



# भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

PR/174/2016/DD/202/2016/DC/1581/2022

[DISCIPLINARY COMMITTEE [BENCH-II (2024-2025)]]

[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**

[PR/174/2016/DD/202/2016/DC/1581/2022]

**In the matter of:**

**Mrs. Shashibala Singh,**  
Gulmohar Banglow, Dhruv Nagar,  
Shivaji Nagar, Gangapur,  
Nashik - 422 005.

...Complainant

**Versus**

**CA. Arun Kanhyalal Burad (M. No.032176)**  
C-201, Nayantara City 1,  
Bajirao Nagar, Behind Durwankur Lawns,  
Nashik - 422 002.

...Respondent

**Members Present:-**

**CA. Ranjeet Kumar Agarwal, Presiding Officer (in person)**  
**Mrs. Rani S. Nair, IRS (Retd.), Government Nominee (through VC)**  
**Shri Arun Kumar, IAS (Retd.), Government Nominee (in person)**  
**CA. Sanjay Kumar Agarwal, Member (in person)**  
**CA. Cotha S Srinivas, Member (through VC)**

**Date of Hearing : 10<sup>th</sup> April, 2024**

**Date of Order : 28<sup>th</sup> May, 2024**

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, the Disciplinary Committee was, inter-alia, of the opinion that **CA. Arun Kanhyalal Burad (M. No.032176)** (hereinafter referred to as 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.

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 a

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Mrs. Shashibala Singh Vs. CA. Arun Kanhyalal Burad (M. No.032176)



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communication was addressed to him thereby granting opportunity of being heard in person / through video conferencing and to make representation before the Committee on 10<sup>th</sup> April 2024.

3. The Committee noted that on the date of hearing held on 10<sup>th</sup> April 2024, the Respondent was not present before it and vide communication dated 19<sup>th</sup> March 2024 submitted his written representation on the Findings of the Committee. Keeping in view the provisions of Rule 19(1) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee was of the view that the Respondent has nothing more to represent before it and thus, decided to consider his case for award of punishment on the basis of material available on record. The Committee noted that the Respondent in his written representation on the Findings of the Committee, inter-alia, stated as under:-

- (a) Due to unforeseen health issues, he was unable to attend the previous hearings as planned.
- (b) There was a mistake in the financials which the Respondent rectified as soon as he got to know about it.
- (c) He also mentioned in the audit report that it was revised. For this, he provided the copy of the Revised Annual Return.

4. The Committee considered the reasoning as contained in Findings holding the Respondent Guilty of Professional Misconduct vis-à-vis written representation of the Respondent. On consideration of the same, the Committee held that due consideration to the submissions and documents on record had been given by the Committee before arriving at its Findings and that no fresh ground can be adduced at this stage.

5. Keeping in view the facts and circumstances of the case, material on record including written representation on the Findings, the Committee noted that when the Respondent came to know about the mistake / error, he filed the revised Income Tax Return on 01<sup>st</sup> February 2016, revised annual return and revised Balance Sheet of the Company, M/s Hind Tools India Pvt. Ltd. for the FY 2014-15. Further, both the revised and original audit report for the F.Y. 2014-15 had been issued by the Respondent on the same date. There was no reference to the original audit report issued by the Respondent in the revised Audit report. The requirements prescribed in SA-560 (Subsequent Events) with respect to issue of revised Audit report had not been taken into consideration by the Respondent. The Respondent had conducted audit of the Company's financial statements for the financial year 2014-2015 and submitted his audit report dated 31.10.2015 to the Company. However, the impact of share allotment was not taken into consideration by the Company as the Balance Sheet of the Company as on 31.03.2015 was showing Rs. 1,31,89,200/- as "Share Application Money Pending Allotment" rather including it in "Paid Up Capital."

5.1 It was further noted that Respondent signed a revised financial statement of the Company for the financial year 2014-15 on 31.10.2015 after knowing about the mistake in the financial statements from the practicing Company Secretary. However, the said revised Audit report



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appears to have been filed with the Income Tax Department along with the revised Income Tax return on 01.02.2016 as admitted by the Respondent in his written statement filed at PFO stage. Based on the revised financial statements, the Company had filed revised annual return of the Company with Ministry of Corporate Affairs and also filed revised Income Tax return with the Income Tax Department on 17.02.2016. The Respondent certified the revised financial statement and the amount of share application money was shown as zero.

5.2 The Respondent never appeared during the hearings conducted for the present matter and failed to substantiate his defence/ submissions. However, the Respondent was actively engaged in professional work as he was generating UDIN.

5.3 Hence, professional misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 7<sup>th</sup> February 2024 which is to be read in consonance with the instant Order being passed in the case.

6. Accordingly, the Committee was of the view that ends of justice will be met if punishment is given to him in commensurate with his professional misconduct.

7. Thus, the Committee ordered that CA. Arun Kanhyalal Burad (M. No. 032176), Nashik be Reprimanded and also a Fine of Rs. 25,000/- (Rupees Twenty-five Thousand only) be imposed upon him payable within a period of 60 days from the date of receipt of the Order.

sd/-

(CA. RANJEET KUMAR AGARWAL)  
PRESIDING OFFICER

sd/-

(MRS. RANI S. NAIR, IRS (RETD.))  
GOVERNMENT NOMINEE

sd/-

(SHRI ARUN KUMAR, IAS (RETD.))  
GOVERNMENT NOMINEE

sd/-

(CA. SANJAY KUMAR AGARWAL)  
MEMBER

sd/-

(CA. COTHA S SRINIVAS)  
MEMBER

सही प्रतिलिपि होने के लिए प्रमाणित  
Certified to be true copy

अरुण कुमार / Arun Kumar  
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, विास नगर, शाहदरा, दिल्ली-110032  
आईसीएआई भवन, शाहदरा, दिल्ली-110032

**CONFIDENTIAL**

**DISCIPLINARY COMMITTEE [BENCH – II (2023-2024)]**

**[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/174/2016/DD/202/2016/DC/1581/2022**

**IN THE MATTER OF:**

**Mrs. Shashibala Singh,**

Gulmohar Banglow, Dhruv Nagar,

Shivaji Nagar, Gangapur,

Nashik – 422 005

... Complainant

**Versus**

**CA. Arun Kanhyalal Burad (M.No.032176)**

C-201, Nayantara City 1,

Bajirao Nagar, Behind Durwankur Lawns,

Nashik – 422 002

... Respondent

**MEMBERS PRESENT-**

**CA. Ranjeet Kumar Agarwal, Presiding Officer (In person)**

**Mrs. Rani Nair, I.R.S. (Retd.), Government Nominee (In person)**

**Mr. Arun Kumar, I.A.S. (Retd.), Government Nominee (In person)**

**CA. Sanjay Kumar Agarwal, Member (In person)**

**DATE OF FINAL HEARING : 09.01.2024**

**PARTIES PRESENT ON FINAL HEARING -**

**Complainant : Not Present**

**Respondent : Not Present**

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**BACKGROUND OF THE CASE-**

1. As regard the background of the case, the Committee noted that the Complainant was a director of M/s Hind Tools India Pvt Ltd. (hereinafter referred to as the "**Company**"). The Respondent, who was the statutory auditor of the Company, had also certified certain e-Forms and filed with MCA on behalf of the Company.

**CHARGES IN BRIEF-**

2. The Committee noted that the allegations against the Respondent were-

S.no.	Charge	View of Director (Discipline)
1.	The Respondent had certified e-Form DIR-12 relating to unlawful removal of the Complainant w.e.f. 01.04.2014 based upon forged resignation of the Complainant.	Held Not Guilty
2.	The Complainant had served a legal notice on 17.06.2015 to which the Respondent had not sent any reply.	Held Not Guilty
3	The Company allotted 50,000 equity shares on 25.07.2010 but the said allotment had not been accounted for in the books of Company and the Respondent failed in its duty to qualify the Balance Sheet w.r.t this omission	Held Not Guilty
4	The Company allotted 1,31,892 equity shares on 24.06.2014. The shareholding as per the audited balance sheet and annual return as on 31 <sup>st</sup> March 2014 by the Respondent shows a total shareholding of 50,000 shares only. Hence, the Respondent had not taken into account the allotment of shares made on 24.06.2014. As per the balance sheet as on 31.03.2014, there was a share application money of Rs.1,31,89,200/-.	Held Not Guilty*

\* The Board of Discipline while considering the PFO hold the Respondent on this charge (Refer para 6 to 6.3 of this report).

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3. The Committee noted that the Respondent at the stage of PFO had, inter-alia, mentioned as under:
- a. That the Complainant had already submitted resignation from the directorship of the Company on 28.03.2014 which was considered by the board of directors in its meeting held on 29.03.2014. Both these documents were appended with e-form DIR-12 filed with ROC. The fact of having resigned was acknowledged by the Complainant in the Compromise Deed executed on 30.03.2015. The Complainant, therefore, cannot allege that she was removed from the directorship of the Company.
  - b. That there was no provision in the CA Act, 1949 and the rules framed thereunder for issue of legal notice and therefore, the Respondent was not obliged to reply to the said notice.
  - c. That the Respondent was not the auditor of the Company during FY 2010-11 and was appointed as the auditor for the first time for FY 2012-13.
  - d. That the staff of the Company was shifted and therefore, the fact of allotment of shares was not brought to the notice of the Respondent and accordingly, the said amount was shown in the share application money. Later, the practicing Company Secretary informed the Respondent about the allotment of shares and accordingly, the balance sheet was revised and revised IT return and annual return were filed on 17<sup>th</sup> February 2016.
4. The Director (Discipline) had, in his Prima-facie opinion dated 12<sup>th</sup> February 2020, noticed the following –
- 4.1 In respect of **first allegation** relating to certification of DIR-12 by the Respondent regarding removal of the Complainant, it was observed by the Director (Discipline) that the Complainant had already signed and accepted a Compromise Deed dated 30.03.2015 executed with other directors in respect of her resignation from the Company in lieu of certain consideration and other terms and conditions as mentioned in the compromise deed. The Respondent had also submitted the copy of resignation letter dated 28.03.2014 given by the Complainant.

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- 4.1.1 That though the Complainant had mentioned in her rejoinder that the Compromise deed dated 30.03.2015 was under dispute, however, the Complainant had not mentioned anything about the consideration of Rs.20 lakhs paid to her through 3 cheques as mentioned in clause 2 of the terms & conditions of the Compromise Deed.
- 4.1.2 The Respondent had submitted a copy of resolution passed at the meeting of Board of Directors of the Company held on 29.03.2014 based on which he had certified Form DIR-12. Further, it was noted that the authorized director of the Company had enclosed and uploaded the copy of resignation letter of the Complainant along with the copy of resolutions passed at the meeting of the board of directors of the Company held on 29.03.2014 while filing Form DIR-12 with the Registrar of Companies.
- 4.1.3 That the Respondent had only certified the aforesaid e-form DIR-12 filed by the Company. Since the Respondent has submitted the sufficient documents on record on the basis of which he had certified e-Form DIR-12 whereby he had nothing to doubt on the veracity of any document produced by the Company, the Respondent was held *prima facie* Not Guilty w.r.t the above allegation.
- 4.2 In respect of **second allegation** of not replying to the legal notice of the Complainant dated 17.06.2015, it was noted that the said allegation does not in any way fall within the domain of the professional misconduct under the Disciplinary mechanism, being Civil in nature. Further, the parties had access to appropriate legal remedies to settle their dispute. Thus, without going into merits of this allegation, there cannot be said to be any misconduct on the part of the Respondent.
- 4.3 In respect of **third allegation** related to non-reporting of allotment of 5000 shares in his audit report, it was noted that the Respondent was not the auditor of the Company for the FY 2010-11. Further, the Respondent had also mentioned that he became the auditor of the Company for the first-time during FY 2012-13. Therefore, the above charge was not maintainable against the

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Respondent and accordingly, he was held Not Guilty w.r.t the above allegation.

**4.4** In respect of **fourth allegation** of not taking into consideration the allotment of 1,31,892 shares by the Respondent, the Director (Discipline) had observed as under:-

- a. The Complainant had not mentioned any specific reason for which the shares allotted in FY 2014-15 i.e., after three months (June 2014) should have been included and reflected in the balance sheet of FY 2013-14.
- b. That an amount of Rs.1,31,89,200/- was shown under '*Share Application Money pending allotment*' in the balance sheet as at the year ended on 31<sup>st</sup> March 2014. It was further noted that the same amount was also shown under same head i.e., '*Share Application Money pending allotment*' in the balance sheet of FYs 2012-13 and 2011-12. Thus, this allegation was not maintainable against the Respondent.
- c. However, it appears that the allegation relates to FY 2014-15 and the mention of year ended on 31<sup>st</sup> March 2014 in the Complaint, might be a typographical error. In such case, where the share allotment had been done on 24<sup>th</sup> June 2014, the impact of the same should have been incorporated in the financial statements of the Company for the FY 2014-15.
- d. That the Respondent had first filed annual returns and audited the financial statements of the Company for the FY 2014-15, where the impact of share allotment was not coming and the amount of Rs. 1,31,89,200/- was still coming under '*Share Application Money pending allotment*' instead of '*Paid Up Capital*' in the balance sheet of the Company as at the year ended on 31<sup>st</sup> March 2015. However, the Respondent, once he came to know about the mistake/ error on being informed by the Practicing Company Secretary, filed the revised ITR on 01<sup>st</sup> February 2016, revised annual return and revised balance sheet of the Company for the FY 2014-15. In such case, though the Respondent was supposed to act diligently at all times, the benefit may be extended to the Respondent as he had rectified his

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mistake timely by filing the revised ITR, annual return and balance sheet, and that too well before the Complaint was made by the Complainant. Therefore, the Respondent was held Not Guilty w.r.t the above charge.

5. Accordingly, the 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, had held that the Respondent was **Not Guilty** of Professional Misconduct falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949. The said item in the Schedule to the Act states as under:-

***Item (7) of Part I of the Second Schedule***

"A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct if he-

*(7) does not exercise due diligence or is grossly negligent in the conduct of his professional duties".*

6. The Committee noted that the said matter was placed for consideration of Prima Facie Opinion before the Board of Discipline in its 212<sup>th</sup> meeting held on 17.06.2022 wherein the Board on consideration of the same agreed with the opinion of the Director (Discipline) with respect to the charges of certifying Form DIR-12 based on the false resignation of the Complainant, non-replying by the Respondent to the legal Notice sent by the Complainant and allotment of 50,000 equity shares on 25.07.2010 not being reflected in the books of the Company.

- 6.1 However, with respect to the charge of allotment of 1,31,892 equity shares on 24.06.2014 not being reflected in the books of the Company, the Board noted that the Respondent had filed annual returns and audited the financial statements of the Company for the FY 2014-15, where the impact of share

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allotment was not coming and the amount of Rs. 1,31,89,200/- was still coming under 'Share Application Money pending allotment' instead of 'Paid Up Capital' in the balance sheet of the Company.

- 6.2 When the Respondent came to know about the mistake/ error, he filed the revised ITR on 01<sup>st</sup> February 2016, revised annual return and revised balance sheet of the Company for the FY 2014-15. Further, both the revised and the original audit report for the F.Y. 2014-15 had been issued by the Respondent on the same date. There was no reference to the original audit report issued by the Respondent in the revised Audit report. The requirements prescribed in SA 560 (subsequent events) with respect to issue of revised Audit report had not been taken into view by the Respondent.
- 6.3 Thus, in respect of fourth allegation related to non-reporting of allotment of 1,31,892 shares, the Board **did not agree** with the prima facie opinion of the Director (Discipline) that the Respondent is **NOT GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 and accordingly decided to **refer the case to the Disciplinary Committee** to proceed under Chapter V of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 in terms of the provisions of Rule 9(3)(b) of the aforesaid Rules.

**SUBMISSION OF THE RESPONDENT ON PRIMA FACIE OPINION:-**

7. The Committee noted that the Respondent has not made any written submissions on the prima facie opinion.

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**BRIEF FACTS OF THE PROCEEDINGS-**

8. The Committee noted that the instant case was fixed for hearing on the following dates:

S. No.	Dates	Status of hearing
1.	31.05.2023	Adjourned in absence of both the parties
2.	22.06.2023	Adjourned in absence of both the parties
3.	31.10.2023	Adjourned at the request of the Respondent
4.	13.12.2023	Deferred due to paucity of time.
5.	09.01.2024	Concluded in absence of both parties.

9. On the day of first hearing held on 31<sup>st</sup> May 2023, the Committee noted that none of the parties were present when the case was taken up for hearing. Further, no intimation was received from either of the parties despite due delivery of notice to them. Thereafter, considering the fact that this was the first hearing and keeping in view the principles of natural justice, the Committee decided to provide one more opportunity to both parties and accordingly, adjourned the case to a future date.
10. On the day of second hearing held on 22<sup>nd</sup> June 2023, the Committee noted that neither the Respondent was present, nor any intimation was received from his end despite notice/email was duly served upon them. The Committee, looking into principles of natural justice decided to give final opportunity to the Complainant to present his representations, if any. The Committee also directed the office to check:

- a) UDIN details of the Respondent.
- b) Whether KYC compliance has been made by the Respondent.

Thereafter, the Committee decided to adjourn the hearing to a future date.

11. On the day of third hearing held on 31<sup>st</sup> October 2023, the Committee noted that both the parties were not present. The Committee also noted that the Respondent vide e-mail dated 30<sup>th</sup> October 2023 mentioned that he requires time for presenting his case and hence, requested for an adjournment in the

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matter. The Committee, looking into the absence of both the parties, decided to adjourn the matter to the next date. Further, the Committee also directed the office to inform the parties that no more adjournments shall be granted to the parties. With this, the hearing in the matter was adjourned at the request of the Respondent.

12. The Committee noted that fourth hearing fixed in the above matter on 13.12.2023 was adjourned due to paucity of time.
13. On the day of fourth hearing held on 9<sup>th</sup> January 2024, the Committee noted that both the parties were not present despite due delivery of notice to them. The Committee noted that the Respondent vide his e-mail dated 8<sup>th</sup> December 2023, instead of making submissions on merits of the case, had brought on record unsigned withdrawal letter of the Complainant. It was also noted that a withdrawal letter signed by the Complainant was also received from M/s Hind Tools India Pvt. Ltd. vide e-mail dated 5<sup>th</sup> December, 2023. Since the complaint was filed by the Complainant in his individual capacity and the request of withdrawal of complaint was received from the Company, an e-mail dated 06.12.2023 was sent to the Company to submit the hardcopy of the withdrawal letter, but the Company failed to submit any hard copy of the same.
  - 13.1 The Committee on perusal of the signatures of the Complainant on withdrawal letter submitted by M/s Hind Tools India Pvt. Ltd. noted that the same were apparently different from the signatures of the Complainant. Accordingly, the Committee decided not to accept the said withdrawal letter.
  - 13.2 The Committee further noted that the instant matter was listed for 5<sup>th</sup> time before the bench and the Respondent had never appeared before the bench. After consideration of the same, vis-à-vis facts of the case and documents/submissions on record, the Committee noted that instead of repeated reminders, the Respondent did not care to appear before the bench which shows his casual approach towards his professional duties.
  - 13.3 The Committee further noted that the instant matter was referred by the Board of Discipline wherein it was observed by the Board of Discipline that the

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Respondent had signed two financial statements of the same company for same year and uploaded the same with MCA and Income Tax without even mentioning the second one as revised. Accordingly, keeping in view the facts and circumstances of the case, the material on record and the submissions of the parties, the Committee concluded the hearing and passed its judgment.

#### **FINDINGS OF THE COMMITTEE-**

14. The Committee noted that the charge against the Respondent was that he had failed to qualify the non-reporting of allotment of 1,31,892 equity shares on 24.06.2014 in the financial statements of the Company i.e. M/s Hind Tools India Pvt Ltd. The Committee also noted that the Director (Discipline) had held the Respondent not guilty with respect to above charge. However, the Board of Discipline did not agree with the observation of the Director (Discipline) in respect of above charge and refer the matter to the Disciplinary Committee for further enquiry on the said charge.
- 14.1 The Committee noted that while referring the matter to the Disciplinary Committee, the Board of Discipline had mentioned that when the Respondent came to know about the mistake / error, he filed the revised ITR on 01<sup>st</sup> February 2016, revised annual return and revised balance sheet of the Company for the FY 2014-15. Further, both the revised and the original audit report for the F.Y. 2014-15 had been issued by the Respondent on the same date. There was no reference to the original audit report issued by the Respondent in the revised Audit report. The requirements prescribed in SA-560 (subsequent events) with respect to issue of revised Audit report had not been taken into consideration by the Respondent.
- 14.2 Hence, the charge referred to the Committee by the Board of Discipline for inquiry was that the Respondent failed to include a reference of his original audit report in his revised audit report as required by SA-560.

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15. In respect of above charge, the Committee took note of the fact that the Respondent had conducted audit of the Company's financial statements for the financial year 2014–2015 and submitted his audit report dated 31.10.2015 to the Company. However, the impact of share allotment was not taken into consideration by the Company as the Balance Sheet of the Company as on 31.03.2015 was showing Rs. 1,31,89,200/- as "Share Application Money Pending Allotment" rather including it in "Paid Up Capital."
16. The Committee also observed that the Respondent had signed a revised financial statement of the Company for the financial year 2014–15 on 31.10.2015 after knowing about the mistake in the financial statements from the practicing Company Secretary. However, the said revised audit report appears to have been filed with the Income Tax Department alongwith the revised Income tax return on 01.02.2016 as admitted by the Respondent in his written statement filed at PFO stage. The Committee also noted that based on the revised financial statements, the Company had filed revised annual return of the Company with MCA and also filed revised income tax return with the Income Tax Department on 17.02.2016.
17. The Committee took note of the fact that the Respondent had signed the original and revised financial statements for the financial year 2014–15 on the same day. On perusal of the revised financial statements of the Company, it is observed by the Committee that the Respondent had certified the revised financial statements and the amount of share application money was shown as zero. However, the Respondent could not bring on record any documentary evidence to show that he has duly given reference of his first audit report in his revised audit report.
18. The Committee further noted that the Respondent never appeared during the hearings conducted for the present matter and failed to substantiate his defence/ submissions. However, the Committee observed that the Respondent was actively engaged in the professional work as he was generating UDIN, but he did not care to appear before it to defend his case.



Accordingly, the absence from the disciplinary proceedings may be considered as an admission of guilt.

19. As regard the requirement of SA-560 on 'Subsequent Event', it is observed that the paragraph 16 of SA-560 states as under:-
- "16. The auditor shall include in the new or amended auditor's report an Emphasis of Matter paragraph or Other Matter(s) paragraph referring to a note to the financial statements that more extensively discusses the reason for the amendment of the previously issued financial statements and to the earlier report provided by the auditor."*
20. In view of the above requirement and since the Respondent admitted that he had revised the audit report after knowing about the mistake from the Company Secretary and in the absence of the evidence from the Respondent, the Committee viewed that the Respondent failed to ensure compliance of the requirements of SA-560 and certified the revised financial statements without giving any reference of the previous audit report. Hence, the Committee is of the view that the Respondent did not exercise due diligence in discharge of his professional duties and he acted in a careless manner which is not acceptable as per the standards of the Institute.

### CONCLUSION

21. In view of the findings stated in the above paragraphs vis-a-vis material and submission on record, the Committee in its considered opinion holds the Respondent **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. RANJEET KUMAR AGARWAL)  
PRESIDING OFFICER

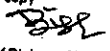
SD/-  
(MRS. RANI NAIR, I.R.S. RETD.)  
GOVERNMENT NOMINEE

SD/-  
(MR. ARUN KUMAR, I.A.S., RETD.)  
GOVERNMENT NOMINEE

SD/-  
(CA. SANJAY KUMAR AGARWAL)  
MEMBER

DATE: 07<sup>TH</sup> FEBRUARY, 2024  
PLACE: NEW DELHI

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बिष्वा नाथ तिवारी / Bishwa Nath Tiwari  
कार्यकारी अधिकारी / Executive Officer  
अनुशासनात्मक निदेशालय / Disciplinary Directorate  
इंस्टिट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया  
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