



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

[PR/278/2016/DD/308/16/BOD/467/2018]

ORDER UNDER SECTION 21A(3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 15(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

In the matter of:

Shri S. S. Police Patil,

Hubli.

....Complainant

-Vs-

CA. Veerendra Vishwanath Patil (M. No.220542),

Kalaburagi.

.....Respondent

[PR/278/2016/DD/308/2016/BOD/467/2018]

MEMBERS PRESENT(in person):

CA. Rajendra Kumar P, Presiding Officer

Ms. Dolly Chakrabarty (IRS, Retd.), Government Nominee

Date of Final Hearing: 19th April, 2023

Place of Final Hearing: Chennai

1. The Board of Discipline vide Findings dated 10th February, 2023 was of the view that **CA. Veerendra Vishwanath Patil (M. No.220542)** is Guilty of "Other Misconduct" falling within the meaning of Item (2) of Part-IV of the First Schedule to the Chartered Accountants Act, 1949 read with section 22 of the said Act.

2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against **CA. Veerendra Vishwanath Patil (M.No.220542)** and communication dated 27th March, 2023 was addressed to him thereby granting him an opportunity of being heard in person and/or to make written representation before Board on 19th April 2023.

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3. **CA. Veerendra Vishwanath Patil (M.No.220542)** was present in person before the Board on 19th April 2023 and made his oral representation before it.

4. **CA. Veerendra Vishwanath Patil (M.No.220542)** in his written representation, inter-alia, submitted as under:

(i) The only point that came out apparently before the Board during the proceedings was that the contractor had fabricated different Certificates by misusing the only one Certificate which was issued by the Respondent which was a correct one duly matched with the Financial Statements. There were no direct or indirect evidence that came before the Board during the proceedings to form an adverse conclusion that the Respondent had knowledge of the abuse done by the contractor.

5. The Board has carefully gone through the facts of the case along with the oral and written representation of **CA. Veerendra Vishwanath Patil (M.No.220542)**.

6. As per the Findings of the Board as contained in its report, although the Respondent denied of signing the Audited Statements of the Contractor for the F.Y. 2010-11 to the F.Y.2012-13 and 2014-15 and the Certificates brought on record by the Complainant, however, he neither filed any FIR in the matter nor any complaints to other authorities which makes his contentions doubtful. Thus, the Board held that the role of the Respondent in the issuance of the aforesaid four Turnover Certificates containing the turnover figures for the F.Y. 2010-11 to 2014-15 to Mr. Shrinivas H. Ammapur, Contractor, Lingaspur having huge variations in turnover for the same financial year with different amount of turnover which were misused by Mr. Shrinivas H. Ammapur before the various tendering authorities like Executive Engineer, PWD & IWT Dept. Division, Raichur & Yadagiri and NH Division, Vijayapura to procure contract cannot be denied. There are direct as well as circumstantial evidences to suggest that the said Certificates could not have been issued without the knowledge of the Respondent. Accordingly, the Board held the Respondent Guilty of 'Other Misconduct' falling within the meaning of Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949 read with section 22 of the said Act.

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7. Thus, upon consideration of the facts of the case, the consequent misconduct of CA. Veerendra Vishwanath Patil (M. No.220542) and keeping in view his oral and written representation before it, the Board decided to remove the name of CA. Veerendra Vishwanath Patil (M. No.220542) from the Register of Members for a period of 15 (fifteen) days.

Sd/-

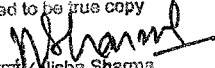
CA. Rajendra Kumar P
(Presiding Officer)

Sd/-

Ms. Dolly Chakrabarty (IAAS, retd.)
(Government Nominee)

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DATE: 22-05-2023

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


निशा शर्मा / Nisha Sharma
वरिष्ठ कार्यकारी अधिकारी / Sr. 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, Shahdra, Delhi-110032

CONFIDENTIAL

BOARD OF DISCIPLINE

Constituted under Section 21A of the Chartered Accountants Act 1949

Findings under Rule 14(9) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007

File No. : [PR/278/2016/DD/308/2016/BOD/467/2018]

CORAM: (Present in Person)

CA. Prasanna Kumar D., Presiding Officer
Ms. Dolly Chakrabarty (IAAS, Retd.), Government Nominee
CA. (Dr.) Raj Chawla, Member

In the matter of:

Shri S. S. Police Patil
Lingaraj Nagar South,
Vidyanagar,
HUBLI -580031.

.....Complainant

Versus

CA. Veerendra Vishwanath Patil (M.No.220542),
Shishankar Complex,
Shop no.3 Milan Chowk,
Gazipur,
KALABURAGI 585101

.....Respondent

DATE OF FINAL HEARING : 05th July, 2022
PLACE OF FINAL HEARING : New Delhi / through video conferencing

PARTIES PRESENT(through video conferencing):

COMPLAINANT : Shri S. S. Police Patil
COUNSEL FOR THE RESPONDENT : CA. C.V. Sajan



CHARGE ALLEGED:

1. It has been alleged that the Respondent has issued three turnover certificates to Mr. Shrinivas H. Ammapur, Contractor, Lingaspur for the F.Y 2010-11 to 2014-15 having huge variations in turnover for the same financial year with different amount of turnover which were misutilised by Mr. Shrinivas H. Ammapur before the various tendering authorities like Executive Engineer, PWD & IWT Dept. Division, Raichur & Yadagiri and NH Division, Vijayapura to procure contract.

BRIEF OF PROCEEDINGS HELD:

- 2.1 At the time of hearing held in the case on 24th December, 2021, the Board noted that the Complainant and the Counsel for Respondent were present before it through video conferencing, they confirmed that they have read and understood the contents of the modalities and protocols of e-hearing and follow them. Since there was a change in the composition of the Board since the last hearing, the Board gave an option to the parties to the case as to whether they would like to have a De -Novo enquiry or continue from the last proceedings to which they stated that they would like to continue from the last proceedings. Thereafter, the Complainant and the Counsel for the Respondent made their respective detailed submissions before the Board.

On consideration of the submissions and documents on record, the Board decided to adjourn the hearing in the case with the direction to the parties to the case to provide the following with a copy to the other party to the case for their comments thereon, if any:

To the Complainant:

- i. To provide the copy of the RTI application made in respect of the document specified at R27 of the compilation alongwith the complete reply (including its covering letter) received from the Transport Department, Raichur.
- ii. To seek the copy of the letter dated 12th August 2015 addressed by the Transport Department, Raichur to the Respondent.

To the Respondent:

- i. To provide a writeup on the basis of issuance of the alleged certificate together with the copy of the documentary evidences relied upon while issuing the alleged certificate.
- 2.2 Thereafter at the time of hearing held in the case on 20th April, 2022, the Board noted that the Complainant and Counsel for the Respondent were present before it through video conferencing. Since there was a change in the composition of the Board since the last hearing, the Board gave an option to the parties to the case as to whether they would like to have a De -Novo enquiry or continue from the last proceedings to which they

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stated that they would like to continue from the last proceedings. Thereafter, the Counsel for the Respondent made his detailed submissions before the Board. The Complainant also made his detailed oral submissions on the charges alleged against the Respondent.

Upon consideration of the submissions of the Complainant and the Respondent as well as documents on record, the Board decided to adjourn the hearing in the case with the direction to the parties to the case to provide the following information/ documents with a copy to the other party to the case to provide their comments thereon, if any:

The Complainant:

- i. To again seek documents from the PWD Department, Raichur, Yadgir and Vijayapura under RTI as certain enclosures to the reply received under RTI from the Department were missing, specifically the communication(including its annexures) sent by the Department to the Respondent seeking his confirmation for the certificate issued by him. The Complainant was also asked to provide the copy of the RTI application which shall be made in this respect.
- ii. The latest address, mobile number and email of the contractor Sh. S.H.Ammapur in respect of whom certificate had been issued by the Respondent.

The Respondent:

1. To provide the copy of his working papers/relied upon documentary evidences on the basis on which the Certificate claimed to have been issued by him had been issued.
2. The latest address, mobile number and email of the contractor Sh. S.H.Ammapur in respect of whom the certificate had been issued by him.

The Office:

1. Send a reminder to the Chief Secretary and the Principal Secretary, PWD, Karnataka appraising them about the matter and seeking their views on the authenticity of the turnover certificates issued by the Respondent.
2. Issue Summon to the contractor Sh. S.H.Ammapur for his appearance at the next date of hearing.
3. To send a formal written communication to the Respondent as regards the information/documents to be provided by him clearly stating that the Board expressed displeasure to the effect that despite being asked at the earlier hearing to provide the same, he did not provide the same.



- 2.3 At the time of hearing held in the case on 21st June, 2022, the Board noted that at the time of last hearing held in the case on 20th April 2022, it had directed the parties to the case to provide the information/ documents with a copy to the other party to the case to provide their comments thereon, if any. The Board further noted that the Respondent vide email dated 18th June 2022 and the Complainant vide e-mail dated 10th May 2022 submitted their response. The Board also noted that communication dated 16th June 2022 had also been sent to the respective Departments. However, no response on the same had been received.

Subsequently, Shri S. H. Ammapur appeared as a witness before the Board alongwith his daughter Ms. Ganga Devi and his assistant Shri Rajeev through video conferencing. They confirmed that they have read and understood the contents of the modalities and protocols of e-hearing and follow them. Thereafter, the Board questioned the witness with respect to the facts of the case. The Counsel for the Respondent also examined the witness. The Complainant did not wish to examine the witness. Subsequently, the witness was discharged. Thereafter, the Complainant made his submission in support of allegation made against the Respondent. The Counsel for the Respondent also made his detailed oral submissions on behalf of the Respondent before the Board. The Board also noted that the Counsel for the Respondent was not aware of the reply submitted by the Complainant vide email dated 10th May 2022 which had been duly shared with the Respondent. During the course of enquiry, time was given to the Counsel for the Respondent to make his written submission on the same which opportunity had been duly availed by him and a copy of the same was shared with the Complainant also.

However, in the interest of justice, the Board decided to adjourn the hearing in the case to 5th July 2022 to provide a final opportunity to both the parties to the case to make their final submissions in the matter duly countering the contentions of the other party to the case and a copy of the same be also shared with the other party to the case.

- 2.4 At the time of hearing held in the case on 5th July, 2022, the Board noted that the Complainant and the Counsel for the Respondent were present before it through video conferencing. The Board noted that the last hearing in the case held on 21st June 2022 had been adjourned to provide a final opportunity to both the parties to the case to make their final submissions in the matter duly countering the contentions of the other party to the case and share a copy of the same with the other party to the case. Thereafter, the Complainant and the Respondent vide letter dated 26th June 2022 and 4th July 2022 respectively made their further written submissions in the case. The opportunity of making any further oral submission before the Board was also provided to the Complainant and the Counsel for the Respondent.

On consideration of the documents and submissions on record, the Board concluded the proceedings in the case and after detailed deliberations proceeded to decide on the conduct of the Respondent.

3. BRIEF SUBMISSIONS OF THE PARTIES:

(a) The Respondent vide his Written Statement submitted as under:

- 3.1. It is fact that the Complainant had sent a whatsapp message containing the controversial certificates and asking for the Respondent's clarification as to which one is correct. He was followed up twice too. The fact that he did not confirm any of the certificates as correct may kindly not to be ignored. He was aware that the Certificate that he had issued was not in the documents sent by the Complainant tome. At the same time he was not sure about the credibility of the source of this document as there was no indication, how the Complainant was in custody of these documents.
- 3.2. The Respondent took efforts to contact the client Shri Srinivas thinking that something was wrong. But he was unbothered about the allegation and claimed that the alleged documents would unlikely be from trustable sources. He wanted the Respondent to confirm the source of the documents and warned of mischief played by someone and not by him. When the Respondent insisted to withdraw the certificate, he reminded the Respondent that he had issued only one certificate which is not in these three contentious ones and there is no question of withdrawing a certificate that was not issued, that too at the instance of an unrelated person (the Complainant). The Respondent's concerns were totally downplayed by him and Respondent's insistence to resolve the matter was responded by daring the Respondent whatever he wanted to do. Also when he claimed that he was not awarded any contract, the Respondent trusted him. On the other hand, the Respondent had no reason to trust the Complainant as he was a stranger to the Respondent.
- 3.3. The Respondent approached it with a lesser degree of seriousness because the Complainant was a competing contractor. I took the complaint as a matter of frustration by a losing contractor. When his Whatsapp messages came on 16th Sep 2016, the message was without any narrative. When his reminder came on 21st Sep 2016, the Respondent called him and requested to send his grievance, to which he sent a letter dated 22nd Sep 2016, again by Whatsapp. But the Respondent replied that he was professionally busy and wanted the letter and certificates to be sent by post. He did the same on 23rd Sep 2016.
- 3.4. On-going through the documents attached to his grievance the Respondent noticed that these documents did not carry any proof that they were sourced properly and the name of government office written was in same hand writing, but pertaining to three offices and it was not with any signature or RTI seal. The Respondent remembered the response of his client who had beforehand told him that the source of documents be doubtful. Therefore the Respondent did not want to respond to the Complainant further not to aggravate the matter.

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- 3.5. The above facts would establish why the Respondent behaved in this case in this particular manner without filing a police complaint as on one hand he had no credible documents with him to file the FIR and on the other he was scared of his client who was a powerful contractor who already had told me to be cool over the issue.
- 3.6. Attention is drawn to page R 10 of the PFO that was filed by the Complainant. It is a letter by the Respondent's client against another CA firm alleging his role of favouring the complainant with similar kind of certificates and case of abuse of CA certificate by the Complainant. This again proves that the two are against each other in settling scores as they are rival contractors. It is hence a case where CAs are made scape goats.
- 3.7. It is a fact that the Respondent had trusted the version of his client that he was not awarded any contracts on the strength of the lone certificate issued by the Respondent. However upon receipt of the PFO it has come to his knowledge from R 2 Point 4 and R 11 - R 16 that Shri Srinivas, his client, was not honest with the Respondent and in such a situation there could be reason for the Complainant to be agitated.
- 3.8. It is also clarified that the Respondent had received a communication from department seeking for confirmation on issue of Certificate . It was only in one case as he had issued only one certificate and the confirmation is on Page R 27. This confirmation was not about any of the three contentious certificates, but for the original certificate issued by the Respondent.
- 3.9. Proposal to invoke Clause (2) of Part IV of the first Schedule is not correct in the above circumstances as the Respondent neither committed any wrong act to bring disrepute to profession here nor his passive approach by not initiating a police complaint against the forgery was inappropriate in the circumstances of the case. It would be grossly unjust to hold him guilty for the mere reason that there is similarity in the signature on the alleged documents. It must be appreciated that an adjudication on the strength of unverified photocopies has no legal validity.
- 3.10. The Hon Director - Discipline (DD) had not formed a confirmed view about Respondent's involvement in any wrong act. His expression of doubt was because of similarity in stamp and signature on the contentious documents. But without a forensic examination or without having a credible document as disputed one, such a doubt cannot hold the Respondent responsible. The DD has not found any evidence against the Respondent. He only seemed to have arrived at a confused state of mind how to exonerate him at this point of time. In order to hold the Respondent guilty there has to be clear evidence against him. Therefore his half-hearted approach in PFO was not just.
- 3.11. The Respondent in the covering letter dated 3rd March, 2022, that the documents are submitted in compliance of instructions issued by the BOD on 24th December 2021. There were 54 pages in the set, containing documents pertaining to PWD Raichur

Division, PWD Yadagir Division and Vijayapura Division. Documents of Raichur office and that of Yadagir office are accompanied by letters issued by the Departments dated 22nd Feb 2022 and dated 25th Feb 2022. However, department letter accompanying documents of Vijayapura office is dated 15th Sept 2016 and hence those documents are not the ones collected recently in compliance of instructions issued by BoD on 24.12.2021.

- 3.12. Out of the documents of Riachur Division, the pages that are relevant for the proceedings are on Page 8 and 14. Both are certificates with the stamp and sign of the Respondent. Pg 8 of the PFO is the actual certificate issued by the Respondent and for which confirmation was issued by the Respondent to the Department. Facts admitted in written statement establish this. Office copy of this certificate was handed over to the Board during the hearing on 18th July, 2019. Document on page 14 is the alleged certificate that was filed with the complaint which the Respondent had denied and stated that no certificate was issued by the Respondent. It is fabricated and undated documents.
- 3.13. Out of documents of Yadagir Division that pages relevant for the proceedings are on page 21-23. Pages are certificate that was filed as part of the Complaint which the Respondent has denied in his reply and stated that no such certificate was issued by the Respondent. This was submitted by the contactor concerned and it is a fabricated document. No confirmation was issued to the Respondent. Such a document was never filed by the Complainant either as part of the Complainant set, or anytime afterwards in the proceedings before BoD.
- 3.14. Out of 25-24 documents on pages, 32-54 as same as pages C13-C34 in the prima facie opinion. Other documents pages 25-51 are not relevant. The Respondent has clearly denied and stated that he was not associated with any of these documents. These were submitted by the contactor concerned and are fabricated documents. No confirmation letter was issued by the Respondent.
- 3.15. The Respondent drew attention to pages 23 and 6 in the set claimed as obtained by the complainant under RTI but their appearance leaves room for apprehension.
- 3.16. On basis of certification issued by the Respondent were the audited accounts of the client. The accounts of those years were audited by other CAs. The client had produced the audited accounts of the business. After examining them and issuing the certificate, the client took back the financial statements. Since it was a small assignment the Respondent had not retained the copies of the documents relied up on for the certification. However, it is true that the numbers in the certificate issued by the Respondent matched with the audited accounts of the clients.
- 3.17. The complainant had not demonstrated that the Respondent had sent any reply to the alleged mail dated 31st Jan 2016. Hence the alleged mail dated 31 Jan 2016 is not any

proof against the Respondent, particularly when the confirmation was dated 30th Jan 2016.

- 3.18. The Turnover certificate that has been confirmed by the Respondent was not attached with the confirmation letter dated 30th Jan 2016 in the RTI information provided by the complainant. Page 6 of the set filed by the Complainant received by the Respondent on 21 June 2022 was only the confirmation letter not accompanied by the relevant Turnover Certificate.
- 3.19. The confirmation letter on page 6 of the set does not carry the amount of turnover which was confirmed by the Respondent. The Letter issued by the PWD department and the confirmation letter the Respondent refer to Turnover Certificate of Jan 2016, and a reference to letter issued by the Respondent in Jan 2016. However, Page 6 of the set, a certificate allegedly issued by the Respondent according to the complainant contains no date at all, nor it has any reference to 2016. Therefore, it is clearly established that page 8 of the set was integral part of the letter on page 7 of the set.
- 3.20. Therefore, the confirmation letter filed as part of RTI information submitted by the Complainant, did not establish that the Respondent issued or confirmed any Turnover certificate which was inconsistent the actual turnover of the contractor.

(a) The Complainant in his submissions, inter-alia, submitted as under:

- 4.1. In the whole episode it may kindly be seen that the turnover certificate issued by the Chartered Accountant forms a very important document considered by the Employer for evaluating the technical bid of a Contractor. As is being observed and in many cases the Chartered Accountants are colluding with unscrupulous contractors and are issuing false turn over certificates for submitting the same along with tenders. Further they are authenticating the same also when the Employer writes for verification. This practice of issuing false certificates by some of the Chartered Accountants is depriving the otherwise eligible contractors including ourselves and we were denied of many contracts because of wrong certification of turnover by a member of ICAI and helping an otherwise not eligible contractor getting the work. This is nothing but betrayal of trust reposed in the members of the ICAI by the government and society at large.
- 4.2. The Respondent have already brought to your kind knowledge a similar type of case of Sri. Shrikant Shankar Nironi, CA (M. No: 215563) in file No.PR-203/2019 where the disciplinary authority after verifying the facts and giving full opportunity to both the parties punished the concerned erring Chartered Accountant with a fine of Rs.25,000/- and black listing for two years. Thus there is such nexus of Chartered Accountants and Contractors thriving elsewhere also and needs a firm hand in dealing with such culprits.

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This needs to be set right by awarding exemplary punishment on the defaulting member. He further submitted and if it is practicable a mechanism may please be evolved to link the turnover certificate to the Income Tax returns filed by the concerned contractor to avoid this type of wrong doings.

OBSERVATIONS OF THE BOARD:

- 5.1. On perusal of the documents and submissions on record, the Board noted that the Complainant brought on record three Certificates with the following particulars which were allegedly issued by the Respondent for Sri. Shrinivas H. Ammapur Contractor with respect to the Districts: Raichur, Yadagiri and Vijayapura, for F.Y 2010-11 to 2014-15 which were misutilised by Mr. Shrinivas H. Ammapur before the various tendering authorities like Executive Engineer, PWD & IWT Dept. Division, Raichur & Yadagiri and NH Division, Vijayapura to procure contract:

<u>S.No.</u>	<u>Date of Certificate</u>	<u>Reference No.</u>	<u>Area</u>	<u>Total turnover declared in the Certificate(F.Y. 2010-11 to 2014-15)</u>
1.	NIL	90/AV/DW/2015-16	Raichur	Rs. 1,12,51,31,195/-
2.	NIL	NIL	Yadagiri	Rs.1,51,56,30,260-
3.	NIL	200/AV/MS/2015-16	Vijayapura	Rs. 210,56,30,940/-

On the other hand, the Respondent brought on record a fourth Certificate with the following particulars which was issued by him for Sri. Shrinivas H. Ammapur Contractor:

<u>S.No.</u>	<u>Date of Certificate</u>	<u>Reference No.</u>	<u>Area</u>	<u>Total turnover declared in the Certificate (F.Y. 2010-11 to 2014-15)</u>
1.	02/07/2015	31/7/2015-16/TO	Raichur	Rs. 56,51,30,745/-

- 5.2. The Board further noted that the Complainant through RTI brought on record the following documents from the PWD Department, Raichur, Yadgir and Vijayapura respectively with respect to the contractor Shri. S.H. Ammapur, while participating in the tenders in their respective division:

(a) turnover certificate

(b) Letter to CA for confirmation of TOC along with enclosure

(c) Confirmation letter of CA.

On pursual of the same, the Board noted that the Respondent in response to letter dated 12th August 2015 from PWD, Raichur, confirmed vide letter dated 4th September 2015 of having issued the Certificate dated 2nd July 2015 which was the same as the copy of the Certificate which he confirmed before the Board also.

The Board also noted with respect to the District Raichur both the Certificates with the following particulars, one brought on record by the Complainant and the other confirmed by the respondent were on record:

Raichur

<u>S.No.</u>	<u>Date of Certificate</u>	<u>Reference No.</u>	<u>Brought on record by</u>	<u>Total turnover declared in the Certificate (F.Y. 2010-11 to 2014-15)</u>
1.	NIL	90/AV/DW/2015-16	Complainant	Rs. 1,12,51,31,195/-
2	02/07/2015	31/7/2015-16/TO	Respondent	Rs. 56,51,30,745/-

The Board also noted that annual turnover figures for the five years 2010-11 to 2014-15 as appearing in the Certificate brought on record by the Complainant were also used for obtaining the credit facilities from Karnataka Bank. The Board also compared the figures of the annual turnover as appearing in the Certificate brought on record by the Complainant and the Respondent with the audited financial statements and observed as under:

Raichur

<u>Sr.</u>	<u>Financial Year</u>	<u>Figure of turnover as provided in the Certificate brought on record by the Complainant</u>	<u>Figure of turnover as provided in the Certificate brought on record by the Respondent</u>	<u>As per audited Financial Statements</u>

1	2010-2011	11,22,39,593	11,22,39,593	11,22,39,593
2	2011-2012	33,74,32,412	4,74,32,412	62,74,32,412
3.	2012-2013	36,06,41,179	906,41,179	66,06,41,179
4.	2013-2014	14,19,31,063	14,19,31,063	14,19,31,063
5.	2014-2015	17,28,86,948	17,28,86,948	56,33,86,013
	Total	1,12,51,31,195	56,51,30,745/-	210,56,30,260

The Board noted that the figures of the turnover as appearing in the Certificate brought on record by the Complainant and the Respondent did not match with the audited financial statements for the F.Y. 2011-12, 2012-13 and 2014-15. The Board also noted that except for the F.Y. 2013-14, the financial statement for the rest of the years under question were certified by the Respondent only.

- 5.3. However, the Respondent in response to letter dated 25th January 2016 from PWD, Yadagiri confirmed vide letter dated 30th January 2016 of having issued the Certificate which he expressly denied of having issued before the Board.

The Board also compared the figures of the annual turnover as appearing in the Certificate brought on record by the Complainant with the audited financial statements and observed as under:

Yadagiri

<u>Sr.</u>	<u>Financial Year</u>	<u>Figure of turnover as provided in the Certificate brought on record by the Complainant</u>	<u>As per audited Financial Statements</u>
1	2010-2011	11,22,39,593	11,22,39,593
2	2011-2012	33,74,32,412	62,74,32,412
3.	2012-2013	36,06,41,179	66,06,41,179
4.	2013-2014	14,19,31,063	14,19,31,063
5.	2014-2015	56,33,86,013	56,33,86,013
	Total	1,51,56,30,260	210,56,30,260

The Board noted that the figures of the turnover as appearing in the Certificate brought on record by the Complainant did not match with the audited financial statements for the F.Y. 2011-12 and 2012-13.

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- 5.4. The Board also compared the figures of the annual turnover as appearing in the Certificate brought on record by the Complainant which was submitted before the PWD Vijayapura with the audited financial statements and observed that the same was as per the Audited Financial Statements:

Vijayapura

<u>Sr.</u>	<u>Financial Year</u>	<u>Figure of turnover as provided in the Certificate brought on record by the Complainant</u>	<u>As per audited Financial Statements</u>
1	2010-2011	11,22,39,593	11,22,39,593
2	2011-2012	62,74,32,472	62,74,32,472
3.	2012-2013	66,06,41,799	66,06,41,799
4.	2013-2014	14,19,31,063	14,19,31,063
5.	2014-2015	56,33,86,013	56,33,86,013
	Total	210,56,30,940	210,56,30,940

However, neither the Respondent' confirmation for the same had been filed before the office of the PWD, Vijayapura nor the same was confirmed as having been issued by the Respondent before the Board.

- 5.5. The Board also noted that the Respondent denied of having audited the Financial Statement of the said Contractor. He affirmed that he had issued one certificate only on the basis of the Audited Financial Statement only. However, he could not bring the copy of the said Audited Financial Statement on record. Also, as per the observations in para 4.4 above, even for the turnover figures for the F.Y. 2011-12, 2012-13 and 2014-15 as appearing in the Certificate issued by the Respondent did not match with the figures appearing in the audited financial statements.
- 5.6. The Board also noted that the contractor i.e. Shri Srinivas H. Ammapur was summoned as a Witness before it and during the course of hearing he deposed as under:
- The Respondent had issued the Certificates and he had just submitted those Certificates.
 - He did not witness the Respondent signing the Certificates. He did not personally visit the Respondent. It was his workers who had visited the Respondent for the same and the said workers are not working with him.
 - The Respondent was working with him from 2011-12 to 2014-15 and was his Auditor.
 - He was not aware of any letter written by the PWD Department to the Respondent and the reply filed by the Respondent in that respect.

- 5.7. The Board noted the Complainant had written a letter dated 22/9/16 to the Respondent to withdraw his incorrect certificates issued in favor of the Contractor stating that there is wide variations in turnover of the same year with different amount of turnovers. It was also informed to him that Mr. Srinivas H. Ammapur who is the contractor is misusing the certificates by applying tender to various Departments. The Respondent in response to the same submitted that he contacted Mr. Srinivas and expressed his anger and anxiety by alleging that his issued certificates were forged and used for some other purpose. Furthermore, it was stated by the Respondent that Shri Srinivas had challenged him to prove what is forged and what is not and also stated that he was not any beneficiary of the forgery as no contract was awarded to him on the basis of the certificates in dispute.
- 5.8. The Board observed that although the Respondent denied of signing the Audited Statements of the Contractor for the F.Y. 2010-11 to the F.Y.2012-13 and 2014-15 and the Certificates brought on record by the Complainant, however, he neither filed any FIR in the matter nor any complaints to other authorities which makes his contentions doubtful.
- 5.9 In view of the above, the Board held that the role of the Respondent in the issuance of the aforesaid four Turnover Certificates containing the turnover figures for the F.Y. 2010-11 to 2014-15 to Mr. Shrinivas H. Ammapur, Contractor, Lingaspur having huge variations in turnover for the same financial year with different amount of turnover which were misused by Mr. Shrinivas H. Ammapur before the various tendering authorities like Executive Engineer, PWD & IWT Dept. Division, Raichur & Yadagiri and NH Division, Vijayapura to procure contract cannot be denied. There are direct as well as circumstantial evidences to suggest that the said Certificates could not have been issued without the knowledge of the Respondent. Accordingly, the Board held the Respondent guilty in respect of the charge alleged.


CONCLUSION:

6. Thus, in conclusion, in the considered opinion of the Board, the Respondent is **GUILTY** of 'Other Misconduct' falling within the meaning of Item (2) of Part- IV of First Schedule to the Chartered Accountants Act, 1949 read with Section 22 of said Act.

Sd/- Sd/- Sd/-
CA. Prasanna Kumar D. Ms. Dolly Chakrabarty (IAAS, ret'd.) CA. (Dr.) Raj Chawla
(Presiding Officer) (Government Nominee) (Member)

DATE: 10th February 2023

सही प्रतिलिपि होने का सिद्ध प्रमाणित /
Certified to be true copy


अरुण कुमार / Arun Kumar
कार्यकारी अधिकारी / Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया
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