



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

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.

File No. : [PR- 368/2014/DD/11/15/DC/653/2017]

In the matter of:

Shri. Kolli Panduranga Rao
Kishkindapalem Post
Kolluru Mandal,
Guntur Distt.
ANDHRA PRADESH

.....Complainant

Versus

CA. Polavarapu Janardhan (M.No.026498),
Partner, C/o. M/s. Suresh & Babu
Chartered Accountants,
29-4-54k, 1st Floor,
CSI Complex, Ramachandra Rao Road,
Governor Pet,
VIJAYA WADA 520 002.

.....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
CA. Manu Agrawal, Member

Date of Final Hearing: 7th September 2020 through Video Conferencing
Place of Hearing: Gurugram

Party Present:

1. CA. Polavarapu Janardhan: the Respondent (appeared from his residence in Vijaya Wada)

1. Vide report dated 10th February 2020 (**copy enclosed**) the Disciplinary Committee was of the opinion that **CA. Polavarapu Janardhan (M.No.026498)** was **GUILTY** of Professional Misconduct falling within the meaning of under Clause (2) of Part IV of First Schedule of Chartered Accountant Act 1949 with respect to witnessing the signatures of all the partners including signature of father of the Complainant 'Sh. Kolli Venkata Padmanabham' who had expired in the year 1994 and attesting thereof the partnership retirement deed of M/s. Krishnaveni Poultry Needs [hereinafter referred to as the '**Partnership Firm**'] which was used



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to register the partnership deed with the Registrar of Firm. Accordingly, the Respondent is held guilty under Clause (2) of Part IV of First Schedule which states as under:-

“(2) in the opinion of the Council, brings disrepute to the profession or the Institute as a result of his action whether or not related to his professional work.”

2. An action under Section 21B (3) of the Chartered Accountants Act, 1949 was contemplated against the Respondent and communication dated 25th August 2020 was addressed to him thereby granting him an opportunity of being heard in person and/or to make a written representation before the Committee on 7th September 2020 through video conferencing.

3. The Respondent appeared before the Committee on 7th September 2020 through video conferencing from his personal location, and made oral submissions before the Committee. He also submitted his Written Representations dated 31st July 2020 and 6th August 2020. The Respondent, inter-alia, submitted that he had witnessed the signatures of all partners without being the same given in his presence based on the longstanding relationship that he had with the firm and the Managing Partner and he did not suspect anything wrong in the deeds and the forms that the Managing Partner had brought for witnessing. He did not insist that the signatures of all partners be made before him considering the assurance given by Sh. Kolli Buchikotaiah. He was not aware of the fact one of the partner, Shri Kolli Venkata Padmanabham had expired. He also submitted that it was a normal practice that presence of all partners for getting signature in the deed was not insisted upon where there was longstanding relationship with the clients and hence, he did not suspect authenticity of the same due to which inadvertent mistake had happened in his career.

4. The Committee considered the oral and written submissions made by the Respondent and viewed that the act on part of the Respondent in giving the witness as a Chartered Accountant without ascertaining the authenticity of the signature, is not expected of him being a professional and brings dispute to the profession.

5. The Committee was thus of the opinion that the misconduct on the part of the Respondent has been held and established within the meaning of Clause (2) of Part IV of First Schedule and keeping in view the facts and circumstances of the case as aforesaid, ordered that the Respondent be reprimanded for the extant case.

Sd/-
[CA. Atul Kumar Gupta]
Presiding Officer

Sd/-
[Smt. Anita Kapur]
Member, (Govt. Nominee)

Sd/-
[Shri Ajay Mittal]
Member, (Govt. Nominee)

Sd/-
[CA. Chandrashekhar Vasant Chitale]
Member

Sd/-
[CA. Manu Agrawal]
Member

Date: 7th September, 2020



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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.**

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CSI Complex, Ramachandra Rao Road,
Governor Pet,
VIJAYA WADA 520 002.

.....Respondent

MEMBERS PRESENT:

CA. Atul Kumar Gupta, Presiding Officer

CA. Amarjit Chopra, Government Nominee

Shri Rajeev Kher, Government Nominee

CA. Rajendra Kumar P, Member

DATE OF FINAL HEARING : 26.12.2019

PLACE OF FINAL HEARING : ICAI Bhawan, Chennai



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PARTIES PRESENT:

Complainant: Not Present

Respondent: CA. Polavarapu Janardhan

Counsel for Respondent : CA. T. Banu Sekar and CA. N. Vijay Kumar

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 (2) of Part IV of First Schedule which states as under :-

“(2) in the opinion of the Council, brings disrepute to the profession or the Institute as a result of his action whether or not related to his professional work.”

And Clause (7) of Part I Second Schedule of Chartered Accountant Act 1949 which states that:-

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

2. The Complainant is one of the partners of the firm, Krishnaveni Poultry Needs and has alleged that the Respondent has witnessed the partnership retirement deed and the signatures of all the partners were attested by the Respondent. It was found that one of the signatories in the said retirement deed has expired in the year 1994.

Brief facts of the Proceedings:

3. On the day of hearing, the Committee noted that Complainant was not present. The Complainant submitted a letter that he will not be able to attend the hearing and the Committee may move ahead with the hearing and may take a lenient view against the Respondent. However, The Respondent appeared before the Committee along with Counsels. The Respondent was put on oath. In the absence of the Complainant and with consent of Respondent, the charges were taken as read. On being asked to the Respondent whether he pleads guilty, he



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replied in negative. Thereafter, the Committee sought whether he wish 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. On the matter stated above, the Committee enquired from the Counsel for the Respondent and reviewed Form V on 'C-47 of the PFO' wherein the Signature of father of the Complainant 'Sh. Kolli Venkata Padmanabham' as on 1.4.1995 were witnessed by the Respondent which were used to register the partnership deed with the Registrar of Firm. The Committee also noted that the Respondent was the tax auditor for the said firm where the allegation lies for more two decades and he himself mentioned in a letter to the Registrar of Firms that he was not aware about the death of the Sh. Kolli Venkata Padmanabham and in good faith he attested 'form B' in this matter.
5. The Committee noted that the Respondent's Counsel raised two technical issues related to the non-mentioning of the relevant clause in complaint and clause (2) of Part IV of Second Schedule is only applicable in the present case and matter to be restricted within the said clause only. The Committee noted for both the points raised are already being settled in the wherein is upheld that the Complainant may not be fully acquainted about the procedure laid down by the Chartered Accountants Act and mentioning the clause is not mandatory while filing the Complaint with the Directorate and the Committee also upheld that as far as the pronouncement given by the Counsel is concerned, all the powers and authorities vested with the Director (Discipline) which is delegated by the Act.
6. The Committee noted that the Counsel for the Respondent also raised a point that Clause (7) relates to "professional duty" whereas while as the witness it is not a part of the professional duty by the Respondent. The Committee also noted the statement of the notary on 'page C-13 of PFO' wherein notary also accepted this fact that wrong person was produced in the name of KVP (Kolli Venkata Padmanabham) for the purpose of attestation.
7. The Committee agreed upon facts presented before them that since giving the 'Form V' is not part of the professional assignment and therefore, Clause (7) do not hold in merit. As far as Clause (7) of Part IV is concerned, the Committee is



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of the view that since the Respondent was continuously engaged for more than two decades, must be aware about the various details of the partners. More so when he is witnessing the signature of a partner, there can be two propositions that the Respondent witness the signature which were not given in his presence and without having the presence of the signatory, he certified the signatures as witness or there could be somebody else who presented himself as KVP (Sh. Kolli Venkata Padmanabham) which can be very well ruled out that the Responded was engaged for more than two decade.

Conclusion

8. In view of the above findings, the Committee is of the view of the fact that the Committee is of the view that giving the witness by a CA without ascertaining the authenticity of the signature, is not an ethical conduct on the part of the Respondent which can bring the dispute to the profession, being professional, the expect more diligent behaviour on the part of a professional. Accordingly, in the considered opinion of the Committee, the Respondent is **GUILTY** under Clause (2) of Part IV of First Schedule of Chartered Accountant Act 1949.

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

-Sd-
(SHRI RAJEEV KHER)
GOVERNMENT NOMINEE

-Sd-
(CA. AMARJIT CHOPRA)
P)
GOVERNMENT NOMINEE

-Sd-
(CA. RAJENDRA KUMAR)
MEMBER

DATE:10.02.2020
PLACE: NEW DELHI