



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

[PR-162/15/DD-10/2016/DC-753/2018]

**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-162/15/DD-10/2016/DC-753/2018**

**In the matter of:**

**Shri Shamboo Nath,**

**Addl. Commissioner (Anti Evasion)**

Officer of the Commission of Customs, Central Excise & Service Tax

Room No. 714., 4<sup>th</sup> Floor, Kendriya Shulk Bhavan,

Hyderabad-II Commissionerate

Basheer Bagh

**Hyderabad-500 029**

**.....Complainant**

**Versus**

**CA. Lakshmi Purna Chandra Rao (M.No. 221392)**

**M/s. Lakshmi Purna Chandra & Associates**

H.No.11-3, Sri SaiNilayam

P & NT Colony

Dilshuk Nagar

**Hyderabad-500 060.**

**.....Respondent**

**Members present:**

**CA. Nihar N Jambusaria, Presiding Officer**

**Smt. Anita Kapur, Member (Govt. Nominee)**

**CA. Chandrashekhhar Vasant Chitale, Member**

**Date of Final Hearing: 23<sup>rd</sup> July, 2021**

**Place of Final Hearing: Mumbai**

1. That vide report dated 3<sup>rd</sup> February 2021 (copy enclosed), the Disciplinary Committee was of the opinion that **CA. Lakshmi Purna Chandra Rao (M.No. 221392)** was **GUILTY** of Professional Misconduct falling within the meaning Clause (2) of Part-III of First Schedule and Clauses (7) and (8) of Part I of Second Schedule to the Chartered Accountants Act, 1949 in respect of the Statutory audit of M/s. Celestail Bio-Labs (hereinafter referred to as the "**Company**") for the Financial Years 2010-11 to 2012-13 as well as Tax audit for the Financial Years 2008-09 to 2012-13. It was alleged against the Respondent that during the course of said audits, the books of accounts of the Company were not thoroughly verified by him inspite of the fact that he was both the statutory as well as tax auditor and as such he failed to point out fictitious transactions recorded in the name of 'Sales-Bio-IT'. It was noted that Clause (2) of Part-III of First Schedule and Clauses (7) and (8) of Part I of Second Schedule to the Chartered Accountants Act, 1949 state as under:

**Part III of First Schedule:**



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*“(2) does not supply the information called for, or does not comply with the requirements asked for, by the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority;*

**Part I of Second Schedule:**

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

*(8) fails to obtain sufficient information which is necessary for expression of an opinion or its exceptions are sufficiently material to negate the expression of an opinion;*

2. An action under Section 21B (3) of the Chartered Accountants Act, 1949 was contemplated against the Respondent and communication dated 9<sup>th</sup> July 2021 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 23<sup>rd</sup> July 2021 through video conferencing.

3. The Committee noted that the Respondent was not present at the time of hearing on 23<sup>rd</sup> July 2021 but vide his e-mail dated 22<sup>nd</sup> July 2021, he had sought adjournment in the matter while stating the same grounds as given in the previous hearing i.e. two of his family members died and he was in his home village for final formalities where fast internet connection and facilities attending for zoom meeting was not available. The Committee noted that during the last hearing on 8<sup>th</sup> July 2021, while acceding to the request of adjournment made by the Respondent, he was granted the last opportunity to appear before the Committee and was directed to provide the documentary evidence of the demise of his close relatives (on account of which adjournment was then sought) explaining the relationship with them. Further, he was directed to submit his written submissions for the consideration of the Committee. The Committee noted that the Respondent neither submitted the documentary evidence of the demise of his close relatives nor sent the written submissions in the matter. The Committee noted that the Respondent had failed to file his written submissions in the matter at every stage of disciplinary proceedings against him - be it before the Director(Discipline) during preparation of prima facie opinion under Rule 9 of CA Rules, 2007, during inquiry by the Disciplinary Committee under Rule 18 of CA Rules, 2007 or presently at the time of awarding punishment under Rule 19 of CA Rules, 2007 which signifies that the Respondent has nothing to represent before the Committee in his defense and accordingly the Committee decided to proceed ahead in the matter.

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4. The Committee considered the Findings of the Disciplinary Committee and noted that during the FY 2010-11, 2011-12 and 2012-13, the revenue/sales from 'Sales--Bio-IT' were stated at Rs. 762.01 lakhs, Rs. 734.53 and Rs.2115.54 respectively which as per the Investigation Report of the Complainant Department, were not monetary transactions as evident from the bank accounts of the Company beside the confessional statement made by the Managing Director of the Company that the Company did not receive any revenue under the head of 'Bio-IT'. The Committee noted that the Respondent while acting as a statutory auditor of the Company was under a statutory obligation to express opinion on the Financial Statements based on verification of books of accounts and evidences and information provided by the management but he failed to explain the audit procedure adopted by him while carrying out the statutory audit of the Company and also did not gave his defence on merits. It was noted that during the FY 2010-11, the said revenue was stated at Rs. 762.01 lakhs when PAT was at Rs. 242.15 lakhs which signified that the said sales were indeed material for maintaining profits of the Company. The Committee further noted that as per the Investigation Report, the Company had neither paid service tax on alleged service nor filed any ST-3 returns (C-17) but the Respondent had given an unqualified opinion both in respect of CARO, 2003 requirements as well as in the audit report and thus had failed to report about non-payment of Service Tax for which a demand of Rs. 1.54 Crores was raised on the Company by the Complainant Department (C-18&C-19). The said circumstances clearly substantiated the fact that the Respondent had failed to detect the sales transactions alleged to be fictitious. Thus, it was noted that the Respondent had not only failed to report a material misstatement appearing in the Financial Statements with which he was concerned in a professional capacity but also failed to exercise due diligence in conducting professional duties.

5. The Committee noted that despite serious allegations were raised against the Respondent which posed serious questions on his professional skills and skepticism, he chose not to come forward to establish his bonafide and explain the audit procedure adopted by him while carrying out the statutory/tax audit of the Company rather avoided giving his defence on merits and accordingly the Respondent was also guilty of professional misconduct for not supplying the information called for by both the Director(Discipline) and the Disciplinary Committee.

6. The Committee thus viewed that the misconduct on the part of the Respondent has been held and established within the meaning within the meaning of Clause (2) of Part-III



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of First Schedule and Clauses (7) and (8) of Part I of Second Schedule to the Chartered Accountants Act, 1949 and keeping in view the facts and circumstances of the case as aforesaid, ordered that the name of the Respondent, **CA. Lakshmi Purna Chandra Rao (M.No. 221392)** be removed from the register of members for a period of 2 (two) years along with a fine of Rs. 50,000/- be levied upon him that shall be payable within a period of 3 months from the date of receipt of the Order. In case, the Respondent failed to pay the same as stipulated, the name of the Respondent **CA. Lakshmi Purna Chandra Rao (M.No. 221392)** be removed for a further period of 1(one) month from the Register of members on the lines of Section 64 of Indian Penal Code. (10)

Sd/-

[CA. Nihar N Jambusaria]  
Presiding Officer

Sd/-

[Smt. Anita Kapur]  
Member (Govt. Nominee)

[CA. Chandrashekhar Vasant Chitale]  
Member

Approved and confirmed through e-mail

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Certified to be true copy  
*Mohita Khanna*  
CA Mohita Khanna  
Assistant Secretary,  
Disciplinary Directorate  
The Institute of Chartered Accountants of India,  
ICAI Bhawan, Vishwas Nagar, Shahdra, Delhi-110032

**CONFIDENTIAL**

**DISCIPLINARY COMMITTEE [BENCH - III (2020-21)]**  
**[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. : File No. PR-162/15/DD-10/2016/DC-753/2018**

**In the matter of:**

**Shri Shamboo Nath,**  
**Addl. Commissioner (Anti Evasion)**  
Officer of the Commission of Customs  
Central Excise & Service Tax  
Room No.714., 4<sup>th</sup> Floor, Kendriya Shulk Bhavan,  
Hyderabad-II Commissionerate  
Basheer Bagh  
**Hyderabad-500 029**

**.....Complainant**

**Versus**

**CA. Lakshmi Purna Chandra Rao(M.No. 221392)**  
**M/s. Lakshmi Purna Chandra & Associates**  
H.No.11-3, Sri SaiNilayam  
P & NT Colony  
Dilshuk Nagar  
**Hyderabad-500 060.**

**.....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: 22<sup>nd</sup> January, 2021**  
**Place of Final Hearing: New Delhi (through Video-conferencing)**

**PARTIES PRESENT:**

**1. Shri J. Suresh Babu – Official of the Complainant Department (appeared from his personal location)**

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**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 was *prima facie* held guilty of Professional Misconduct falling within the meaning of Clause (2) of Part-III of First Schedule and Clauses (7) and (8) of Part I of Second Schedule to the Chartered Accountants Act, 1949. The said Clauses to the Schedule state as under:-

Part III of First Schedule:

*"(2) does not supply the information called for, or does not comply with the requirements asked for, by the Institute, Council or any of its Committees, Director (Discipline), Board of Discipline, Disciplinary Committee, Quality Review Board or the Appellate Authority;*

Part I of Second Schedule:

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

*(8) fails to obtain sufficient information which is necessary for expression of an opinion or its exceptions are sufficiently material to negate the expression of an opinion;*

**Brief Background and Allegations against the Respondent:**

2. The Respondent was the Statutory auditor of M/s. Celestail Bio-Labs (hereinafter referred to as the "**Company**") for the Financial Years 2010-11 to 2012-13 and the tax auditor for the Financial Years 2008-09 to 2012-13. It was alleged against the Respondent that during the course of audits, the books of accounts of the Company were not thoroughly verified by him inspite of the fact

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that he was both the statutory as well as tax auditor and as such he failed to point out fictitious transactions recorded in the name of 'Salcs-Bio-IT'.

**Proceedings:**

3. At the time of hearing on 22<sup>nd</sup> January 2021, the Committee noted that the Official from the Complainant Department appeared before it from his personal location but the Respondent neither appeared nor any request for adjournment was received from him despite the fact that at the time of last hearings on 23<sup>rd</sup> November 2020 and 21<sup>st</sup> December 2020, while acceding to the request of adjournment made by the Respondent, he was granted last opportunity to defend his case before the Committee. Further, it was noted that on 23<sup>rd</sup> November, in view of the principle of natural justice, the Committee had granted him a final opportunity to submit his written submissions within next 15 days from the date of hearing with a copy of his submissions to the Complainant so that the later might file his rejoinder on it, if any. The Committee had explicitly informed the Respondent that if he failed to submit his written submissions within stipulated time, the matter would be decided by the Committee based on the documents/information available on record.

It was also categorically stated by the Committee that in case he failed to appear before it at the next hearing, the matter would be taken *ex-parte*. Still on 21<sup>st</sup> December, 2020, the Respondent sought adjournment for which the Committee asked him to submit evidences regarding the grounds on which he had sought adjournment. The Respondent remained silent. In view of the said facts, the Committee took a serious note of the approach adopted by the Respondent and decided to proceed further in the matter.

The Committee further noted that the Respondent had also failed to submit his written statement in the matter before it despite the fact that the



Disciplinary Committee co-operated with him by giving him sufficient opportunity to submit the same. It was noted that the Respondent had failed to submit his Written Statement before the Director(Discipline) too at the stage of forming the prima facie opinion by Director (Discipline) despite seeking extension of time and after giving sufficient opportunity, the Directorate was constrained to proceed further to the next stages in terms of the provisions of the Chartered Accountants(Procedure of Investigations of Professional and Other Misconduct and conduct of cases) Rules, 2007 and the Director(Discipline), thereafter, formed his *prima facie* opinion in absence of the written statement of the Respondent.

The Committee expressed its displeasure on the casual attitude adopted by the Respondent as at the stage of enquiry too despite seeking adjournment of various hearings fixed (since July 2019) at various intervals on various grounds including that he required certain time to prepare his written statement in the matter, he failed to not only to submit any written reply but also failed to appear in person at the time of hearing despite the fact that last opportunity was expressly granted to him. It was viewed that such attitude of the Respondent signify that he had scant regards for the Disciplinary Committee and the proceeding pending in the extant matter before it. It was viewed that sufficient opportunity had been given to the Respondent as envisaged under provisio to Rule 18 of CA Rules, 2007 and decided to proceed in the matter.

Thereafter, the official of the Complainant department gave a declaration that there was nobody present except him in his room from where he was appearing and that he would neither record nor store the proceedings of the Committee in any form. The Committee, thereafter, asked the official of the Complainant department to present the facts of the matter. The

*Handwritten initials*



Committee, thereafter, examined him and considered the documents available on record.

Based on the documents available on record, the Committee concluded the hearing in the matter.

**Findings of the Committee:**

4. The Committee accordingly perused the papers available on record and gave its finding in the matter.

5. The Committee noted that the allegation raised against the Respondent was that while acting as the statutory auditor for the years from 2010-11 to 2012-13 and also as the Tax auditor for the years 2008-09 to 2012-13 he failed to point out fictitious transactions recorded in the name of 'Sales-Bio-IT'. The Committee noted that as per the Investigation Report (C-4 to C-6), the Company was engaged in herbal and biotech research and formulations and was also providing services relating to data testing and analysis to the clients in the field of clinical data management and analysis. During the course of investigation, the Bank statements of the Company were obtained from State Bank of India, ICICI Bank, wherein it was noticed by the Complainant Department that there were no monetary transactions related to the services rendered by the Company to its clients pertaining to head 'Sales-Bio-IT' in these bank accounts. The investigation report concluded as under:-

*"The investigation concludes that fictitious transactions were recorded in the name of Bio- IT Services to project a rosy picture of the company to the shareholders. There was no money received against such sales. All the amounts shown as Bio-IT sales would subsequently be written off as bad debts (as per the statement of Dr. A.N. Singh). Auditors claim that they are not responsible for day to day affairs of the company and their role is limited to taxation and reasonableness of transactions on record. Two independent directors claimed their ignorance as they are not involved in day to day transactions of the company. They stated that their signature on the annual statements of accounts is a mere formality." (C-6)*

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6. The Committee on perusal of the Investigation Report noted that the Complainant Department had sought various documents from the Company including list of clients, copies of service agreements, copies of invoice raised and copies of Annual Report to arrive at a finding. On perusal of the Financial Statements of the Company , the following turnover inclusive of exports from products viz. Formulations, Bioinformatics, Data warehousing and mining and software developments was noted which is shown as under:-

Financial Year	Description of Revenue	Turnover as per Balance Sheet (Amount in Lakhs)
2010-11	Sales- Formulations	1760.31
	Sales- Bio IT	762.01
2011-12	Sales- Formulations	1324.35
	Sales- Bio IT	734.53
2011-12	Sales- Formulations	1324.35
	Sales- Bio IT	734.53
2012-13	Sales-Traded Goods- Formulations	2115.54

7. The Investigation Report further stated that since certain part of Turnover reflected in the Balance Sheets was consideration towards services rendered to various customers, accordingly, the investigation was aimed to ascertain the nature of services rendered by the Company. It further stated that when the Company did not submit any contract/work order, ledger, journal voucher, a search was conducted at the premises of the Company but no evidence was available in the premises also which could ascertain the nature of services. Thereafter, as per the copy of invoices submitted and address contained therein, letters were addressed to major customers which informed that they

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neither entered into agreement with the Company nor received any service from it.

8. The Committee further perused the copy of Investigation Report and pertinently noted that to ascertain the fact of manipulation of the financial records, copies of Bank Statements were obtained from the State Bank of India, Somajiguda, Hyderabad and ICICI Bank, Banjara Hills Branch and it was established that there were no monetary transactions related to these Bio-IT services in these Bank accounts. Further, the report stated that on 7<sup>th</sup> January 2013, a final statement of Dr. A.N.Singh was recorded wherein he confessed that the Company did not receive any amount regarding Bio-IT or clinical data testing and also he was not aware of the details of the services stated to have been rendered.

9. The Committee also noted following excerpts from the Statement of Oath of the Respondent as recorded by the Complainant Department under Sec 14 of the Central Excise Act, 1944 on 18<sup>th</sup> Feb, 2013 reproduced below **(C-10 to C-12)**:

*Question No.4: Are you aware whether M/s Celestial Bio Labs have rendered any Services to any client? If so, please furnish the details.*

*Ans: I am not aware about the specific details of individuals/firms to whom the services were rendered.*

*Question No.6 : As an auditor, have you observed any suspicious circumstances or unusual transactions like unavailability of original documents, or sudden increase or decrease in shareholdings or debt etc, during your audit period?*

*Ans: No*

*B/A*

Question . N.o .7: Dr. A N Singh, the Managing Director Doctor of M/s Celestial Bio Labs limited in his statement dated 7th January 2013 stated that the money against the turnovers show under the ahead biotech Bio-IT and other services were not received? It appears that these are book transactions created to show boost turnover . Please comment as an auditor.

Ans: I know there were some debtors from whom the money was yet to realize. Some of the said debts were shown as pending and some others were shown as bad debts. As an auditor I test checked some of the transactions with the invoices raised and their status in the books of accounts. As the amounts were not received in bank account, the same were verified with the list of debtors and accordingly opinion was provided. As an auditor my role is limited to the annual statements of accounts made and presented before for opinion. Normally we do not contact the customers of the auditee company unless concrete evidence is found during audit.

The excerpts from the Statement of Oath of Dr. A N Singh, the then Managing Director of the Company, recorded by the Complainant Department under Sec 14 of the Central Excise Act, 1944 on 5<sup>th</sup> July, 2012, as noted by the Committee, is reproduced as below **(C-29)**:

Question Q.12. Please name your clients to whom you have rendered above services and amounts received from them.

Answer: I was out of station and arrived today after-noon in the city and came directly to appear before you as summoned. I can assure you to provide all the relevant details including the documents/information as called for in the summons dated 27/6/2012 by 9th July 2012.

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Further excerpts, as noted, from Statement on Oath recorded on 5<sup>th</sup> Sept, 2012 is reproduced as below (C-30 to C-36):-

*Question No 8: Please furnish the copies of month wise/ customer wise receipt ledgers from April, 2007 to March, 2012.*

*Ans: Since the office has been shifted from Banjara Hills to Nacharam, certain data with the computer has been corrupted. We are trying to retrieve the data as the data was put in an ERP package called PACT. Fter a lot of effort we are trying to retrieve the data and we will be able to submit all the relevant data the movement we are able to synchronize the data from the PACT.*

*Question No 9: Have you informed any statutory authorities like Income Tax, SEBI/NSE/BSE etc., about the loss of data and the status of retrieval?*

*Ans: We have engaged the services of the ERP provider who have given this product to us and also we are taking the help of Tally people where we are trying to migrate the data from the PACT to Tally as Tally is more user friendly and the services are available easily unlike PACT as only one agency is dealing with the PACT. We are confident to retrieve the major portion of the data and we will be able to synchronize and put in the Tally. If we are not able to retrieve the data to our satisfaction, then only we will bring to the knowledge of the appropriate authorities.*

*Question No.13: In your earlier statement you stated that you would be submitting all the details including the names of your clients and other information/documents by 9th July, 2012. Why the same has not been done so far?*

*Ans: We have given the details of the clients along with the invoices **except ledgers** which are under progress.*

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Question No.14: Please furnish details of Bank accounts your company is having for day to day operations and other loan purposes. Please furnish details along with account numbers.

Ans: We have the accounts in SBI, Industrial Finance Branch, Somajiguda, Hyderabad and also ICICI, Jubilee Hills, Hyderabad and the account number details shall be furnished within two days.

10. On perusal of above, the Committee noted that for the purpose of conducting Investigation , the Department examined the turnover details since 2006-2007 to 2012-13 (C-4) which were certified by the Respondent from 2010-11 to 2012-13 but he had failed to bring on record the working papers based on which sales recorded under the head "Sales-Bio-IT" were verified. It was noted that on one hand neither the Respondent was able to bring the documents/information verified by him during audit before the Committee nor anything to support the same was brought on record before the Complainant Department either by him or by the Company during its investigation but on the other hand the Respondent had given an unqualified audit report. It was also noted that during the FY 2010-11, the revenue/sales from 'Sales--Bio-IT' were stated at Rs. 762.01 lakhs when PAT was at Rs. 242.15 lakhs. This signified that the said sales were indeed material for maintaining profits of the Company which substantiate the conclusion drawn in Investigation Report that the fictitious transactions in the name of Bio-IT services were recorded to project a rosy picture of the Company to its shareholders and no money was received against such sales.

11. The Committee also noted that the Respondent had failed to put forth his defence in the matter to prove his bonafide which was incumbent upon him to bring on record the working papers of the normal audit procedures, if at all, adopted by him while carrying out the statutory audit to clarify the aspects

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raised in the allegation in a substantive and categorical manner. However non-submission of written statement by him had not only established a casual approach of the Respondent but also revealed failure on his part to demonstrate that he had exercised due diligence beside gathering sufficient evidences to form an opinion during audit.

12. The Committee noted from the annexures to the Auditors' report issued by the Respondent for the financial year 2010-11 that in Point No. 8, he had mentioned that:-

*"8. According to the information and explanations given to us and the books and records examined by us, there are no undisputed amounts, payable in respect of Income Tax, Sales Tax, Customs Duty, and Excise Duty outstanding six months from the date they become payable" (C-147)*

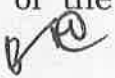
It was also noted from the annexures to the Auditors' report issued for the financial year 2011-12, in Point No. ix(b) that the Respondent had mentioned that:-

*"To the information and expression given to us and the records of the Company examined by us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax and Excise duty which have not been deposited on account of a dispute"(C-188)*

13. The Committee further noted that as per the Investigation Report, the Company had neither paid service tax on alleged service nor filed any ST-3 returns (C-17). However, the Respondent had given an unqualified opinion both in respect of CARO, 2003 requirements as well as in the audit report. He had failed to report about non-payment of Service Tax for which a demand of Rs. 1.54 Crores was raised on the Company by the Complainant Department (C-18&C-19) which signify that he had failed to detect the sales transactions alleged to be fictitious.

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14. Since the Respondent had failed to report either about non-payment of service tax or fictitious transactions, the Committee was of the considered view that he had acted negligently while certifying the financial statements of the Company in the capacity of Statutory as well as Tax auditor. The Committee noted that the Respondent while acting as a statutory auditor of the Company was under a statutory obligation to express opinion on the Financial Statements based on verification of books of accounts and evidences and information provided by the management but in the extant case wherein serious allegations were raised against him which posed serious questions on his professional skills and skepticism, he chose not to come forward to establish his bonafide and explain the audit procedure adopted by him while carrying out the statutory audit of the Company rather avoided giving his defence on merits. Further, in light of the findings of the Investigation Report that there were no monetary transactions related to these Bio-IT services in Bank accounts of the Company beside the confessional statement made by the Managing Director of the Company that the Company did not receive any amount regarding Bio-IT, the Committee was of the considered opinion that the Respondent not only failed to report a material misstatement appearing in the Financial Statements with which he was concerned in a financial capacity but not only failed to exercise due diligence in conduct of his professional duties but also failed to gather sufficient information to express an unqualified opinion. The Committee was also of the opinion that despite of giving sufficient opportunities to the Respondent to submit his Written Statement, he failed to bring forth any defense which the Committee could consider while hearing the matter, the Respondent was accordingly held guilty of professional misconduct falling within the meaning of Clause (2) of Part III of the First Schedule to the Chartered Accountants Act, 1949 for not





supplying the information called for by both the Director(Discipline) and the Disciplinary Committee.

**Conclusion :**

15. Thus in conclusion, in the considered opinion of the Committee, the Respondent is held **GUILTY** of professional misconduct falling within the meaning of Clause (2) of Part-III of First Schedule and Clauses (7) and (8) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

*be.*

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  
(approved & confirmed through e-mail)

Sd/-  
[CA. Manu Agrawal]  
Member  
(approved & confirmed through e-mail)

DATE: 3<sup>rd</sup> February, 2021

PLACE : New Delhi

Certified to be True Copy  
*Mohita Khanna*  
(Mohita Khanna)  
Assistant Secretary  
Disciplinary Directorate  
The Institute of Chartered Accountants of India