



**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/229/2014-DD/311/2014/DC/718/2017]

File No. [PR/274/2013-DD/295/2013/DC/739/2018]

**CA. M.G. Gupta (M.No.072023)**

**Director (Finance),**

**MMTC Limited,**

**Core-1, SCOPE Complex,**

**7, Institutional Area, Lodi Road,**

**New Delhi 110 003**

**.....Complainant**

**Versus**

**CA. K.V.N.S. Kishore (M.No.206734),**

**M/s B. Purushottam & Co., (FRN No.002808S)**

**Chartered Accountants,**

**3D, Pioneer Homes,**

**23A, North Boag Road,**

**T. Nagar,**

**Chennai 600 017**

**.... Respondent**

**AND**

**Supt. of Police,**

**Central Bureau of Investigation,**

**Anti Corruption Branch,**

**Third Floor, Shastri Bhawan**

**26, Haddows Road**

**Chennai – 600006**

**.....Complainant**

**Versus**

**CA. B.S. Purushottam (M.No. 026785)**

**Flat No. 3-D, "Pioneer Homes"**

**23/A North Boag Road,**

**T Nagar**

**Chennai – 600017**

**..... Respondent**

**Members present:**

**Smt. Anita Kapur (Presiding Officer & Member (Govt. Nominee))**

**Shri Ajay Mittal, Member (Govt. Nominee)**

**CA. Chandrashekhar Vasant Chitale, Member**



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**Date of Final Hearing: 8<sup>th</sup> October 2020 through Video Conferencing**  
**Place of Hearing: New Delhi**

**Parties Present:**

**CA. K.V.N.S. Kishore (M.No.206734) – Respondent No. 1**

**CA. B.S. Purushottam (M.No. 026785) – Respondent No. 2**

1. Vide report dated **10<sup>th</sup> February, 2020 (copy enclosed)**, the Disciplinary Committee was of the opinion that **CA. K.V.N.S. Kishore (M.No.206734), and CA. B.S. Purushottam (M.No. 026785)** were **GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 with respect to the allegations relating to statutory audit of Regional Office-Chennai of MMTC Ltd. from financial year 2007-08 to 2010-11 which was conducted by the Respondent firm wherein the Respondents were the partners and had conducted statutory audit during the alleged period(s).

1.1 The extant case has arisen out of two separate complaints - Director Finance MMTC Ltd. -Vs.- M/s. B Purushottam & Co and Shri S. Vellaipandi, Superintendent of Police, Central Bureau of Investigation Vs. CA. B.S. Purushottam filed with respect to the same matter i.e. statutory audit of Regional Office-Chennai of MMTC Ltd. from financial year 2007-08 to 2010-11 stating same allegations. In the first complaint filed by MMTC, the Complainant was filed against the Respondent firm wherein CA. KVNS Kishore [M.No.206734] is the member answerable to the said Complainant and the second complaint filed by the CBI specifically against CA. B.S. Purushottam. Hence, a joint hearing was held with both the Respondents.

1.2 It has been alleged that the Respondent had failed to verify the following leading to deficiencies which were not reported in his internal audit report due to which MMTC had suffered huge losses:

1.2.1 The Respondent(s) were negligent in not questioning the huge debit balance of Rs.116.69 crores in the account of a foreign vendor namely M/s Natexis Commodity Market Ltd. which was incorrect as the payment to vendor were made and the outstanding balance should have been zero.

1.2.2 The Respondent failed to point out the discrepancy in consolidated balance of FDRs of the Company. The consolidated balance FDR balance as shown in the books (under ERP Code.24800) amounted Rs. 1980,76,31,023/- whereas the actual Fixed Deposits in all the banks was found as Rs.1924,28,02,260/- **(C-34)** thereby showing an excess amount of Rs.56,48,28,763/-. It is stated that the Respondent had not taken third party confirmations while certifying the balance of FD/LAD statement.

1.3 It is noted that the Respondent is held guilty under Clause(7) of Part I of Second Schedule to the Chartered Accountants Act, 1949 as per which the Respondent:

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



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2. An action under Section 21B (3) of the Chartered Accountants Act, 1949 was contemplated against the Respondent and communication dated 25<sup>th</sup> September, 2020 addressed to him thereby granting him an opportunity of being heard in person and/or to make a written representation before the Committee on 8<sup>th</sup> October, 2020 through video conferencing.

3. The Respondents appeared before the Committee on 8<sup>th</sup> October 2020 through video conferencing from their respective personal location, and made their oral submissions on the findings of Disciplinary Committee. The Committee, considered both the oral submissions as well written submissions dated 10<sup>th</sup> September 2020 and 3<sup>rd</sup> October, 2020 as available on record. The Committee noted that the Respondents defended their matter on the plea that they had duly qualified the audit report for non-confirmation/ non-reconciliation of customer/debtor, suppliers/creditor and bank accounts and also stated that impact of such non-confirmation/ non-reconciliation on the financial statements was unascertainable. They also submitted to have also reported on weaknesses of internal control system pertaining to reconciliation of bank accounts, confirmation of outstanding balances and reconciliation of control accounts. Further, they pointed out that the first allegation pertains to financial year 10-11 when neither of the Respondents were the auditors and that despite their repeated qualifications 2008-09 to 2010-11, the management never took action to strengthen the system.

4. At the outset the Committee noted that the Respondent No. 1 was the statutory auditor of the Company for single financial year i.e. FY 2008-09 and the Respondent No. 2 was the statutory auditor for two financial years i.e. FY 2007-08 and 2009-10. The Committee also noted that though the Respondents had qualified the audit report for the said financial years yet they had failed to bring out the important fact of adjustment of debit balance against credit balance which was prevalent in practice since 2009. Further, as regards overstatement of fixed deposit balance, it was noted that the matter arose in 2008-09 and continued in 2009-10 wherein the Respondents did not call for confirmations directly from the bank but placed reliance on the statement presented by one of the staff of MMTC which led to overstatement of fixed deposits. Considering the Report of the Disciplinary Committee dated 10<sup>th</sup> February, 2020, it was viewed that there were sufficient evidences available to demonstrate the negligence exercised by them.

5. The Committee was thus of the opinion that the misconduct on the part of the Respondents has been held and established within the meaning of Clause (7) of Part-I of Second Schedule to the



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Chartered Accountants Act, 1949 and keeping in view the facts and circumstances case as aforesaid as well as the period(s) when respective Respondent was involved ordered that

- (i) the Respondent No. 1, **CA. K.V.N.S. Kishore (M.No.206734)** be reprimanded and a fine of Rs 1,00,000( One Lakh ) be imposed upon him  
(ii) the Respondent No. 2, **CA. B.S. Purushottam (M.No. 026785)** be reprimanded and a fine of Rs 2,00,000( Two Lakhs ) be imposed upon him

**Sd/-**

**[Smt Anita Kapur]**  
**Presiding Officer & Member (Govt. Nominee)**

**Sd/-**

**[Shri Ajay Mittal]**  
**Member, (Govt. Nominee)**

**Sd/-**

**[CA. Chandrashekhar Vasant Chitale]**  
**Member**

**Date: 8<sup>th</sup> October, 2020**



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**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 (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007**

**File No. [PR/229/2014-DD/307/2014/DC/718/2017]**

**File No. [PR/274/2013-DD/295/2013/DC/739/2018]**

**In the matter of:**

**CA. M.G. Gupta (M.No.072023)**

Director (Finance),  
MMTC Limited,  
Core-1, SCOPE Complex,  
7, Institutional Area, Lodi Road,  
**New Delhi 110 003**

**....Complainant**

**Versus**

**CA. K.V.N.S. Kishore (M.No.206734),**  
M/s B. Purushottam & Co., (FRN No.002808S)  
Chartered Accountants,  
3D, Pioneer Homes,  
23A, North Boag Road,  
T. Nagar,  
**Chennai 600 017**

**.... Respondent**

**AND**

**Supt. of Police,**  
Central Bureau of Investigation,  
Anti Corruption Branch,  
Third Floor, Shastri Bhawan  
26, Haddows Road  
**Chennai – 600006**

**....Complainant**

**Versus**

**CA. B.S. Purushottam (M.No. 026785)**  
Flat No. 3-D, "Pioneer Homes"  
23/A North Boag Road,  
T Nagar  
**Chennai – 600017**

**..... Respondent**



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**MEMBERS PRESENT:**

1. CA. Amarjit Chopra, Government Nominee (In Chair)
3. CA. Rajendra Kumar P, Member
  
4. CA. Chandrashekhar V. Chitale, Member

**DATE OF FINAL HEARING : 03.07.2019**

**PLACE OF FINAL HEARING : ICAI, CHENNAI**

**PARTIES PRESENT:**

**Complainant's representative and** : **Shri Deepak Kumar Dua, AGM (F), MMTC**

**Ch. Somaiah, Dy. S.P., CBI, ACB,  
Chennai**

**Respondents** : **CA. K.V.N.S. Kishore & CA. B. S.**

**Purushottam**

**Counsel for Respondent** : **CA. C.V. Sajan**

**Charge in brief:-**

1. This is a matter arising out of a complaint filed by MMTC and CBI against M/s B. Purushottam & Co. and CA. B.S. Purushottam. On the charges as below, the Director (Discipline) in his prima facie opinion has held the Respondents guilty. The prima facie opinion of the Director (Discipline) is given separately for each Respondent. The Complainants have alleged the following against the Respondents:-

1.1 The Complainant has charged the Respondents of negligence by not questioning the huge debit balance of Rs.116.69 crores in the account of a foreign vendor namely M/s Natexis Commodity Market Ltd. during the F.Y. 2010-11. The Complainant alleged that the vendor ledger showed an amount of Rs. 116.69 crores recoverable from the Vendor M/s. Natexis Commodities Market Ltd. which was incorrect as during the year 2010-11, the payment to vendor were made and the outstanding balance should have been zero. The Complainant



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alleged that during reconciliation, it was revealed that this amount of Rs. 116.69 Crores is not actually recoverable from the vendor, but was due to the wrong transfer of Rs. 95 Crores from suspense account to the vendor account.

1.2 Another charge against the Respondent is that he did not point out the discrepancy in consolidated balance of FDRs of the Company. The Complainant alleged that as per the Fixed Deposit and Loan Against Deposit confirmations obtained from the banks by the MMTc officials the consolidated balance of Fixed Deposits in all the banks was found as Rs.1924,28,02,260/- **(C-34)** whereas the actual FDR balance in the MMTc books (under ERP Code.24800) was Rs.1980,76,31,023/-, thereby showing an excess amount of Rs. 56,48,28,763/-. The Complainant further alleged that it is now revealed that the FDR ledgers of the Company were not properly maintained during the year 2008-09 and the above difference amount was kept in the Vendor Suspense Account by passing a Journal Voucher No. JVA09/0044664/09-10 dated 19.04.10 **(C-290)**. Thereafter, out of this amount of Rs. 56.48 Crores, an amount of Rs.1,99,81,189/- got accounted for during that year (2009-10) and the balance amount of Rs.544,847,574/- was transferred to Head Office Reconciliation Suspense Account (Code:72000) vide JVA09/005017/09-10 dated 2.6.10 in order to clear the suspense account to zero. Apart from this, an amount of Rs.40,88,23,075/- is found to have been transferred from Loan against FDR account (LAD A/c.) to HOR suspense account (Code : 72000) vide JVA09/004803/09-10 dated 11<sup>th</sup> May 2010. Thereafter, this total amount of Rs.95,36,70,649/-, which was lying in HOR suspense account (Code : 72000), was transferred to the Vendor Account, viz. M/s Natexis Community Market Ltd., (Vendor code : 3499PMT) through various debit notes to make HOR suspense nil, at the time of accounts closing during June, 2010.

1.3 The charge raised against the Respondent is that he has not taken third party confirmations while certifying the balance of FD/LAD statement. The Complainant alleged that FD/LAD statement as on 31.03.09 from Union Bank of India showed inflated FD value to the tune of Rs.38.99 Crores and understated Loan – Against-Deposit value to the tune of Rs.45.43 Crores. The said statement was obtained and given by Shri V. Gurumoorthi, General Manager, MMTc Ltd.,



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himself, and accepted by the Respondent. The Complainant alleged that the Respondent failed to obtain the third party confirmation directly from the Union Bank of India, resulting in acceptance of the false statement submitted by Shri Gurumoorthi which was further not on the letterhead of the Bank but on a white paper as prepared by Shri V. Gurumoorthi.

**Brief of Proceeding :**

2. The Committee noted that authorised representatives of both the Complainants were present. On other side, the Respondents along-with Counsel were present and appeared before it. The Committee directed the Complainants and the Respondents to proceed with their arguments. The Complainant presented their case and the Respondents CA. KVNS Kishore and CA. B. S. Purushottam submitted their arguments and papers/documents before the Committee. After recording the submissions of the Respondent/Counsel, the Committee concluded the hearing in captioned matter.

**FINDINGS:**

3. The findings of the Committee are as under:-

3.1 The Committee notes that there are two Complainants. The first Complainant is

Director Finance MMTC Ltd. -Vs.- M/s. B Purushottam & Co. The second complaint is filed by Shri S. Vellaipandi, Superintendent of Police, Central Bureau of Investigation Vs. CA. B.S. Purushottam. In the first complaint filed by MMTC, the Complainant has not by name mentioned any partner of the firm but the said Complainant is filed against the name of the firm vide letter dated 10.2.2014 CA. KVNS Kishore [M.No.206734] has informed the DD that he is the person answerable to the said Complainant and thus he is considered as a Respondent. The second case filed by the CBI is against CA. B.S. Purushottam and thus a Respondent in this matter. In effect, the Committee notes that two partners of the same firm are the Respondents in a complaint filed by different authorities.

3.2 The Committee after informing the Complainant no.2 i.e. CBI during the personal hearing decided to club both the complaints and since MMTC is the





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First Complainant they will be treated as Complainant in this case and the Respondent shall be CA. KVNS Kishore and CA. B. S. Purushottam. These two cases were combined due to the fact that all the facts of these cases are the same and accordingly, the cases were combined but the Complainant was only treated as one as per the Rule 5 (4) (b) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. Further, as per the Rule 5 (4) (c) and the proviso thereof, basically the Complainant is the one who has filed the complaint first, so in this case it is MMTC.

3.3 The Committee notes the following with respect to the financial years involved in the said complaint:

| Financial year | Name of the signatory of Financial Statements |
|----------------|---|
| 2007-08        | B.S. Purushottam                              |
| 2008-09        | KVNS. Kishore                                 |
| 2009-10        | B.S. Purushottam                              |
| 2010-11        | D. Rama Sudhakar                              |

From the above table, the Committee notes that CA. B.S. Purushottam has signed the balance sheet for two years, CA. KVNS Kishore for one year and CA. D. Rama Sudhakar for one year who has since resigned before the complaints are filed by the respective authorities.

4. The Committee during the course of the personal hearing wanted to know from the Complainant specific charges financial year wise. The Complainant informed that for the financial year 2007-08, there are no specific charges levelled against the Respondent. This being the case, the Committee would like to go through the charges levelled by the Complainant for the years 2008-09 [signed by KVNS Kishore] 2009-10 [signed by B.S. Purushottam] and 2010-11 [signed by D. Rama Sudhakar].



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5. The Complainant's first charge is with regard to Rs.116.69 crores being shown as a debit against a vendor in the accounts of Regional office, Chennai. The fact of the matter is that there was a debit balance arising in certain accounts particularly in respect of customers accounts which has been adjusted against the vendors' account when it came to the presentation in the balance sheet. It is prudent accounting that the balances in debtors' accounts shall be disclosed as debtors' balances and the creditors balances shall be kept in creditors balances. In this case, certain accounts are in credit balances and certain in debits balances. Debit balances have been adjusted against the credit balances by way of journal entries. The requirement of schedule VI of the Companies Act does not permit this. It is pertinent to note here that this charge by the Complainant pertains to the financial year 2010-11 the year in which it was unearthed by the Complainant and that CA. Rama Sudhakar is the signatory to the financial statements for the said year. The Respondent in this matter submits that the preparation of accounts was the responsibility of the management and that as an auditor he can only express an opinion. The Respondent further submits that he has repeatedly pointed out through the audit report that the reconciliation and confirmation of sundry debtors, sundry creditors, loans and advances are pending and also qualified that the effect on financials could not be ascertained. The Respondent places reliance on a letter to the management written by him on June 24, 2009 bringing out the weaknesses in the internal control and that through this letter he has pointed out about opening of dummy accounts and the related issues. The Respondent CA. KVNS Kishore submits the following extracts from the statutory auditors reports and the annexure thereon for the financial year 2008-09 and 2010-11.

6. The following extracts from the auditors' report and the Annexure thereto submitted by the Respondent for the financial year 31.3.2009 is reproduced:

*We further report that:*

- i. In our opinion and to the best of our information and according to the explanations given to us, the Accounts of the Chennai Regional Office together with the Accounting policies and Notes on Accounts forming part thereof, give the information required by the Companies Act, 1956 in the manner so required and subject to:*



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- a) **Note no.10(a) of Schedule 21 to Accounts regarding non realization of sale value amounting to Rs.24.72 crores, the effect of which on the financial statements are not ascertainable.**
- b) **Note No.12 of Schedule 21 to Accounts on Non confirmation / Reconciliation of certain Accounts shown under sundry Debtors / Sundry Creditors/ Loans and Advances, the effect of which on the financial statements are not ascertainable.”**

**From the Annexure:**

*However, the internal control mechanism needs to be strengthened in the following areas:*

- a) **Proper utilization of BTS software to account the bullion trading effectively.**
- b) **Active and prompt follow up of old debts, advances and claims by respective Commodity Division.**
- c) **Monthly bank account reconciliation, periodic confirmation of outstanding balances and reconciliation of control accounts.**

7. The following extracts from the auditors’ report and the annexure thereto submitted by the Respondent for the financial year 31.3.2011 is reproduced:

*“3. We further report that:*

*i. In our opinion and to the best of our information and according to the explanations given to us, the Accounts of the Chennai Regional Office together with the Accounting policies and Notes on Accounts forming part thereof, give the information required by the Companies Act, 1956 in the manner so required and subject to:*

- a) **Note No.11 of Schedule 21 to Accounts on Non confirmation/Reconciliation of certain Accounts shown under Sundry Debtors/Sundry Creditors/ Loans and Advances, the effect of which on the financial statements are not ascertainable.”**

**From the Annexure:**

*However, the internal control mechanism needs to be strengthened in the following areas:*

- a) **Active and prompt follow up of old debts, advances and claims by respective Commodity Division**
- b) **Periodic confirmation of outstanding balances and reconciliation of control accounts.**

8. In the view of the Committee, the matters relating to adjustments of debtors balances against creditros and creditors balance against debtors did not



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require any confirmation as debit balance in one account cannot be adjusted against credit balance against another vendors accounts nor vice versa. The Committee notes that ultimately a sum of Rs.116 crores was found to be non recoverable from 2008-09 and thereon. The Respondent before the Committee for the year 2008-09 and 2010-11 is CA. KVNS Kishore and for the year 2009-10, CA. B.S. Purushottam.

9. For the year 2009-10 on this very same charge, the Respondent CA. B.S. Purushottam submits that vide a letter dated June 24, 2009, his partner CA. KVNS Kishore had clearly brought about the internal control weakness on certain matters like gold sales, bank reconciliation, scrutiny parties ledgers and non obtaining of confirmation from debtors/ creditors. He further submits that he had qualified the audit report in bold and in italic letters and he had done what he was expected to do as an auditor.

10. He submits before the Committee the following extracts from the auditors' report and annexure thereto for the year 2009-10 which was signed by him.

*"3. We further report that:*

*i. In our opinion and to the best of our information and according to the explanations given to us, the Accounts of the Chennai Regional Office together with the Accounting policies and Notes on Accounts forming part thereof, give the information required by the Companies Act, 1956 in the manner so required and subject to:*

***a) Note No.11 of Schedule 21 to Accounts on Non confirmation/Reconciliation of certain Accounts shown under Sundry Debtors/Sundry Creditors/ Loans and Advances, the effect of which on the financial statements are not ascertainable."***

***From the Annexure:***

*However, the internal control mechanism needs to be strengthened in the following areas:*

***a) Active and prompt follow up of old debts, advances and claims by respective Commodity Division***

***b) Periodic confirmation of outstanding balances and reconciliation of control accounts.***



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11. The fact that debit balance against a vendor being a foreign supplier to the tune of Rs.116.69 crore for the financial year ended 31.3.2011 was brought out by the Director (Finance) of MMTC by way of a letter dated 10.2.2012 addressed to **Messrs. B Purushottam & Co.** The following paragraph in the said letter is reproduced.

*“It was noticed that an amount of Rs.116.69 crores was shown as debit against vendor (Foreign supplier) in the Annual accounts of RO Chennai for the financial year ended 31.3.11. Since vendor account always shows a credit balance, the above debit entry was hidden in view of the net credit balance in the vendor account. After reconciliation of the vendor account, the above debits were revealed and came to light in September, 2011. It appears that most of these accounting transactions had been routed through Suspense Account and that Suspense account was nullified by passing consolidated entries to other vendor accounts. Since vendor accounts have huge credit balances, the debits remained concealed.*

*A large number of journal vouchers and debit/credit notes appears to have been passed during March, 2009 and they were not supported with details/vouchers.”*

12. From the above extracts of the audit reports and the annexures thereon, the Committee finds that though the Respondents have qualified the audit report for the three years yet in view of the Committee they have failed to bring out this important fact of adjustment of debit balance against credit balance. The Committee also notes from the letter of Director, Finance as above that Journal vouchers and debit / credit notes appears to have been passed during March, 2009 without supporting details/ vouchers. Accordingly, the signatory to the financial statement for the financial year 2008-09 is held guilty for not employing proper due diligence and adequate audit procedures. For the years 2009-10 and 2010-11, the same mistake is carried forward only to be noticed by the management as evidenced by the letter of Director, Finance dated February 10, 2012, the Respondent for the year 2009-10 and the person answerable to the complaint for the year 2010-11 being the Respondent are also held guilty.

13. The next charge levelled by the Complainant is pertaining to the year 2008-09. The Complainant alleges that the Respondent failed to notice that the consolidated balance of fixed deposits was Rs.1924, 28, 02, 260/- whereas the actual fixed deposits in the books of MMTC Ltd. was Rs.1980,76,31,023/- thereby showing an excess amount of Rs.56,48,28,763/-. The Complainant



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alleges that the FDR ledgers were not properly maintained during the year 2008-09 and the above difference amount was kept in vendors' suspense account by passing a journal voucher on 19.4.2010 and thereafter an amount of Rs.1,99,81,189/- got accounted for during the year 2009-10 and the balance amount of Rs.544,847,574/- was transferred to head office reconciliation suspense account vide a journal voucher dated 2.6.2010 in order that suspense account becomes zero. Apart from this, it is also alleged by the Complainant that an amount of Rs.40.88 crores was found to have been transferred from loan against fixed deposit account [LAD Account] to HOR suspense account by journal voucher dated 11<sup>th</sup> May, 2010. In substance, the Committee finds that fixed deposits were over stated by about 40.07 crores. The Respondents have stated that they have obtained confirmation from the bank and that in comparison with such confirmations they did not find any difference in the books of accounts thereby denying the allegations levelled against them. The Committee finds that Respondent did not call for confirmations directly from the bank but placed reliance on the statement presented by one of the staff of MMTC which led to over statement of fixed deposits. The matter as premised above arose in 2008-09 and continues thereafter and the Respondents are found wanting in adopting proper due diligence while conducting the audit and hence are held guilty.

14. In the third charge, the Complainant has alleged that in consequence of the mistakes as premised in their complaint by the statutory auditors, they were forced to make a provision of about Rs.113.46 crores. In view of the Committee, the provision is the result of the mistakes in the financial statements and same have been adequately addressed as above and hence the said charge is not of any consequence.

15. The Central Bureau of Investigation have specifically charged that the Respondent did not notice that the statement as on 31.3.2009 from Union Bank of India showed inflated fixed deposit value to the extent of Rs.38.99 crores and understated loan against deposit value to the tune of 45.43 crores. The Respondent in the case of CBI is CA. B.S. Purushottam whereas the signatory to the financial statements for the financial year ended 31.3.2009 is CA. KVNS



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Kishore. The Committee has already taken cognizance of this charge in para 13 as envisaged above.

**CONCLUSION :**

4. Thus, in the considered opinion of the Committee, the Respondents are **GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

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

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

**Sd/-**  
**(CA. CHANDRASHEKHAR V**  
**MEMBER**

**DATE : 10-02-2020**

**PLACE : New Delhi**