



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

[PR/48G/16-DD/229/16/BOD/475/2018]

ORDER UNDER SECTION 21 A (3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 15(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007.

In the matter of:-

**Shri Rajashekara N.,
Superintendent of Police,
CBI, BS & FC,
2nd Floor, No. 36, Bellary Road,
Ganganagar,
Bangalore – 560 032**

.....Complainant

-Vs-

**CA. V. Suresh (M. No. 020580),
No. 57, South Usman Road,
P.M.G. Complex, 3rd Floor,
T. Nagar, Chennai-600017
[PR/48G/16-DD/229/16/BOD/475/2018]**

.....Respondent

MEMBERS PRESENT(through video conferencing):

**CA. Prasanna Kumar D, Presiding Officer
Mrs. Rani Nair, (IRS, Retd.), Government Nominee**

Date of Final Hearing: 18th September, 2020

1. The Board of Discipline vide Report dated 6th January, 2020 was of the opinion that **CA. V. Suresh** is guilty of "Other Misconduct" falling within the meaning of Clause (2) of Part-IV of the First Schedule of the Chartered Accountants Act, 1949 read with Section 22 of the said Act.

2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against **CA. V. Suresh** and communication dated 10th September 2020 was addressed to him thereby granting him an opportunity of being heard in person and/or to make written representation before the Board on 18th September, 2020.

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3. **CA. V. Suresh** appeared personally before the Board and made his oral representation. The Board also noted that **CA. V. Suresh** in his written representation dated 15th September 2020, inter-alia, submitted as under:

- i) DCHL appointed him as an independent non-executive Director on 03.06.2009 with no remuneration and sitting fees.
- ii) He resigned on 14.08.2012 and was relieved on 08.12.2012.
- iii) He signed the Minutes of the Board Meeting and Audit Committee meeting and Attendance Registers in his individual capacity and not as a Chartered Accountant.
- iv) He did not attend any of the Audit Committee/Board meeting of DCHL.
- v) He signed the attendance registers and minutes in good faith.
- vi) He is not aware of any of the transactions of DCHL and the financial statements of DCHL for the year ended 31st March 2009 were certified jointly by M/s C.B.Mouli & Associates and Sh.Zubin Dady Shekhary, Partner BSR & Co.

4. The Board has carefully gone through the facts of the case and also the written and oral representation of **CA. V. Suresh**. As per the findings of the Board as contained in its report, the Respondent admitted that he signed the attendance sheet in respect of the Board meeting/Audit Committee meetings without attending it and he did such an act in good faith. The Respondent acted like a dummy Audit Committee member, as admitted by him and accepted the appointment as an Independent Director and Audit Committee member just to accommodate the wishes of management of the Company and signed the minutes book and attendance register without attending even a single meeting. The Board on perusal of the minutes of the Audit Committee meeting, wherein the Respondent was allegedly present observed that the draft Financial Statements of the Company for different accounting year(s) were reviewed alongwith the analysis of financial conditions and result of operations thereof and the draft audit report was discussed with the auditors in the said meeting. Thus, the Respondent cannot brush aside his responsibility in respect of the Financial Statement of the Company which have been reviewed by him, wherein it has been alleged that revenue is inflated, actual borrowings are suppressed and there have been diversion of loans etc. The Board observed that the Respondent being a Chartered Accountant was expected to carry out his professional work with due diligence, which he failed to do and colluded with management of the Company in a manner which resulted in falsifying important records such as Minutes of Audit Committee of the Company which is not expected from a professional and is thus, unbecoming of a chartered accountant. Thus, it has already been conclusively proved that **CA. V. Suresh** is Guilty of 'Other Misconduct'

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falling within the meaning of Clause (2) of Part IV of the First Schedule of the Chartered Accountants Act, 1949 read with Section 22 of the said Act.

5. Upon consideration of the facts of the case, the consequent misconduct of CA. V. Suresh and keeping in view his oral and written representation before it, the Board decided to reprimand CA. V. Suresh (M. No. 020580) and also imposed a fine of Rs.50,000/- (Rs. Fifty thousand only) upon him payable within a period of 60 days from the date of receipt of the Order.

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Sd/-
CA. PRASANNA KUMAR D.
(PRESIDING OFFICER)

Certified to be true copy
Harleen Bhalla
CA. Harleen Bhalla
Assistant Secretary,
Disciplinary Directorate
The Institute of Chartered Accountants of India,
ICAI Bhawan, Vishwas Nagar, Shahdara, Delhi-110032

