



भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

[DISCIPLINARY COMMITTEE [BENCH-I (2022-2023)]]

[Constituted under Section 21B of the Chartered Accountants Act, 1949]

**ORDER UNDER SECTION 21B(3) OF THE CHARTERED ACCOUNTANTS ACT, 1949
READ WITH RULE 19(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF
INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT
OF CASES) RULES, 2007.**

In the matter of:

Shri Satna Prasad Chakravarty C/o Pasupati Traders, Dibrugarh (Assam)

-Vs-

**CA. Pawan Kumar Goenka (M. No. 050946) of M/s. Kanoi Associates, Chartered Accountants, Dibrugarh (Assam)
[PR/277/16/DD/314/2016-DC/1239/2019]**

MEMBERS PRESENT:

CA. ANIKET SUNIL TALATI, PRESIDING OFFICER,

SHRI JUGAL KISHORE MOHAPATARA, IAS (RETD.), (GOVERNMENT NOMINEE)

SHRI PRABHASH SHANKAR, I.R.S. (RETD.), (GOVERNMENT NOMINEE),

CA. PRITI PARAS SAVLA, MEMBER

1. That vide findings dated 11.09.2021 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 inter-alia of the opinion that **CA. Pawan Kumar Goenka (M.No.050946)** (hereinafter referred to as the **Respondent**) was **GUILTY** of professional misconduct falling within the meaning of Clauses (5), (6) & (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

2. That pursuant to the said findings, an action under Section 21B(3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and communication was addressed to him thereby granting an opportunities of being heard in person / through video conferencing to make a written & verbal representation before the Committee on 15th June, 2022.

3. The Committee noted that on the date of hearing i.e., 15th June, 2022, the Respondent was present through video conferencing. The Respondent made his verbal submissions on the findings of the Disciplinary Committee. The Committee further noted that the Respondent vide his letter dated 07.12.2021 had made his written submissions on the findings of the Committee.

4. The submissions of the Respondent on the findings of the Disciplinary Committee, in brief, were as under:-



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i) At the time of hearing held on 19.04.2021, he was mentally disturbed due to COVID-19 pandemic and illness of himself and hence, he could not represent his case in proper perspective.

ii) The Respondent stated that the Company whose financial statements are in question is a level III private limited company having paid up capital of Rs.1 lac only and gross receipts of Rs. 2,26,800/- only. The Council of the Institute in its 236th meeting held on 16-18-2003 relaxed, inter alia, the applicability of AS-18 to level II and level III companies w.e.f. 1-4-2004. He had admitted his guilt at the time of hearing as he was mentally disturbed at that time.

iii) The Respondent stated that it was alleged that there was contradiction between his "Independent audit report" of financial statements and his report on "Internal Financial Controls". The two reports are issued in different contexts and having different scope. The later per se implies and relates to internal financial controls over financial reporting and is not about operational conduct of the business. His remarks in his "Independent Audit Report" pertained to operational conduct of business wherein he had stated about non-reconciliation of certain accounts and non-availability of certain supporting vouchers. Such remarks about operational conduct have no bearing on the financial control over financial reporting.

iv) As regard the disclosure of ageing of sundry debtors, the disclosure should not be considered in isolation and other disclosures in the Audit Report should be taken into consideration. He had stated in his audit report that in the absence of the relevant supporting documents and confirmation of accounts, the balances of trade receivables, inter alia, could not be reconciled. Naturally, when the balances could not be reconciled, then the ageing could not be correctly determined.

v) The Respondent stated that if there has been any lapse on his part in carrying out his professional duties, the same be deemed as technical, immaterial and non-pervasive.

5. Keeping in view the facts and circumstances of the case, the material on record including written and verbal submissions of the Respondent on the findings of the Committee, the Committee is of the view that though the professional misconduct on the part of the Respondent is established, however, keeping in view the submissions and circumstances as brought on record by the Respondent, the said misconduct does not qualify for a severe punishment. Accordingly, the Committee ordered that the Respondent i.e., CA. Pawan Kumar Goenka (M.No.050946) be reprimanded.

Sd/-

(CA. ANIKET SUNIL TALATI)
PRESIDING OFFICER,

(approved and confirmed through e-mail)
(SHRI PRABHASH SHANKAR, I.R.S. (RETD.))
GOVERNMENT NOMINEE

(approved and confirmed through e-mail)
SHRI JUGAL KISHORE MOHAPATARA, I.A.S.
(RETD.), (GOVERNMENT NOMINEE)

(approved and confirmed through e-mail)
(CA. PRITI PARAS SAVLA)
MEMBER

DATE: 10.08.2022
PLACE: NEW DELHI

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

नीलम पुंडीर / Neelam Pundir
कार्यकारी अधिकारी / Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया
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ICAI Bhawan, Vijayawada Road, New Delhi-110002

Order - CA. Pawan Kumar Goenka (M.No.050946)

DISCIPLINARY COMMITTEE [BENCH – I (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

Ref. No. PR/277/16/DD/314/2016-DC/1239/2019

In the matter of:

**Shri Shanta Prasad Chakravarty
C/o Pashupati Traders
P N Road, Chiringchapari,
DIBRUGARH, ASSAM – 786001**

.....Complainant

Versus

**CA. Pawan Kumar Goenka (M.No. 050946)
M/s. Kanoi Associates,
Chartered Accountants (FRN 309101E)
Central Chowkidingee, Rodali Path,
DIBRUGARH, ASSAM - 786001**

.....Respondent

MEMBERS PRESENT (Through Video Conferencing):

**CA. Nihar N Jambusaria, Presiding Officer (Present Physically) ,
Shri Jugal Kishore Mohapatra, I.A.S. (Retd.) (Government Nominee),
Ms. Rashmi Verma, I.A.S. (Retd.) (Government Nominee),
CA. Anuj Goyal, Member,
CA. Durgesh Kumar Kabra, Member**

**DATE OF FINAL HEARING : 19.04.2021
PLACE OF FINAL HEARING : Through Video Conferencing**

PARTIES PRESENT:

**Complainant - Not Present
Respondent - CA. Pawan Kumar Goenka (Through VC)**

BRIEF OF THE DISCIPLINARY PROCEEDINGS:-

1. The Committee noted that on the day of hearing held on 19th April, 2021, neither the Complainant nor his representative was present. The Respondent was present through video conferencing. Since the Complainant did not send any prior intimation / communication for not attending the hearing, the Committee decided to continue with the hearing ex-parte the Complainant. Thereafter, on being enquired from the Respondent as to whether he is aware of the charges leveled against him and whether he pleads guilty to the same, the Respondent pleaded guilty and stated that he is senior citizen and mistake occurred on his part was unintentional. The Respondent requested to take lenient view in the above matter. After hearing the submissions, the Committee decided to conclude the hearing.

CHARGES IN BRIEF AND FINDINGS OF THE DISCIPLINARY COMMITTEE:-

2. In the extent matter, the following charges were levelled against the Respondent:-

2.1 There was concealment of facts regarding adequate internal financial control over financial reporting and whether such controls were operating effectively as on 31st March 2016.

2.2 The next charge against the Respondent is related to wrong classification of trade receivables which are shown as due for less than six months in the Balance Sheet. In the instant case it is alleged that the trade receivables from related parties namely M/s. Bochapathar Tea Estate Pvt. Ltd. & M/s Sadashiva Tea Company Pvt Ltd have been reported to be due for less than six months which were alleged to be due for more than 8 years & 2 years respectively.

2.3 The third charge against the Respondent is about non-disclosure of related party transactions which is alleged to be not on arm's length basis. It was alleged that the rent charged to the related parties was lower than the operating expenses of the Company for servicing the rental revenue. Further it was also alleged that operation expenses had increased from FY 14-15 by 21% without commensurate increase in rental income. Thus, these transactions were not at arm's length basis and that said transactions were



not disclosed in related party disclosures but instead these transactions are entered with special arrangements with related parties.

3. In respect of above charges, the Respondent through his verbal and written submissions requested the Committee to ignore his mistake which were purely inadvertent, unknowingly and unintentional. Accordingly, he requested the Committee not to impose any punishment on him in view of his old age and position in the Society.

4. After perusal of the documents and submissions on record and in view of admissions of mistake by the Respondent, the Committee agreed with the observations given in the prima facie opinion of the Director (Discipline) and accordingly, decided to hold the Respondent guilty of professional misconduct falling within the meaning of Clauses (5), (6) & (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

Conclusion:-

5. Thus in the considered opinion of the Committee, the Respondent is **GUILTY** of Professional Misconduct falling within the meaning of Clauses (5), (6) & (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

Sd/-

(CA. NIHAR N JAMBUSARIA)
PRESIDING OFFICER

[approved and confirmed through e-mail]
(SHRI JUGAL KISHORE MOHAPATRA,
I.A.S.(RETD.)), GOVERNMENT NOMINEE

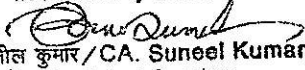
[approved and confirmed through e-mail]
(MS. RASHMI VERMA, I.A.S. (RETD.))
GOVERNMENT NOMINEE

[approved and confirmed through e-mail]
(CA. ANUJ GOYAL)
MEMBER,

[approved and confirmed through e-mail]
(CA. DURGESH KUMAR KABRA)
MEMBER

DATE: 11.09.2021

प्रमाणित सत्य प्रतिलिपि / Certified true copy


सी.ए. सुनील कुमार / CA. Suneel Kumar
सहायक सचिव / Assistant Secretary
अनुशासनात्मक निदेशालय / Disciplinary Directorate
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