Atul Kumar Gupta, Presiding Officer
CA. Amarjit Chopra, Government Nominee,
CA. Rajendra Kumar P, Member
CA. Chandrashekhar Vasant Chitale, Member

DATE OF FINAL HEARING : 06.01.2020

PLACE OF FINAL HEARING : ICAI Bhawan, Mumbai

PARTIES PRESENT:

Complainant : Shri. Chandrashekhar M. Sharma
Respondent : CA. Manoj Kumar Ramrikh Pandey

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 (9) of Part I of the Second Schedule of Chartered Accountant Act 1949. The said Clause (9) of Part I the Second Schedule states as under:-
"(9) fails to invite attention to any material departure from the generally accepted procedure of audit applicable to the circumstances;"
2. The Complainant alleged that the Respondent has a certified Balance Sheet for the financial year 2015-16 in which many fixed assets purchased during the year were not added to a gross block of assets and proportionate depreciation was also not provided for these assets.

Brief facts of the Proceedings

3. On the day of the hearing, the Committee noted that Complainant was present. The Respondent appeared before the Committee. Both Complainant and Respondent were put on oath. In the presence of the Complainant and with the consent of Respondent, the charges were taken as read. On being asked to the Respondent whether he pleads guilty, he replied in negative. Thereafter, the Committee sought whether he wishes to proceed with his defence. After considering all papers available on record and pleadings, the Committee proceeded with the matter.

Findings of the Committee

4. The Respondent submits that during the year of the audit the charges which are made against him regarding the capitalization of asset and he had given a written reply which has reached office on 16th December 2019 supported by all ledger copies wherein he had explained all the expenses.
5. The Committee noted that the Respondent in defence stated that fixed assets were bought after the approval of the Management Committee. In this regard, it is noted that Society has entered the alleged fixed assets such as Notice & Sign Board, Pumps & water Meter under the head repairs and maintenance.





6. The Committee enquired from the Respondent about the classification of the expenses into capital or revenue account. The Respondent stated the 'Revenue Account' in reply. It was noted that all expenses related to repair and maintenance were charged from the General repair and maintenance account and the amount of Rs.47 lakh was transferred from fro general repair and maintenance fund and all the related expenses were charged from the same account.
7. The Committee noted that alleged fixed assets such as Notice & Sign Board, Fire System, Lift Doors, Notice Board & Sign Board were having nil value in the preceding financial year. Annexure-E on Page 'C-28' of Prima-Facie Opinion (PFO) has been reproduced as under:-

RAJYGHAR CO-OP HOUSING SOCIETY LTD
REPAIRS & MAINTENANCE
Annexure-E

2014-15	PARTICULARS	2015-16
48339.00	Electrical	277640.00
59220.00	Plumbing	91336.00
91913.00	General	703500.00
64780.00	Drainage Cleaning	50200.00
15250.00	Tank Cleaning	27028.00
141330.00	Pumps & Water Meter	151106.00
30183.00	Generator	52332.00
3088.00	Consumable-House Keeping	21722.00
25100.00	Garden Maint & Consumables	509843.00
37469.00	CC TV Maint & Cabling Exp	235360.00
43200.00	Leakage & Seepage	1173290.00
0.00	Fire System	52170.00
0.00	Lift Doors	41042.00
0.00	Notice Board & Sign Board	10000.00
0.00	Underground Tank	1735220.00
0.00	Shed, Fencing & Chain Poll	38500.00
0.00	Office Renovation	134400.00
0.00	Intercom System	253654.00
188536.00	Total	5993343.00

8. It is noted that the amounts of these items were material and according to the nomenclature of these items, these should have been capitalised by the Society. Due to charging it to revenue, the deficit had increased in Income and Expenditure account which led to the recovery of Rs. 460/- per month as service charges. The treatment of the Society was not appropriate and the Respondent was accordingly required to report in his audit report about the same. The Respondent failed to invite attention to the material departure of the generally accepted principle of audit. The Respondent during the hearing fails to provide reasonable explanations towards the charge made against him and also accepted the principle error made by him. The Committee finds merit in the Charge and held him guilty for failure to invite attention to any material departure from the generally accepted procedure of audit.

Conclusion

9. In view of the above findings, and reasoning as stated above Para, the Committee is of the considered opinion, that the Respondent is **GUILTY** under Clause (9) of Part I of the Second Schedule of Chartered Accountant Act 1949.



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

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

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

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

**DATE:10.02.2020
PLACE: New Delhi**

Certified True Copy



**Mukesh Kumar Mittal
Assistant Secretary
Disciplinary Directorate
The Institute of Chartered Accountants of India
ICAI Bhawan, I.P. Marg, New Delhi-110 002**