



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

[PPR/21/N/13/DD/12/N/INF/13/DC/613/2017]

**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.**

In the matter of:

CA. Sundeep Kumar (M. No. 507170), Delhi in Re:

[PPR/21/N/13/DD/12/N/INF/13/DC/613/2017]

Date of Order : 12th October, 2020

MEMBERS PRESENT:

1. CA. Nihar N Jambusaria, Presiding Officer
2. Shri Arun Kumar, IAS (Retd.), Government Nominee
3. Ms. Nita Chowdhury, IAS (Retd.), Government Nominee
4. CA. (Dr.) Debashis Mitra, Member
5. CA. Jay Chhaira, Member

1. That vide report dated 03rd February, 2020, the Disciplinary Committee held **CA. Sundeep Kumar (M. No. 507170), Delhi** (hereinafter referred to as the “Respondent”) **GUILTY** of professional and other Misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 as amended from time to time.

2. That an action under Section 21B (3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and communication was addressed to him thereby granting an opportunity of being heard in person and/or to make a written representation before the Committee on 12th October, 2020.



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3. The Respondent appeared before the Committee on 12th October, 2020 and submitted his written representations dated 06/03/2020 on the findings of Disciplinary Committee.

4. On perusal of findings of earlier Committee dated 03/02/2020, the Committee noted that *“the Respondent was auditor of an association and had signed two financial statements for the year ending 31st March, 2012 with different figures and balances, despite being aware that two balance sheets with different figures cannot be issued without mentioning that it was **revised**, he still issued the same in such manner which is not a healthy practice”*.

5. Further, the Respondent submitted before the Committee that *“in this case, there is single issue for consideration that second balance sheet was signed without putting the word “revised” on it. Since, there was no change in financial figure except regrouping of debtors-creditors, which did not create any impact on the profitability or liquidity or figures of the assets and liabilities, so keeping the consideration of his infant stage of practice at that time, such error shall not be called as gross negligence but should have taken up as a mere accidental one”*.

6. The Committee considered the written as well as oral submissions made by the Respondent and findings of the earlier Committee holding the Respondent guilty of professional misconduct. The Committee noted that it is a matter of two sets of financial statements certified by the Respondent. After perusal of papers on record the Committee was of the view that there is no major changes in the figures and profitability in second set of financial statements certified by the Respondent. The Committee noted that the Respondent has admitted his mistake that he should have used word “revised” on second set of financial statements audited by him.



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6.1 Thus, after considering all the facts and submissions before it, the Committee was of the view that ends of justice can be met if punishment is given to him in commensurate with his above misconduct.

7. Thus, keeping in view the facts and circumstances of the case as aforesaid, the material on record, submissions of the Respondent before it, this Committee orders that the Respondent i.e. CA. Sundeep Kumar (M. No. 507170) be reprimanded and a fine of Rs. 25,000/- (Rupees Twenty Five Thousand only) be also imposed upon him to be paid within 30 days of receipt of this order.

Sd/-
(CA. NIHAR N JAMBUSARIA)
PRESIDING OFFICER

Sd/-
(SHRI ARUN KUMAR, IAS (RETD.))
GOVERNMENT NOMINEE

Sd/-
(MS. NITA CHOWDHURY, IAS (RETD.))
GOVERNMENT NOMINEE

Sd/-
(CA. (DR.) DEBASHIS MITRA)
MEMBER

Sd/-
(CA. JAY CHHAIRA)
MEMBER



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CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – I (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. PPR/21/N/13/DD/12/N/INF/13-DC/613/17]

In the matter of Information treated against:

CA. Sundeep Kumar (M.No.507170), Delhi
Respondent

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MEMBERS PRESENT:

Shri Jugal Kishore Mohapatra, I.A.S. (Retd.), Government Nominee & Presiding Officer,
Ms. Rashmi Verma, I.A.S. (Retd.) (Government Nominee)
CA. Babu Abraham Kallivayalil, Member
CA. Dayaniwas Sharma, Member

DATE OF FINAL HEARING/ORDER : 21.11.2019

PLACE OF FINAL HEARING/ORDER : ICAI, New Delhi

PARTIES PRESENT:

Respondent : CA. Sundeep Kumar

Counsel for the Respondent : CA. Ravi Holani



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BRIEF OF THE DISCIPLINARY PROCEEDINGS:-

The Committee noted that first hearing of the case was held on 28th August, 2019 and thereafter hearing was held on 16th October, 2019. Both these hearing were adjourned at the request of Respondent. The Committee noted that on the date of third hearing, the Respondent along with his counsel was present. The Respondent was put on oath. On being enquired from the Respondent as to whether he is aware of the charges leveled against him, the Respondent replied in affirmative and pleaded not guilty to the same. The Respondent decided to make his submissions in the matter. Thereafter, the Counsel for the Respondent made his submissions before the Committee. The Respondent also submitted his written submission on the charges. The Committee also raised questions to the Respondent. After hearing the final submission of the Counsel for the Respondent, the hearing in the matter was concluded.

CHARGES IN BRIEF AND FINDINGS OF THE DISCIPLINARY COMMITTEE:-

1. (i) The Committee noted that the Respondent was auditor of an association and had signed two financial statements for the year ending 31st March, 2012 with different figures and balances.

(ii) That he used two different names in these two financial statements.

2. In his submissions, the Respondent informed the Committee that the management of the association on receipt of first Balance Sheet requested him to make few modifications in it.

3. Regarding first allegation the Counsel of the Respondent submitted that on issue of first balance sheet the managing committee asked auditor to make a provisions for expenditure to be utilize in future and further, to give break-up of the debtors in two parts. After carrying out these modifications, the Respondent submitted his second Balance Sheet.



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4 The Counsel for the Respondent stated that in these two balance sheets, there was no change in the figures of profit, and only a provision for future expenditure was made. The Committee thereafter, asked as to why there is difference in both assets and liabilities, the Counsel for the Respondent stated that since there was a negative balance in the figures of debtors, the same was shifted to the liability side.

5 The Counsel for the Respondent stated that he was assured by the management that his previous balance sheet will not be used and he was asked to put up a revised balance sheet with suggested amendments. When the Committee enquired from the Respondent that where in any signed balance sheet, some changes is made in the figures, a word 'revised' should have been used on the second balance sheet, the Counsel for the Respondent accepted that there was a mistake on the part of Respondent that he did not use the word "revised" after revising the balance sheet. The Counsel for the Respondent also admitted that he was aware of this requirement but by mistake he could not do so. The Committee noted that despite the Respondent being aware that two balance sheets with different figures cannot be issued without mentioning that it was revised, he still issued them in such manner which is not a healthy practice. Accordingly, the Committee decided to hold the Respondent **Guilty** with respect to the charge.

6. In respect of second charge related to using two names on the balance sheet, the Respondent submitted that there was a clerical mistake in writing the name of the auditor in the financial statements. He pleaded that there was a typographical error wherein his name being "Sandeep" as was mentioned in one of the balance sheet was written as "Sundeeep" in the second balance sheet. The Committee agreed with the submissions of the Respondent that difference in name was a typographical mistake and the Respondent cannot be held guilty for the same. .

Conclusion:



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7. Thus, in the considered opinion of the Committee, the Respondent is **GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949 in respect of charge relating to signing two financial statements.

Sd/-

(SHRI JUGAL KISHORE MOHAPATRA, I.A.S. (Retd.))
GOVERNMENT NOMINEE & PRESIDING OFFICER

Sd/-

(MS. RASHMI VERMA, I.A.S. (Retd.))
GOVERNMENT NOMINEE

Sd/-

(CA. BABU ABRAHAM KALLIVAYALIL)
MEMBER

Sd/-

(CA. DAYANIWAS SHARMA)
MEMBER

DATE: 03rd February, 2020
PLACE: NEW DELHI