



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

[PR/231/18-DD/255/18 & PR/254/2018 (Clubbed)—DC/1145/19]

**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.**

[PR/231/18-DD/255/18 & PR/254/2018 (Clubbed)—DC/1145/19]

**In the matter of:**

**Shri Sushil Agarwal,**

21, Residency Road,

**JODHPUR (RAJASTHAN)-342011** .... Complainant

**-Vs-**

**CA. Pramod Agarwal, (M. No. 076121)**

**Partner, M/s Sanjay Pramod & Associates**

110, Saraogi Masion, MI Road,

**JAIPUR- 302006** ..... Respondent

**MEMBERS PRESENT:**

1. CA. (Dr.) Debashis Mitra, Presiding Officer (Present in person)
2. Mrs. Rani Nair, I.R.S. (Retd.), Government Nominee (Present in person)
3. CA. Rajendra Kumar P, Member (Present through Video Conferencing)
4. CA. Cotha S Srinivas, Member (Present in person)

**DATE OF MEETING : 25.04.2022 (Through Physical/ Video Conferencing Mode)**

1. That vide findings under Rule 18 (17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 dated 11.02.2022, the Disciplinary Committee was inter-alia of the opinion that **CA. Pramod Agarwal, (M. No. 076121)** (hereinafter referred to as the **Respondent**) was **GUILTY** of professional misconduct falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountant Act, 1949.

2. The Committee noted that the Respondent was present through video conferencing mode. The Respondent submitted that the certificate containing average turnover of Rs. 12 crore was originally signed by him but denied that the certificate showing average turnover of Rs 20 crores was signed by him. He further appraises the Committee that he had appointed a forensic consultant which showed that documents produced by Complainant are fabricated. The Respondent stated that he had also filed a police complaint against the Complainant.



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

[PR/231/18-DD/255/18 & PR/254/2018 (Clubbed)—DC/1145/19]

3. The Committee noted that the present case relates to the turnover certificates issued by the Respondent on same date for same period. According to the first certificate, average turnover for three years is around Rs. 20 lakhs, whereas according to the other certificate average turnover for three years is around Rs. 12 lakhs. The Committee noted that the Respondent denied issuing of certificate for higher turnover and mentioned that said certificate is a forged certificate and no original copy of the same is on records.

4. The Committee also noted that the Respondent himself accepted that for financial year 2014-15 books were not audited and the figure of turnover was taken in the certificate on a provisional basis. The Committee in this regard viewed that the Respondent was required to specifically mention the same on the face of the certificate. The Committee noted that the signature and stamp of the Respondent on both the certificates were the same, however the Respondent had taken a forensic view on the same which also states that signatures on certificate in question are superimposed. The Committee on perusal of documents and submissions does not find any material on record that would establish that any benefit was derived by the client of the Respondent, by using the alleged certificate. Accordingly, the Committee viewed that end of justice can be met if minimum punishment is given to the Respondent commensurate with his above professional misconduct.

5. 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 CA. Pramod Agarwal, (M. No. 076121), be reprimanded.

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

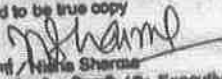
Sd/-  
(MRS. RANI NAIR, I.R.S. RETD.)  
GOVERNMENT NOMINEE

Sd/-  
(CA. RAJENDRA KUMAR P)  
MEMBER

Sd/-  
(CA. COTHA S SRINIVAS)  
MEMBER

Date: 01.06.2022  
Place: New Delhi

सही प्रतिलिपि होने के लिए प्रमाणित /  
Certified to be true copy

  
श्री सुशील अग्रवाल / Sr. Executive Officer  
अनुशासन शास्त्र विभाग / Disciplinary Directorate  
इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया  
The Institute of Chartered Accountants of India  
आईसीएआई भवन, विश्वास नगर, शाहदरा, दिल्ली-110032  
ICAI Bhawan, Vishwas Nagar, Shahdara, Delhi-110032

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (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/231/18-DD/255/18 & PR/254/18(Clubbed)-DC/1145/19]

In the matter of:

Shri Sushil Agarwal,  
21, Residency Road,  
JODHPUR(RAJASTHAN)-342011

..... Complainant

Versus

CA. Pramod Agarwal, (M. No. 076121)  
Partner, M/s Sanjay Pramod & Associates  
110, Saraogi Masion, MI Road,  
JAIPUR- 302006

..... Respondent

MEMBERS PRESENT:

CA. (Dr.) Debashis Mitra, Presiding Officer (Through VC)  
Shri Rajeev Kher, Govt. Nominee (Through VC)  
CA. Amarjit Chopra, Govt. Nominee (Through VC)  
CA. Babu Abraham K., Member(Through VC)

DATE OF FINAL HEARING : 27.12.2021 (Through Video Conferencing)

PARTIES PRESENT :

Shri Sushil Agarwal – Complainant  
CA. Pramod Agarwal – Respondent  
Shri B K Gurumala – Counsel for Respondent

**CHARGES IN BRIEF:-**

1. The Committee noted that in the present case the Director (Discipline) has held the Respondent Prima-facie Guilty of Professional Misconduct falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 on the charge that he has issued two certificates to M/s K.K Electro-trade Pvt Ltd (hereinafter referred to as the "**Company**") which are not in consonance with each other and were issued by the Respondent to cause wrongful gain to the Company.

**BRIEF FACTS OF THE PROCEEDINGS:**

2. On the day of the final hearing held on 27<sup>th</sup> December 2021, the Committee noted that the Complainant was present through Video Conferencing mode. The Respondent alongwith his Counsel Mr. B. K. Gurumala were present through Video Conferencing mode. Thereafter, the Respondent's Counsel made detailed submissions in his defence. After considering all papers available on record and after detailed deliberations and recording the submissions, the Committee decided to conclude the matter.

**FINDINGS OF THE COMMITTEE**

3. The Committee noted that as per documents available on record, the Respondent had issued two certificates both dated 20<sup>th</sup> September, 2015. In the first certificate (**page C-5 of Prima facie Opinion**) he has certified that average turnover of the Company for the three financial years i.e. 2012-13,2013-14 and 2014-15 was Rs. 20,44,82,047.71/-. However, in the second certificate (**page C-3 of Prima facie Opinion**) the Respondent had certified that the total turnover for the aforesaid three financial years of the Company was Rs. 37,19,21,846.53/-. The Committee noted that hence as per the first certificate total turnover of the Company for the three financial years would be more than 60 crores whereas the second certificate shows turnover of 37.19 crores only.

4. The Counsel of the Respondent submitted that the certificate containing average turnover of Rs. 12 crore was originally signed by the Respondent but Certificate showing average turnover of Rs 20 crores was not signed at all by the Respondent. The Counsel further submitted that the Respondent had appointed forensic consultant which showed that documents produced by Complainant are fabricated. He further stated that in year 2021, he has filed a police complaint against the Complainant.
5. On the specific question of the Committee that as to why he had not filed complaint against his client who submitted the alleged certificate, the Respondent/ his Counsel submitted that since fabricated documents were found from the Complainant, hence he preferred filing complaint against the Complainant.
  - 5.1 The Committee noted that the complaint against the Respondent was filed in 2018 whereas he chose to file FIR in 2021 that too against the Complainant. Whereas he was expected to file complaint against his client that too in reasonable time.
  - 5.2 The Committee also noted that the Respondent was expected to approach the Committee for appointment of forensic auditor to have independent verification of documents.
  - 5.3 The Committee also noted that the Respondent admitted before it that he committed mistake while calculating average turnover.
6. The Committee further noted that signature and stamp of the Respondent on both the certificates were same. The Committee noted that books of accounts for the Financial Year 2014-15 were signed on 25<sup>th</sup> November 2015 i.e. 2 months after the date of the certificate. The Committee also noted that the Respondent himself accepted that for financial year 2014-15 books were not audited and figure was taken on provisional basis. The Committee in this regard viewed that the

Respondent should have mentioned in his certificate the fact that turnover figure for financial year 2014-15 was taken from provisional balance sheet.

7. The Committee further noted that Para 2.2 of Guidance Note on Audit Reports and Certificates for Special Purposes provides as under:

*".....when a reporting auditor issues a certificate, he is responsible for the factual accuracy of what is stated therein. On the other hand, when a reporting auditor gives a report, he is responsible for ensuring that the report is based on factual data, that his opinion is in due accordance with facts, and that it is arrived at by the application of due care and skill."*

7.1 Hence, the Respondent was required to check the factual accuracy of the certificate before issuing the same. The Committee noted that erroneous certificate issued by the Respondent helped his client to get the tender. The plea of Respondent that his signature was forged does not hold good as he failed to take any action against his client.

### CONCLUSION

8. In view of the above findings the Committee in its considered opinion hold the Respondent is **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

sd/-  
CA. (Dr.) DEBASHIS MITRA)  
PRESIDING OFFICER


(approved & confirmed through email)  
(SHRI RAJEEV KHER, IAS RETD.)  
GOVERNMENT NOMINEE

sd/-  
(CA. AMARJIT CHOPRA)  
GOVERNMENT NOMINEE

(approved & confirmed through email)  
(CA. BABU ABRAHAM KALLIVAYALIL)  
MEMBER

DATE: 11<sup>TH</sup> FEBRUARY, 2022  
PLACE: NEW DELHI

सही प्रतिलिपि लेने के लिए प्रमाणित /  
Certified to be true copy

  
नीलम पुंडीर / Neelam Pundir  
कार्यकारी अधिकारी / Executive Officer  
अनुशासनात्मक निदेशालय / Disciplinary Directorate  
इंस्टिट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया  
The Institute of Chartered Accountants of India  
आईसीएआई भवन, विश्वास नगर, शाहदरा, दिल्ली-110032  
ICAI Bhawan, Vishwas Nagar, Shahdara, Delhi-110032