

CONFIDENTIAL

BOARD OF DISCIPLINE

Constituted under Section 21A of the Chartered Accountants Act 1949

Findings under Rule 14(9) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007

File No. : [PR/163/2014/DD/188/2014/BOD/267/2017]

CORAM (attended through video conferencing):

CA. Prasanna Kumar D., Presiding Officer

Mrs. Rani Nair (IRS, Retd.), Government Nominee

CA. Durgesh Kumar Kabra, Member

In the matter of:

CA. Chander Shekhar,

SCO 160, Motia Plaza, First Floor,

Near Baddi Police Station, Solan (HP),

Baddi-173205

....Complainant

- Vs-

CA. Sukhbir Singh (M. No. 504054) in Re:

Ratti Road, Ner Chowk, Sadar,

Mandi-175008

....Respondent

DATE OF FINAL HEARING : 29th October, 2020

PLACE OF HEARING : Through video conferencing

PARTIES PRESENT: (through VC)

Complainant : CA. Chander Shekhar

Respondent : CA. Sukhbir Singh

Findings:

Charges Alleged

1. During the course of statutory audit of State Bank of India - Sunder Nagar branch, it was found by the Complainant that the Respondent has signed and submitted fake Balance Sheet of M/s Natraj India Agri Processors Pvt Limited (herein after referred to as the 'Company') for the financial year 2012-13 to the bank wherein sales/ Gross turnover(Sales Rs.140 Lacs) was enhanced by eleven times when compared to the turnover certified in the Balance Sheet(Sales Rs.12 Lacs) submitted by the Company to the ROC.

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Proceedings held:

2. The Board noted that the Complainant and the Respondent were present before it through video conferencing and made their submissions before the Board. On consideration of the documents and submissions on record, the Board decided to conclude the proceedings in the case with the direction to the Respondent to submit a copy of financial statement of any Company audited by him during the financial year 2012-13 and 2013-14 with a copy to the Complainant within 3 days and further asking the Complainant to submit his comments thereon, if any within 5 days of the receipt of the same. Accordingly, the decision on the misconduct of the Respondent was kept reserved by the Board. Thereafter, the Board at its meeting held on 30th January, 2021 noted that the Respondent submitted the copy of financial statement of the Company (M/s Appilogics IT Solutions Pvt Ltd) vide e-mail dated 31st October, 2020. However, no comments of the Complainant on the same were received. Thus, the Board duly considered the submissions and documents on record to arrive at its findings.

Observations and findings of the Board:

3. The Board on consideration of the submissions and documents available on record noted as under:
- a) The Respondent in his defence submitted as under:
- He has made complaint to Bank and
- (i) The alleged Balance Sheet carried his firm's stamp which he does not match with the one which is usually used by him and his signature on the same also does not match at all.
 - (ii) The Balance Sheet allegedly signed by him and submitted to the Bank is dated 30th September, 2013 whereas the audited balance sheet of the company was already submitted with the ROC on 15th July, 2013. The Respondent had never conducted the statutory audit of Company in question and the only capacity with which he had been associated with the company was for submitting Charge creation Form dated 20th January, 2013 with the ROC on the request of the bank.
 - (iii) On being aware through this complaint that the fake Balance Sheet has been submitted in the bank, the Respondent wrote a letter to the bank dated 8th July 2014 stating that he has no professional relationship with the Company except filing a modification Charge with ROC on the request of the Bank and further requested the Bank not to accept any document/certificate issued by him.
 - (iv) The Respondent also wrote a letter dated 10-07-2014 to the company against misuse of his Stamp and sign on their Balance Sheet/Documents.
- b) The Board also noted that in response to the letter dated 17th December 2014 addressed to the company by the Directorate seeking copy of letter of engagement/ appointment of auditors for Financial Year ending on 31.3.2013, the company stated that the Respondent has approached them with the said complaint and that they have not submitted any document with the bank that has sign or stamp of the Respondent, denied any involvement of the Respondent in the matter and that they submitted Balance Sheet audited and stamped by CA. H.S. Thakur to the bank as well as ROC.

- c) The Board also noted that the Complainant pointed out during the hearing that no FIR had been filed by the Respondent against the alleged misuse of his firm's stamp which was accepted by the Respondent as his sole mistake.
- d) The Board noted that the purported Balance Sheet allegedly signed by the Respondent is dated 30th September, 2013 and another Balance Sheet submitted to ROC signed by another Chartered Accountant firm, M/s H.S. Thakur & Associatés is dated 15th July, 2013. The Board observed that the signatures and the stamp of the firm as affixed on the financial statements submitted to the bank by the Company when compared to the signatures and stamp of the Respondent firm affixed on the Written Statement by the Respondent, letter written by the Respondent to the Directors of the Company and the Complainant Bank, were entirely different. Further, on perusal of the documents submitted by the Respondent to ICAI, Members section during the period 2012-2013, the Board noted that the font and style of the signatures and the rubber stamp of the Respondent firm is different and does not seem to match with the one affixed on the purported balance sheet. Also, on perusal of the financial statement of the the Company M/s Appilogics IT Solutions Pvt Ltd audited by the Respondent during the said period, the Board observed that signature and stamp of the firm as affixed on the said financial statement is totally different as compared to the one affixed on the questioned financial statement of the Company.
- e) The Board also observed that no complaint had been made by the bank in this regard to the Institute.
- f) Thus, having regard to the attendant circumstances, the evidence put forth by the Respondent and the submissions on record, the Board is of the considered view that role of the Respondent in alleged filing of fake Balance Sheet of the company with the bank has not been effectively established and accordingly, the Respondent is not guilty of "Other Misconduct" falling within the meaning of Item(2) of Part IV of the First Schedule to the Chartered Accountants Act 1949 read with Section 22 of the said Act.

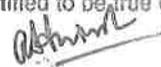
CONCLUSION:

4. The Board of Discipline, in view of the above, is of the considered opinion that the Respondent is Not Guilty of "Other Misconduct" falling within the meaning of Item (2) of Part IV of First Schedule to the Chartered Accountants Act 1949 read with Section 22 of the said Act. Accordingly, the Board passed Order for closure of the case in terms of the provisions of Rule 15(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

Sd/-

CA. PRASANNA KUMAR D.
(PRESIDING OFFICER)

Certified to be true copy



R.S. Srivastava
Assistant Secretary,
Disciplinary Directorate

The Institute of Chartered Accountants of India,
ICAI Bhawan, Vishwas Nagar, Shahdra, Delhi-110032