



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.**

In the matter of:

Shri Anil Gupta, New Delhi

-Vs-

**CA. Jagmohan Singh Bons (M. No. 098485) of M/s JDA & Co., Chartered Accountants, New
Delhi**

[PR-229/15-DD/217/2015/DC/804/2018]

Date of Meeting : 08th April, 2022

Place of Order : ICAI, New Delhi

Party Present:

CA. Jagmohan Singh Bons : Respondent

MEMBERS PRESENT:

- 1. CA. (Dr.) Debashis Mitra, Presiding Officer (In person)**
- 2. Shri Jayanti Prasad, Govt. Nominee (Thru. VC)**
- 3. CA. Mangesh Pandurang Kinare (In person)**
- 4. CA. Sripriya Kumar (Thru. VC)**

1. That vide findings dated 08th February, 2022 under Rule 18 (17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Disciplinary Committee was in the opinion that **CA. Jagmohan Singh Bons (M. No. 098485), New Delhi** (hereinafter referred to as the "**Respondent**") was **GUILTY** of professional Misconduct falling within the meaning of Items (7) and (8) of Part I of Second Schedule to the Chartered Accountants Act, 1949 read with Section 22 of the said Act.

[Signature]

[Signature]



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

2. That an action under Section 21B (3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and a communication dated 25th March 2022 was addressed to him thereby granting an opportunity of being heard in person and/or to make a written representation before the Committee on 08th April, 2022.

3. The Committee noted that the Respondent was present physically at ICAI Bhawan, New Delhi and appeared before it. He submitted written submissions dated 09.03.2022 and inter-alia, admitted his mistake which had occurred unintentionally as one of the attachment which was not signed by him was mistakenly uploaded by one of his article and the return was filed with MCA/ROC. He further mentioned that the file contained an error in the excel formula that disturbed the total of the balance sheet. He submitted that it was an unintentional error and he had no intention to distort the balance sheet. He stated there was dispute among the Directors of the Companies and matter is before the Court and being Chartered Accountant he had been dragged into the dispute. He informed that the financial statements were audited correctly, however, there was mismatch in some figures in the form(s) filed online with RoC. He assured that he would be more careful and such mistake will not recur in future. He further stated that no financial loss was incurred due to omission on his part. The Respondent pleaded before the Committee to take lenient view in his case.

4. The Committee noted that in the instant complaint, the Respondent was auditor of three Companies; viz. (i) M/s. Indian Hawks Wealth Creators Pvt. Ltd. (For the F.Y. 2011-12, 2012-13, 2013-14) (ii) M/s. Indian Hawks Infra projects Private Limited (For the F.Y. 2013-14) and (iii) M/s. Indian Hawks Foods Private Limited for the year ending on 31st March, 2014. The charges levelled against the Respondent related to manipulation of accounts, signing of wrong & fabricated Balance Sheet etc, which inter alia broadly included the following:-

4.1 Form 23AC filed with ROC under the digital signatures of the Respondent vis-a vis financial statements audited by the Respondent, there was difference in the figure of Reserve & Surplus.



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

- ii) Form 23-AC vis-a-vis Return of allotment in Form 2, the effect of the share allotment has not been given in the Balance Sheet audited by the Respondent.
- iii) In Form 23AC, it has been certified that the Company has no subsidiary Companies, whereas the Company was holding 99% shareholding in other Companies.
- iv) The sd/- copy of Balance Sheet appended with Form 23AC contained the name and details of the Respondent only at the place of signature and the names of signatories i.e. Directors of the Company have not been given therein.
- v) No detail of related parties reported.

5. The Committee considered the oral and written submissions made by the Respondent, facts of the case and various documents on record with the findings of the earlier Committee holding the Respondent guilty of professional misconduct.

6. On perusal of documents on record and submissions of the Respondent, the Committee noted that there were discrepancy in Form 23AC vis-a-vis the audited Balance Sheet, both of which were certified by the Respondent. The Committee also noted that the audit report, Form 23AC as well as return of allotment as certified by the Respondent shows negligence on his part while carrying out the said certifications.

6.1 The Committee noted that the Respondent admitted his mistake before the Committee and pleaded that it was done unintentionally due to wrong excel formula resulting in technical lapse on his part; for which he would be more careful in future. The Committee was of the view that the lapse occurred on the part of Respondent appear to be unintentional and which is technical/procedural in nature. The Respondent has admitted the mistake occurred on his part, however, looking into the gravity of charges levelled vis-s-vis admission of the Respondent, the Committee was of the view that ends of justice can be met, if CA. Jagmohan Singh Bons, the Respondent is given a reasonable punishment.



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

7. Therefore, keeping in view the facts and circumstances of the case, material on record and submissions of the Respondent before it, the Committee ordered that the Respondent i.e. **CA. Jagmohan Singh Bons (M.No.098485) of M/s. JDA & Co., Chartered Accountants, New Delhi** be reprimanded and also imposed a fine of Rs. 50,000/- (Rupees Fifty Thousand Only) upon him which shall be payable within a period of 01 (One) month from the date of receipt of this Order.

Sd/-
(CA. (DR.) DEBASHIS MITRA)
PRESIDING OFFICER

Sd/-
(SHRI JAYANTI PRASAD, IAAS (RETD.))
GOVERNMENT NOMINEE

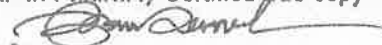
Sd/-
(CA. MANGESH P KINARE)
MEMBER

Sd/-
(CA. SRIPRIYA KUMAR)
MEMBER

DATE : 01/06/2022

PLACE: NEW DELHI

प्रमाणित सत्य प्रतिलिपि / Certified true copy


सीए. सुनील कुमार / CA. Suneel Kumar
सहायक सचिव / Assistant Secretary
अनुशासनात्मक विभाग / Disciplinary Directorate
इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया
The Institute of Chartered Accountants of India
आइसीएआई भवन, विष्णु नगर, शान्दा, दिल्ली-110032
ICAI Bhawan, Vishnu Nagar, Shandra, Delhi-110032

CONFIDENTIAL

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

[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-229/15/DD/217/15/DC/804/2018]

**Shri Anil Gupta
E-45, 3rd Floor
Naraina Vihar
NEW DELHI -110 028**

.....Complainant

Versus

**CA. Jagmohan Singh Bons (M.No.098485)
M/s J DA & Company (FRN No. 015377N)
Chartered Accountants
904, Shah Puri Tirath Singh Tower
C- 58, Community Centre
Janak Puri
NEW DELHI-110058**

.....Respondent

MEMBERS PRESENT:

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

DATE OF FINAL HEARING: 10.08.2021

PARTIES PRESENT:

- (i) Shri Anil Gupta: the Complainant**
- (ii) CA. Sumit Kansal: Counsel for the Complainant**
- (iii) CA. Jagmohan Singh Bons : the Respondent**
- (iv) Adv. Kamal Ahuja: Counsel for Respondent**

Charges in Brief:-

1. In the instant complaint, allegations have been made in respect of three companies. The allegations against the Respondent relates to manipulation of accounts, signing of wrong & fabricated Balance Sheet etc, which are as under:-

1.1) Discrepancies observed in respect of M/s Indian Hawks Wealth Creators Pvt. Ltd. (For the F.Y. 2011-12, 2012-13, 2013-14):-

i) The first discrepancy highlighted by the Complainant is in relation to the Form 23AC filed with ROC under the digital signatures of the Respondent (C-13) for the Financial year 2011-12 vis-a vis financial statements of the said year audited by the Respondent (C-14 to C-15). There was difference in the figure of Reserve & Surplus. As per Balance Sheet, it was Rs. (-2,80,487/-) (C-14) whereas the details filled up in Form -23AC relating to Reserves & Surplus is Rs. 13,513/- (C-7). Further, there is mismatch of the total of Liability side of Balance Sheet in the said sd/- copy (C-14).

ii) The next discrepancy highlighted by the Complainant is in respect of his audit report / Form 23-AC (C-16 to C-29) for the Financial Year 2012-13 vis-a -vis Return of allotment in Form 2 (C-30 to C-35). As per return of allotment, the Company had allotted 4,76,000 shares of Rs. 10/- each on 30.03.2013 (C-30 to C-35), however, the effect of the said allotment has not been given in the Balance Sheet (C-20, C-27) wherein the figure of share capital has been reported as Rs. 2,40,000/- instead of Rs. 50,00,000/- (Rs. 2,40,000+ 47,60,000).

iii) The next discrepancy highlighted by the Complainant in Form 23AC for the Financial Year 2013-14 is in respect of Item no. 9(a) of the said Form wherein it has been certified that the Company has no subsidiary Company as defined under Section 4 (C-37) whereas the Company was holding 99% shareholding of M/s Indianhawks Infraprojects Pvt. Ltd. (C-60) and M/s Indianhawks Foods Pvt. Ltd. (C-76)

iv) The next discrepancy highlighted by the Complainant is in respect of Financial Year 2013-14 wherein it is observed that the sd/- copy of Balance Sheet (C-47) appended with Form 23AC contains the name and details of the Respondent only at the place of signature and the names of signatories i.e. Directors of the Company have not been given therein.

1.2) Discrepancies observed in respect of M/s Indianhawks Infraprojects Private Limited (For the F.Y. 2013-14)

i) The first discrepancy highlighted by the Complainant is that vide Item no. 8(a) of Form 23AC for FY-2013-14 it has been certified that the Company is not a subsidiary company under Section 4 (C-49).

ii) The next discrepancy noticed is in respect of the balance of Reserves & Surplus as on 31st March, 2014. It is observed that in Form 23 AC (C-52) as well as sd/- copy of Balance Sheet (C-59) figure of Reserves & Surplus is shown as Rs. (-110611) whereas in notes to accounts under note no. 2, the figure is shown as Rs. (-130611) (C-60).

iii) The following further discrepancies as highlighted by the Complainant have also been observed in the audit report of the Company for the financial year 2013-14:-

- a) In the opinion paragraph of the audit report, it has been stated that "in case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date" **(C-62)** i.e. instead of categorically mentioning that the Company had incurred loss during the year.
- b) "The breakup of Net Deferred Tax Liability as on March 31, 2014 is as follows", however the figures in the table under said note have been left blank**(C-63)**.
- c) In note. No. 12 **(C-63)** of notes to accounts relating to Related party Disclosures, it has been mentioned that "the disclosures of transactions with related parties as defined in Accounting Standards are given herewith". However, it is observed that no details of related parties have been reported therein.

1.3) Discrepancies observed in respect of M/s Indianhawks Foods Private Limited for the year ending on 31st March, 2014:

i) The first discrepancy highlighted by the Complainant is that vide Item no. 8(a) of Form 23AC for FY-2013-14 it has been certified that the Company is not a subsidiary company under Section 4 **(C-64)**.

ii) The next discrepancy is that the figure of Reserves & Surplus shown in Form 23AC certified by the Respondent is Rs. (-36,33,314/-) **(C-68)**, whereas in the sd copy of Balance sheet appended with Form 23AC, the same has been reported at Rs. 15,94,902/- **(C-75)**. Further, in the notes to accounts 2.2 under the heading Reserves & Surplus, the same has been reported as Rs. 16,55,650/- **(C-76)**. Furthermore under note no. 13 **(C-81)** under sources of funds, Reserves & Surplus have been reported at negative value of Rs. (3572.57).

iii) The following further discrepancies as highlighted by the Complainant have also been observed in the audit report of the Company for the financial year 2013-14:-

- a) In the opinion paragraph of the audit report, it has been stated that " in case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date" **(C-77)** i.e. instead of categorically mentioning that the Company had incurred loss during the year, the Respondent has given an ambiguous certification by mentioning the word Profit/ Loss in the opinion paragraph.
- b) In Form 23AC the figure of Deferred Tax Liabilities as on 31.03.2014 is reported at Rs. 60,748/- **(C-68)** which is also reflected in note no. 7(b) of notes to accounts **(C-80)** however, under note no. 7(a),**(C-80)** it has been stated that, "Pursuant to the Accounting Standard-22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, made mandatory w.e.f. April 1, 2002, the Company has recognized deferred tax Liability of Rs. NIL".

by

8

- c) In note. No. 12 (C-80) of notes to accounts relating to Related party Disclosures, it has been mentioned that “the disclosures of transactions with related parties as defined in Accounting Standards are given herewith”. However, it is observed no details of related parties have been reported therein which renders the said disclosure misleading and ambiguous.
- d) Besides the above discrepancies highlighted by the Complainant, it is also observed that name of one of the Auditee Company as per Form 23AC is M/s Indian hawks Infra projects Private Limited (C-48) whereas in the copy of Balance Sheet uploaded with Form -23, the same has been mentioned as Indianhawks infra Pvt. Ltd. (C-59) i.e. the word “projects” is missing.

Brief facts of the Proceedings:

2. On the day of final hearing i.e. on 10/08/2021, the Committee noted that the matter was part heard at its last hearing held on 26th July, 2021 and both the parties were directed to file their final written submissions in the matter which was duly complied by them.

Accordingly, the Committee asked the Counsel for the Complainant to make his final submissions in the matter. Thereafter, it asked the Counsel for the Respondent to make final submissions in the matter. The Committee examined both the parties along-with their Counsel(s) based on facts being placed before it.

Thereafter, the Committee directed both parties to make their written submissions, if any, within next 7 days from the date of hearing but not later than Aug 17, 2021.

Accordingly, hearing in the matter was concluded and the Committee kept its decision reserved subject to receipt of further submissions/documents from the parties.

3. Thereafter this matter was placed in meeting held on 28th January 2022 for consideration of the facts and arriving at a decision by the Committee. The Committee noted that as per direction dated 10th August, 2021, the Respondent has submitted the desired information/ documents on 17/08/2021. Keeping in view the facts and circumstances of the case, material on record and submissions of the Complainant and the Respondent at the time of hearing, the Committee passed its judgement.

h/

Findings of the Committee

4. **Discrepancies observed in respect of M/s Indian Hawks Wealth Creators Pvt. Ltd. (For the Financial Year 2011-12, 2012-13, 2013-14)**
- 4.1 In respect of first discrepancy, the Committee noted that although the same is appearing correctly in Form 23AC as Rs. 25,99,293/- (C-7), but same has been shown wrongly in the sd copy of Balance sheet dated 31st March, 2012 wherein the total of "Liabilities" side has been shown as Rs. 23,05,293/-. Thus, apparently there were discrepancy in Form 23AC vis-a vis in the audited Balance Sheet, which both were certified by the Respondent making him guilty on this charge.
- 4.2 Further, for next discrepancy, the Committee observed that as per return of allotment, the Company had allotted 4,76,000 shares of Rs. 10/- each on 30.03.2013 (C-30 to C-35), however, the effect of the said allotment has not been given in the Balance Sheet of the Company for the year ending 31st March, 2013 signed by the Respondent on 31.08.2013 (C-20, C-27) wherein the figure of share capital has been reported as Rs. 2,40,000/- instead of Rs. 50,00,000/- (Rs. 2,40,000+ 47,60,000). The audit report (C-27), Form 23AC (C-20) as well as return of allotment (C-33) have been certified by the Respondent only shows gross negligence on his part while carrying out the said certifications and accordingly he is guilty on this count also.
- 4.3 The Committee noted that the next discrepancy highlighted by the Complainant in Form 23AC for the Financial Year 2013-14 is in respect of Item no. 9(a) of the said Form wherein it has been certified that the Company has no subsidiary Company as defined under Section 4 (C-37). In this regard, it is important to quote the provisions of Section 4 of the Companies Act, 1956 as under:-

"4. Meaning of" holding company" and" subsidiary".

(1) For the purposes of this Act, a company shall, subject to the provisions of sub-section (3), be deemed to be a subsidiary of another if, but only if,--

(a) that other controls the composition of its Board of directors; or

(b) that other-

(i) where the first- mentioned company is an existing company in respect of which the holders of preference shares issued before the commencement of this Act have the same voting rights in all respects as the holders of equity shares, exercises or controls more than half of the total voting power of such company;

(ii) where the first- mentioned company is any other company, holds more than half in nominal value of its equity share capital; or]

(c) the first- mentioned company is a subsidiary of any company which is that other' s subsidiary".

- 4.3.1 In the instant case, the Company in question was holding 99% shareholding of M/s Indianhawks Infraprojects Pvt. Ltd. (C-60) and M/s Indianhawks Foods Pvt. Ltd. (C-76) , thereby in terms of the above definition, these Companies

were the subsidiary companies of the Company in question i.e. M/s Indian Hawks Wealth Creators Pvt. Ltd. Thus, in view of the aforesaid the particulars of the said form certified by the Respondent under clause 9(a) appears to be incorrect and thus making him guilty under this charge.

- 4.4 The next discrepancy highlighted by the Complainant is in respect of Financial Year 2013-14 wherein it is observed that the sd/- copy of Balance Sheet (C-47) appended with Form 23AC contains the name and details of the Respondent only at the place of signature and the names of signatories i.e. Directors of the Company have not been given therein. In this regard, the Committee referred the provisions of Section 215 of the Companies Act, 1956 which contains the following provisions regarding signing the balance sheet and profit & loss Account:-

215. Authentication of balance sheet and profit and loss account:-

(1) Save as provided by sub- section (2), every balance sheet and every profit and loss account of a company shall be signed on behalf of the Board of directors-

(i) in the case of a banking company, by the persons specified in clause (a) or clause (b), as the case may be, of subsection (2) of section 29 of the Banking Companies Act, 1949 ; (10 of 1949).

(ii) in the case of any other company, by its, managing agent, secretaries and treasurers, manager or secretary, if any, and by not less than two directors of the company one of whom shall be a managing director where there is one.

(2) In the case of a company not being a banking company, when only one of its directors is for the time being in India, the balance sheet and the profit and loss account shall be signed by such director; but in such a case there shall be attached to the balance sheet and the profit and loss account a statement signed by him explaining the reason for non- compliance with the provisions of subsection (1).

(3) The balance sheet and the profit and loss account shall be approved by the Board of directors before they are signed on behalf of the Board in accordance with the provisions of this section and before they are submitted to the auditors for their report thereon (emphasis provided)

- 4.4.1 Thus, in terms of the provisions of sub-section (3) of Section 215 of the Companies Act, 1956 as stated above, the balance sheet and profit and loss account are required to be approved and signed by the Board of Directors of the Company before they are submitted to the auditors. Further, sub-section (1) and (2) of Section 215 also lays down the condition as to who can sign the said statements on behalf of Board of Directors.

- 4.4.2 In the extant case, it is noted by the Committee that none of the prescribed authorities appeared to have signed the Balance Sheet as on 31.03.2014 at the

time of submitting the same to ROC. In this regard, it also needs to be mentioned that since the preparation of financial statements is the responsibility of management, in the absence of authentication by the management, the auditor was not in a position to conclude on them until or unless the management undertakes the responsibility of preparing it. In other words, unless and until the financial statements are authenticated/ signed by the management/ Board of Directors, an auditor cannot sign the same. Thus, the Respondent is guilty of Professional Misconduct in respect of this discrepancy also.

5. Discrepancies observed in respect of M/s Indianhawks Infraprojects Private Limited (For the F.Y. 2013-14)

5.1 The Committee noted that first discrepancy highlighted by the Complainant is that vide Item no. 8(a) of Form 23AC for FY-2013-14 it has been certified that the Company is not a subsidiary company under Section 4 (C-49).

In this regard, attention is drawn to para 4.3.1 above, where it was observed by the Committee that the Company is a subsidiary company of M/s Indian Hawks Wealth Creators Pvt. Ltd. who was holding its 99% shares (C-60) and thus particulars of the said form certified by the Respondent under clause 8(a) are to be incorrect making the Respondent guilty of Professional Misconduct on this charge.

5.2 The next discrepancy noticed is in respect of the balance of Reserves & Surplus as on 31st March, 2014.

It is observed by the Committee that in Form 23 AC (C-52) as well as sd/- copy of Balance Sheet(C-59) figure of Reserves & Surplus is shown as Rs. (-110611) whereas in notes to accounts under note no. 2, the figure is shown as Rs. (-130611) (C-60). Thus, apparently there was discrepancy in the financial statements of the Company on this count which were audited by the Respondent and accordingly, he is held GUILTY of professional misconduct on this count also.

5.3 The following further discrepancies as highlighted by the Complainant have also been observed by the Committee in the audit report of the Company for the financial year 2013-14:-

- a) In the opinion paragraph of the audit report, it has been stated that "*in case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date*" (C-62) i.e. instead of categorically mentioning that the Company had incurred loss during the year, the Respondent has given an ambiguous certification by mentioning the word Profit/ Loss in the opinion paragraph.
- b) In note no. 7(b), it is mentioned that "*the breakup of Net Deferred Tax Liability as on March 31, 2014 is as follows*", however the figures in the table under said note have been left blank.(C-63)
- c) In note. No. 12 (C-63) of notes to accounts relating to Related party Disclosures, it has been mentioned that "*the disclosures of transactions with related parties as defined in Accounting Standards are given herewith*". However, it is observed that no details of related parties have been

reported therein which renders the said disclosure misleading and ambiguous.

5.3.1 Thus, in view of above discrepancies, the Respondent is negligent in performing his professional duties making him guilty of professional misconduct on these charges also.

6. Discrepancies observed in respect of M/s Indianhawks Foods Private Limited for the year ending on 31st March, 2014:

6.1 The Committee noted that the first discrepancy highlighted by the Complainant is that vide Item no. 8(a) of Form 23AC for FY-2013-14 it has been certified that the Company is not a subsidiary company under Section 4 (C-64).

In this regard, attention is drawn to para 4.3.1 above, where it was observed that the Company is a subsidiary company of M/s Indian Hawks Wealth Creators Pvt. Ltd. who was holding its 99% shares (C-76) and thus particulars of the said form certified by the Respondent under clause 8(a) are incorrect making him guilty of professional misconduct on this point.

6.2 The next discrepancy noticed by the Committee is that the figure of Reserves & Surplus shown in Form 23AC certified by the Respondent is Rs. (-36,33,314/-) (C-68), whereas in the sd copy of Balance sheet appended with Form 23AC, the same has been reported at Rs. 15,94,902/- (C-75).

In the notes to accounts 2.2 under the heading Reserves & Surplus, the same has been reported as Rs. 16,55,650/- (C-76). Furthermore under note no. 13 (C-81) under sources of funds, Reserves & Surplus have been reported at negative value of Rs. (3572.57). Thus, it appeared serious discrepancies in the financial statements of the Company audited by the Respondent as well as Form 23AC certified by him making him guilty of Professional Misconduct on this charge.

6.3 The following further discrepancies as highlighted by the Complainant have also been observed by the Committee in the audit report of the Company for the financial year 2013-14:-

- a) In the opinion paragraph of the audit report, it has been stated that "in case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date" (C-77) i.e. instead of categorically mentioning that the Company had incurred loss during the year, the Respondent has given an ambiguous certification by mentioning the word Profit/ Loss in the opinion paragraph.
- b) In Form 23AC the figure of Deferred Tax Liabilities as on 31.03.2014 is reported at Rs. 60,748/- (C-68) which is also reflected in note no. 7(b) of notes to accounts (C-80) however, under note no. 7(a),(C-80) it has been stated that, "Pursuant to the Accounting Standard-22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, made mandatory w.e.f. April 1, 2002, the Company has recognized deferred tax Liability of Rs. NIL". Thus, it is observed by the Committee that the contents of para 7(a) and (b) are at variance which depict the casual approach of the Respondent.

3

2

- c) In note. No. 12 (C-80) of notes to accounts relating to Related party Disclosures, it has been mentioned that "the disclosures of transactions with related parties as defined in Accounting Standards are given herewith". However, it is observed by the Committee that no details of related parties have been reported therein which renders the said disclosure misleading and ambiguous.

Conclusion

7. In view of above findings, the Committee was of the considered opinion that the Respondent was held **GUILTY** of Professional misconduct falling within the meaning of Items (7) and (8) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 read with Section 22 of the said Act.

5

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

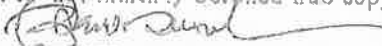
Sd/-
(SHRI ARUN KUMAR)
GOVERNMENT NOMINEE

Sd/-
(CA. G SEKAR)
MEMBER

Date : 08/02/2022

8

प्रमाणित सत्य प्रतिलिपि / Certified true copy


सीए. सुनील कुमार / CA. Suneel Kumar
सहायक सचिव / Assistant Secretary
अनुशासनिक निदेशालय / Disciplinary Directorate
इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया
The Institute of Chartered Accountants of India
काईसीएआई भवन, विद्यास नगर, शाहदरा, दिल्ली-110032
ICAI Bhawan, Vidhas Nagar, Shahdara, Delhi-110032