

**CONFIDENTIAL**

**DISCIPLINARY COMMITTEE [BENCH – IV (2021-2022)]**

**[Constituted under Section 21B of the Chartered Accountants  
(Amendment) Act, 1949]**

**Findings under Rule 18(17) read with Rule 19(2) of the Chartered  
Accountants (Procedure of Investigations of Professional and  
Other Misconduct and Conduct of Cases) Rules, 2007.**

**File No. : [PR-227/18/DD/263/2018/DC/1332/2020]**

**In the matter of:**

**Shri Varun Rao,  
Director, Leo Design and Packaging Private Limited,  
House No. 224, Sector 16A,  
Chandigarh- 160 016**

**...Complainant**

**Versus**

**CA. Kamini Sehgal (M.No.513883),  
SCO 6/7, Cabin No. 17,  
Second Floor, Ranjan Plaza,  
Zirakpur, Punjab  
Mohali – 140 603**

**...Respondent**

**MEMBERS PRESENT:**

**CA. Nihar N Jambusaria, Presiding Officer  
Shri Arun Kumar, Member (Govt. Nominee)  
CA. G. Sekar, Member**

**DATE OF FINAL HEARING: 27.09.2021 through Video Conferencing**

**PARTIES PRESENT:**

**Respondent**

**: CA. Kamini Sehgal**

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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 held prima facie guilty of Professional and Other Misconduct falling within the meaning of items (7) and (10) of Part I of the Second Schedule and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act 1949. The said Items to the Schedule state as under: -

*Second schedule*

*Part I*

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

*“(10) fails to keep moneys of his client other than fees or remuneration or money meant to be expended in a separate banking account or to use such moneys for purposes for which they are intended within a reasonable time.”*

*First schedule*

*Part IV*

*“(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. ;”*

**Background of the Case:-**

2. It was noted that in the present matter, it was stated that M/s Leo Designs and Packaging Private Limited (hereinafter referred to as “**the Company**”) had received notice from the Income Tax Department for the outstanding tax liability amounting to INR 32,80,800/- (**C-4**) wherein the Complainant was the Director of the Company and the Respondent

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was appointed for ensuring statutory compliances of various tax payments and filing of returns of the Company (C-2). It has been alleged that the Company had deposited the money in the Respondent's Bank account for payment of tax on behalf of the Company, but the Respondent failed to deposit the taxes with Income Tax Department instead used the said money for her personal use and that she provided forged payment challans (C-9 to C-56) to the Company as an acknowledgment of compliance.

**Brief facts of the Proceedings:**

3. During first hearing held on 07th September 2021, the Committee noted that both the Complainant and the Respondent were present before it for hearing. Thereafter, the Complainant, appearing through video-conferencing, gave a declaration that there was nobody except him in room from where he was appearing and that he would neither record nor store the proceedings of the Committee in any form. Being first hearing, the Complainant and the Respondent were put on oath. Thereafter, the Committee asked the Complainant to read out the charges against the Respondent. The Complainant explained the charges and submitted that he wished to withdraw the case against the Respondent as the matter had been mutually resolved between them and that he had no grievance of any kind against the Respondent. The Committee recorded the submission of the Complainant and allowed him to withdraw from the proceedings of the case.

Considering the facts of the case, the Committee noted allegations against the Respondent and decided to proceed in the matter. Thereafter, the Committee asked the Respondent to make submissions in the matter. The Respondent submitted that due to certain personal

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problems she could not arrange papers for defending the matter against her. She sought certain time for the same. On the request of the Respondent, the Committee adjourned hearing in the matter to a future date.

3.1 Accordingly, at the extant hearing held on 27/09/2021, the Committee noted that the Respondent was present before it for hearing. Thereafter, she gave a declaration that there was nobody except her in room from where she was appearing and that she would neither record nor store the proceedings of the Committee in any form. The Committee asked the Respondent to make submissions in the matter. The Respondent made her submissions. The Committee examined the Respondent based on submissions made by her. Based on the documents available on record and after considering the oral and written submissions made by the Respondent before it, the Committee concluded hearing in the matter.

#### **Findings of the Committee**

4. The Committee noted that the submissions of the Complainant made by him before the Committee on 07<sup>th</sup> September 2021 and observed from his withdrawal letter dated 31<sup>st</sup> March 2021 interalia, stating as under:

*"...It is respectfully submitted that the matter in dispute has been amicably resolved and as such we do not want to pursue this above mentioned complaint against respondent— Kamini Sehgal, Chartered Accountant (M. No. 513883), in any manner, whatsoever; and want to withdraw the same. It is therefore respectfully prayed that we may be allowed to withdraw the aforesaid complaint and the same may kindly be filed."*





5. The Committee also noted submissions of the Respondent that the extant case was filed against her due to lack of communication with the Complainant which occurred because she was caught in medical crisis. She also submitted that at that point of time she was new to the profession and was having friendly relation with the Complainant. The lack of communication caused distrust and the extant complaint was filed against her. She submitted that anyhow she had paid all the dues to the Complainant as per compromise deed which is available on record and she regrets for the said situation.

6. After considering submissions of the Complainant and the Respondent, the Committee was of the view that although the Respondent has behaved unprofessionally, but same may be condoned considering the facts that she was young, new to profession, caught in medical emergency and that the matter had been amicably resolved between the parties involved and that the Complainant has submitted that he had no grievance against her. In view of this, the Committee absolved the Respondent from said charges but expressed its displeasure on the conduct of the Respondent and warned her to be more cautious while discharging her professional assignments and not to repeat such act in future otherwise same would be dealt severally with no leniency.

### Conclusion

7. In view of the above, the Committee without going upon the merits of the case and in terms of the reasoning discussed in the above paras was of the considered opinion that the Respondent was held **NOT GUILTY** of Professional misconduct falling within the meaning of Items

(7) and (10) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949 read with Section 22 of the said Act. The Committee further decided to caution her to be more careful in future.

8. Accordingly, in terms of Rule 19 (2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee passed an Order for closure of this case against the Respondent.

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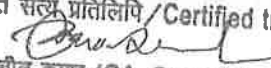
Sd/-  
(CA. NIHAR N JAMBUSARIA)  
PRESIDING OFFICER

Sd/-  
(SHRI ARUN KUMAR)  
GOVERNMENT NOMINEE

Sd/-  
(CA. G SEKAR)  
MEMBER

Date: 28/01/2022

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प्रमाणित सत्य प्रतिलिपि / Certified true copy  
  
सीए. सुनील कुमार / CA. Suneel Kumar  
सहायक सचिव / Assistant Secretary  
अनुशासनात्मक निदेशालय / Disciplinary Directorate  
इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया  
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