



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 (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.

[PPR/135/2015/DD/110/2015/DC/1513/2021]

In the matter of: -

CA. Jeetendra Kumar Amar (M. No. 065389), Kolkata in Re:Respondent

MEMBERS PRESENT: -

CA. Charanjot Singh Nanda, Presiding Officer
Shri Jugal Kishore Mohapatra, IAS (Retd.) (Government Nominee)
CA. Chandrashekhkar Vasant Chitale, Member

Date of Hearing : 2nd April 2024

Date of Order : 26.06.2024

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 noted that CA. Jeetendra Kumar Amar (M. No. 065389) (hereinafter referred to as the Respondent) was held GUILTY of professional misconduct falling within the meaning of Item (7) of Part I of 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 opportunity of being heard in person / through video conferencing and to make written & verbal representation before the Committee on 2nd April 2024.

3. The Committee noted that on the date of the hearing held on 2nd April 2024, the Respondent was present through video conferencing, from ICAI Kolkata, Kasba Office, and he made his verbal submission on the findings of the Disciplinary Committee.

4. In his verbal submission the Respondent inter alia stated that whatever he wanted to say, he has already said during the course of the hearing and there are no new submissions.

5. The Committee considered the reasoning as contained in the findings holding the Respondent Guilty of professional misconduct vis-à-vis verbal submissions of the Respondent.



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6. Keeping in view the facts and circumstances of the case, material on record including verbal and written submissions of the Respondent, the Committee is of the view that professional misconduct on the part of the Respondent is established. Accordingly, the Committee ordered that a fine of Rs. 25,000/- (Rupees Twenty-Five Thousand only) be imposed upon the Respondent i.e. CA. Jeetendra Kumar Amar (M. No. 065389) to be paid within 90 days of receipt of the Order. If the Respondent fails to pay the fine within the stipulated period, his name be removed from the Register of Member for a period of thirty days.

Sd/-

(CA. CHARANJOT SINGH NANDA)
(PRESIDING OFFICER)

Sd/-

(SHRI JUGAL KISHORE MOHAPATARA),
I.A.S. (RETD.), (GOVERNMENT NOMINEE)

Sd/-

CA. CHANDRASHEKHAR VASANT CHITALE
(MEMBER)

Place : 26.06.2024

Date : New Delhi

प्रमाणित सत्य प्रतिलिपि / Certified True Copy

A. Grover

अंजू ग्रोवर / ANJU GROVER
सहायक सचिव / Assistant Secretary
अनुशासनात्मक विभाग / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
आइसीएआई भवन, विश्वास नगर, शाहदरा, दिल्ली-110032
B-1, Phase-2, Vishwas Nagar, Shahdara, Delhi-110032

CONFIDENTIAL

DISCIPLINARY COMMITTEE BENCH – I (2023-2024)
[Constituted under Section 21B of the Chartered Accountants
(Amendment) 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. PPR/135/2015/DD/110/INF/2015/DC/1513/2021

In the matter of:

CA. Jeetendra Kumar Amar (M. No. 065389), Kolkata in Re:

Members Present:

CA. Aniket Sunil Talati, Presiding Officer

Sh. Jugal Kishore Mohapatra, IAS (Retd.) (Government Nominee)
(Through Online mode)

Sh. Prabhash Shankar, IRS (Retd.), (Government Nominee)

CA (Dr). Rajkumar Satyanarayan Adukia, Member (Through Online mode)

Date of Final Hearing : 14th Sept 2023

Place of Final Hearing : New Delhi (Through Video Conferencing)

Parties Present (Through VC)

Counsel for the Respondent: CA. A P Singh and CA. Utsav Hirani

1. Brief Background and allegations of the matter: -

In the instant case, the Respondent was a Statutory Auditor of a Company namely M/s. Ravi Kiran Reality India Ltd. (hereinafter referred to as "Company") for the financial year 2011-12. An information letter dated

19th May 2014 was received from Shri Nikki Agarwal, Assistant Manager, Security and Exchange Board of India, Kolkata (hereinafter referred to as "Informant") who interalia requested to examine as to whether the Respondent has exercised reasonable due diligence in discharge of his professional duties and to take action for violations of applicable provisions, if any, in relation to certification of Produce Advance.

It was stated that the amounts being received by the Company against Produce Advance have increased significantly from Rs. 1 Lakhs in the financial year 2010-11 to Rs. 2.86 Crore in the financial year 2011-12 whereas the Respondent has merely mentioned following in the schedules of Balance Sheet:

"The amount received by company against Product advance is unconfirmed and has not been verified in detail"

It was opined that when the details of parties giving the advance was not available, the Respondent should have either qualified his report or should have given an adverse opinion on the same, however, a clean report was issued by him, and such disclosure was made in the schedules of Balance Sheet only.

2. **BRIEF OF THE DISCIPLINARY PROCEEDINGS: -**

- 2.1 The Committee noted that during the previous hearing held on 06th July 2023, the hearing in the matter was part heard and adjourned.
- 2.2 On the day of the final hearing held on 14th Sept 2023, the Committee noted that the counsels for the Respondent appeared through VC. The counsels of the Respondent made their submissions on the allegations. The Committee also posed questions to the counsels of the Respondent. After hearing the submissions, the Committee decided to conclude the hearing in the matter.

3. **SUBMISSION OF THE PARTIES AND FINDINGS OF THE COMMITTEESS**

The Respondent/ counsels of the Respondent interalia made the following written/ verbal submissions in their defense: -

- 3.1 That these advances were made for items to be procured and they were backed by the purchase orders, but an auditor is not required to retain such documents like purchase order in his audit file.
- 3.2 That the Respondent has verified the amount so received through verification of cash book, bank book and the vouchers presented by the Management.
- 3.3 That the balances were unconfirmed since the confirmations were not provided.
- 3.4 Since the advances received by the Company were verified with the bank book and cash book, it essentially means that the money has actually come into the accounts of the Company.
- 3.5 Once the money is there in the bank account (or cash account) which stands verifiable as per the bank statement, the question of the balance confirmation of those amounts does not arise. Such confirmation does not provide any further comfort on the financial of the Company.
- 3.6 That when the money is received as an advance and the same is accounted for appropriately, the question of there being a material misstatement on account of such advance does not even arise.
- 3.7 That sending external confirmation is not a compulsory process to be undertaken by an auditor during the conduct of his audit. The Guidance Note issued by ICAI as well as the applicable Standards does make obtaining confirmations mandatory.
- 3.8 When the question of misstatement does not arise, the question of there being a disclaimer or qualified opinion does not arise.
- 3.9 There is no risk of material misstatement, since the case is not of recovery of money not lying with the Company, which might have adverse consequences on the profit and loss account.

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- 3.10 That the responsibility of the auditor is to check the underlying evidence at the time of performance of his audit and the Respondent has already submitted that he has checked from the bank statement that the money has been received in the books of accounts of the Company and when the money has already been received, the question of sending a confirmation, which is an alternative, does not arise and the purpose for this kind of confirmation does not seem to be justified, since the money has already been received. Further that the primary purpose of the statutory auditor is to give true and fair view and he is not supposed to investigate the channel of the funds and the Respondent has verified the bank entries and ensured that the money has come into the bank account of the Company, and he has mentioned these facts in his rebuttal submitted with the SEBI as well.
- 3.11 On being questioned by the Committee, the counsel of the Respondent further submitted that in the instant matter there was no iota of suspicion on the alleged money that has come into the bank account of the Company through banking channel and a lot of things get detected at a later point of time when the audit is completed and that is pure hindsight and the benefit of doubt may be extended to the Respondent.

4. **FINDINGS OF THE COMMITTEE: -**

After considering the submissions and documents on record, the Committee noted that at the time of consideration of PFO, the committee sought various documents and details on the nature of product advance, its breakup, copy of agreement for such advances and its settlement, however, it was observed that the Respondent has not submitted any such documents in response to the information sought from him. It was further opined that considering the nature of transaction and facts that the Product advance was unconfirmed and unverified, the Respondent was required to either qualify his audit report or give an adverse opinion, but the Respondent has issued a clean report on this aspect and merely caused disclosing about the same in the schedules of Balance Sheet. Thus, considering above, the conduct of the Respondent has been viewed adversely holding him **Guilty** of Professional Misconduct falling within the meaning of Items (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

5. **CONCLUSION: -**

In view of the above noted facts and in the considered opinion of the Committee, the Committee held the Respondent **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949.

Sd/-

CA. Aniket Sunil Talati
(Presiding Officer)

Sd/-

Shri Jugal Kishore Mohapatra, I.A.S.
(RETD.) (Govt. Nominee),

Sd/-

Shri Prabhash Shankar
I.R.S. (RETD.), (Govt. Nominee)

Sd/-

CA (Dr). Rajkumar Satyanarayan Adukia,
Member

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

नीलम पुंडीर / Neelam Pundir
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
इंस्टिट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया
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ICAI Bhawan, Vashwas Nagar, Shahdara, Delhi-110032

DATE: 06.12.2023

PLACE: New Delhi