

CONFIDENTIAL

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

Findings cum Order under Rule 18(17) and Rule 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

File No. : [PR-201/14/DD/216/2014/DC/588/2017]

In the matter of:

Shri D.Panduranga Garag
Joint Registrar
Office of the Registrar of
Co-operative Societies in Karnataka
(Urban Bank Cell)
No. 1, Ali Askar Road
Bangalore-560 052

....Complainant

Versus

CA. Suresh K Chennai (M. No. 026214)
M/s Chennai Associates(FRN000622S)
Chartered Accountants
ShriDurgadevi Temple Complex
2nd Floor, Dajibanpeth
Hubli-580 028

.....Respondent

MEMBERS PRESENT:

CA. Atul Kumar Gupta, Presiding Officer
Smt. Anita Kapur, Member (Govt. Nominee)
Shri Ajay Mittal, Member (Govt. Nominee)
CA. Chandrashekhar Vasant Chitale, Member

Date of Final Hearing: 8th October, 2020 through Video Conferencing
Place of Hearing: New Delhi

PARTIES PRESENT:

Shri Anandham – Counsel for the Respondent

Charges of the Complainant:

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 was held prima facie guilty under Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949. The said Clause to the Schedule state as under:-

Second schedule

Part I

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

1.1 The Registrar of Co-operative Societies in Karnataka, Bangalore, has alleged that the Respondent had without verifying the documents certified ineligible claims under Agricultural Debt Waiver and Debt Relief Scheme 2008 announced by Central Government for farmers. It is stated that the Comptroller & Auditor General of India (hereinafter referred as the ‘**CAG**’) in its final Audit Report observed that the scheme subsidy amount was mis-utilized by Sri Guru Siddeshwara Co-Operative Bank Ltd, Hubli (hereinafter referred to as the “**Bank**”).

Proceedings:

2. On 8th October, 2020, during hearing the Committee noted that the Counsel for the Respondent appeared before it through video conferencing and thereafter, gave a declaration that there was nobody present in the room except him and that he would neither record nor store the proceedings of the Committee in any form.

2.1 Thereafter, the Committee asked the Counsel for the Respondent whether he wished the charges to be read out or it could be taken as read. The Counsel for the Respondent stated that he was aware of the charge made against the Respondent and the same may be taken as read.

2.2 On being asked, as to whether the Respondent pleaded guilty, the Counsel submitted that the Respondent pleaded not guilty and thereafter the Counsel for the Respondent made his submissions in the matter.

2.3 Based on the documents and information available on record and after considering the oral and written submissions made by the Counsel for the Respondent, the Committee concluded hearing in the matter.

Findings of the Committee:

3. The Committee noted that the charges against the Respondent as discussed in paragraph 1 and observed as under:-

3.1 The Committee noted that there is only one charge against the Respondent that he had certified ineligible claims under Agricultural Debt Waiver and debt Relief Scheme 2008.

3.2 The Committee perused the submissions of the Respondent dated 02/10/2020 wherein he had submitted that he had executed the assignment of cross verifying the loan accounts with the statement prepared by the bank on their oral request as he was tax auditor of the Bank at that point of time. It was done for bank's internal use and he substantiated the same through letter of the bank dated 10/10/2019.

3.3 The Committee noted that the Complainant had after filing the complaint never responded to any of the Directorate's letter since he had failed to file any Rejoinder on the Written Statement of the Respondent at the Prima Facie stage. Further, neither the Complainant nor his authorized representative appeared before the Committee to substantiate alleged charge.

3.4 Moreover, the Committee noted that there was no evidence on record to prove that the Respondent had not verified the documents/information for the task, if so, assigned to him. In the absence of any documents to corroborate the alleged charge, the Committee could not reach at any conclusion except to exonerate the Respondent from the charge leveled against him.

Conclusion :

4. Thus, in the considered opinion of the Committee, the Respondent is **NOT GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

Order:

5. Accordingly, in terms of Rule 19 (2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee passes Order for closure of this case against the Respondent.

Sd/-

**CA. Atul Kumar Gupta
Presiding Officer**

Sd/-

**Smt. Anita Kapur
Government Nominee**

Sd/-

**Shri Ajay Mittal
Government Nominee**

Sd/-

**CA. Chandrashekhar Vasant Chitale,
Member**

DATE: 22nd January, 2021

PLACE: New Delhi