



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 (2025-2026)]

[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/G/14/17/DD/119/2017/DC/1249/2019]

In the matter of: -

Shri D N Chowdhury,
Deputy Registrar of Companies,
O/o Registrar of Companies
Ministry of Corporate Affairs, Nizam Palace,
2nd MSO Building, 2nd Floor, 234/4, AJC Bose Road,
Kolkata - 700 020

.....Complainant

Versus

CA. Rajeev Tandon (M. No. 050522)
220/1, A Jagdish Ch Bose Road,
Flat No.2,
Kolkata - 700017

.....Respondent

MEMBERS PRESENT: -

1. **CA. Prasanna Kumar D, Vice President, ICAI & Presiding Officer (Through VC)**
2. **Ms. Rani S. Nair, IRS (Retd.) (Government Nominee) (Through VC)**
3. **Shri Ajaib Singh, IA&AS (Retd.) (Government Nominee) (In Person)**
4. **CA. Chandrashekhar Vasant Chitale (In Person)**
5. **CA. Vishnu Kumar Agarwal (Through VC)**

Date of Hearing : 22.01.2026

Date of Order : 05.02.2026

1. That vide findings dated 22nd December 2025 issued 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. Rajeev Tandon (M. No. 050522)** (hereinafter referred to as the **Respondent**)

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is **GUILTY** of Professional Misconduct falling within the meaning of Items (5), (6) and (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 him an opportunity of being heard in person / through video conferencing and to make his written & verbal representation before the Committee on 22nd January 2026.
3. The Committee noted that on the aforesaid date of the hearing held on 22nd January 2026, the Respondent was neither present, nor any adjournment request has been received from him. The Committee noted on earlier occasion, another opportunity of presenting his case was given to the Respondent on 20th January 2026, however, at that time also, the Respondent did not bother to appear before the Bench. Accordingly, the Committee decided to proceed with the matter on the basis of documents available on record.
4. The Committee noted that in the instant case, the Complainant has alleged that the Respondent, while acting as the Statutory Auditor of the subject Company had failed to report understatement of Equity Paid-up Capital in the Financial Statements of the Company for the financial years 2011-12 and 2012-13. Upon perusal of the records placed on file, including Form-2 dated 03.11.2011 and 11.11.2011 certified by the Respondent and the audited financial statements, the Committee observed that the Company had an opening equity share capital of Rs. 5,00,000/- and it has further issued equity share capital amounting to Rs. 40,00,000/- and Rs. 15,00,000/- during FY 2011-12. Accordingly, the aggregate equity share capital as on 31.03.2012 ought to have been Rs. 60,00,000/-, whereas the Financial Statements for FY 2011-12 and 2012-13 reflected equity share capital of only Rs. 45,00,000/-, thereby omitting the equity share capital of Rs. 15,00,000/- issued on 11.11.2011.

The Committee further noted that the Respondent failed to file his Written Statement at the prima facie stage and also did not appear before the Committee despite being given multiple opportunities during the hearing stage under Rule 18(6). The Committee viewed that the Respondent, in his capacity as Statutory Auditor, failed to exercise due diligence while issuing the audit reports and also adopted a casual approach towards the disciplinary proceedings. In the absence of any defense or explanation from the Respondent, the Committee held him Guilty of professional misconduct falling within the meaning of Items (5), (6) and (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

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5. In the absence of any written or verbal representation from Respondent, the Committee concurred with the reasoning as contained in the findings dated 22nd December 2025 holding the Respondent **GUILTY** of Professional Misconduct falling within the meaning of Items (5), (6) and (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.
6. Keeping in view the facts and circumstances of the case and the material on record, the Committee ordered that **the Respondent. CA. Rajeev Tandon (M. No. 050522) be reprimanded along with a fine of Rs. 100,000/- (Rupees One Lacs Only) to be paid within 60 days of receipt of this Order.**

Sd/-

(CA. Prasanna Kumar D)
PRESIDING OFFICER

Sd/-

(Ms. Rani S. Nair, IRS (Retd.))
GOVERNMENT NOMINEE

Sd/-

(Shri Ajaib Singh, IA&AS (Retd.))
GOVERNMENT NOMINEE

Sd/-

(CA. Chandrashekhar Vasant Chitale)
MEMBER

Sd/-

(CA. Vishnu Kumar Agarwal)
MEMBER

DATE: 05.02.2026

PLACE: New Delhi

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

निशा शर्मा / Nisha Sharma

सहायक सचिव / Assistant Secretary

अनुशासनगतक निदेशालय / Disciplinary Directorate

भारतीय सनदी लेखाकार संस्थान

The Institute of Chartered Accountants of India

आई.सी.ए.आई. भवन, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)

ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – I (2025-2026)]
[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/G/14/17/DD/119/2017/DC/1249/2019

In the matter of:

**Shri D N Chowdhury
Deputy Registrar of Companies,
O/o the Registrar of Companies
Ministry of Corporate Affairs
Nizam Palace, 2nd MSO Building, 2nd Floor
234/4, AJC Bose Road,
KOLKATA-700020**

.....Complainant

Versus

**CA. Rajeev Tandon... (M.No.050522)
220/1 A Jagdish Ch Bose Road,
Flat no. 2,
KOLKATA-700017**

.....Respondent

MEMBERS PRESENT: -

- i) CA. Prasanna Kumar D, Vice President, ICAI & Presiding Officer (In Person)**
- ii) Ms. Rani S. Nair, IRS (Retd.) (Government Nominee) (In Person)**
- iii) Shri Ajaib Singh, IA&AS (Retd.) (Government Nominee) (In Person)**
- iv) CA. Chandrashekhar Vasant Chitale, Member (In Person)**

DATE OF FINAL HEARING : 23-10-2025
PLACE OF FINAL HEARING : Noida

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

I – **Brief of the Disciplinary Proceedings held on 30th July 2020**

On the date of the hearing held on 30.07.2020, the Committee noted that neither the Complainant nor the Respondent was present. Further, there was no intimation from the Complainant about his absence from the hearing. As regard the Respondent, the Committee noted that notices and e-mail sent to him were returned undelivered. On the same, the Committee directed the office to get the notice of next hearing delivered to the Respondent through the Kolkata Office of ICAI. With this, the Committee decided to **adjourn the hearing** to provide one more opportunity to both the parties.

II – **Brief of the Disciplinary Proceedings held on 26th August 2020**

On the date of hearing held on 26.08.2020, the Committee noted that as per the directions in the previous hearing, the notice to the Respondent was attempted in person through ICAI, Kolkata Office, however, when attempted the Respondent's premises was found locked. The Committee noted that the notice of the hearing was also mailed to the Respondent on his registered e-mail id, however, when no response was received from him the Committee decided to adjourn the matter to provide one more opportunity to the Respondent.

III – **Brief of the Disciplinary Proceedings held on 13th October 2025**

At the outset of the hearing, the Committee noted that neither the Complainant and nor the Respondent was present at the time of hearing. It was further noted that no adjournment request were received from any of the parties. On consideration of the same, the Committee decided to give one more opportunity to both the parties. With this the hearing in the matter was adjourned **due to non-availability of the Complainant and the Respondent.**

IV – **Brief of the Disciplinary Proceedings held on 23rd October 2025**

At the outset of the hearing, the Committee noted that the Complainant and the Respondent were neither present nor any adjournment request were received from any of them. The Committee noted that since number of adjournments have already been provided in the matter earlier, it decided to proceed in the matter on the basis of documents available on record. The Committee perused all the documents available on record along with the Prima Facie Opinion formed by the Director (Discipline). The Committee also deliberated on the matter in detail. After due deliberations and keeping in view the facts and circumstances of the case, material on record, the Committee decided to conclude the hearing in the subject matter.

Deputy RoC, Kolkata -Vs.- CA. Rajeev Tandon, (M. No. 050522), Kolkata

2. **CHARGES IN BRIEF**

The Committee noted that in the Prima Facie Opinion dated 05th August 2019 formed by 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, the Respondent was held Prima Facie Guilty of Professional Misconduct falling within the meaning of Items (5), (6) and (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949. The said clauses/ item of the Schedule provides as under:

A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he –

(5) "fails to disclose a material fact known to him which is not disclosed in a financial statement, but disclosure of which is necessary in making such financial statement where he is concerned with that financial statement in a professional capacity"

(6) "fails to report a material misstatement known to him to appear in a financial statement with which he is concerned in a professional Capacity"

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

3. **BRIEF BACKGROUND OF THE MATTER AND ALLEGATIONS: -**

It is alleged that the Respondent who was the Auditor of M/s Progress Cultivation Limited (PCL) (hereinafter referred to as "**the Company**") for the financial years 2011-12 and 2012-13 has failed to report in his Audit Report of that the Paid-up Capital of the said Company has been understated. It is stated that the subject Company (i.e., PCL) had initial Paid-up Capital of Rs. 5,00,000/- during 2010-11 whereas during the FY 2011-12, the Company had issued fresh equity share capital twice on 03.11.2011 and 11.11.2011 for an amount of Rs. 40,00,000/- & 15,00,000/- respectively for which the Company had filed two Form 2 (Return of Allotment). It was seen that both these forms for allotment of shares were also certified by the Respondent making aggregate share capital of the said Company to be Rs. 60,00,000/- as on 31st March 2012 (5,00,000 + 40,00,000 + 15,00,000). However, it is seen that the Audited Financial Statement of the Company for the FY 2011-12 & 2012-13 reflected Share Capital of only Rs. 45,00,000/- (5,00,000 + 40,00,000). Thus, the Equity Share Capital issued by

the Company on 11.11.2011 for Rs. 15,00,000/- was not reported in the financial statements of the subject Company for the FY 2011-12 & 2012-13. Considering the fact that since Respondent was not only the Auditor of the subject Company during the FY 2011-12 & 2012-13 but was also the certifying professional of both the Returns of Allotment dated 03.11.2011 & 11.11.2011, the Director (Discipline) in his Prima Facie Opinion has held Respondent Prima Facie Guilty of Professional Misconduct falling within the meaning of Items (5), (6) and (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949.

4. FINDINGS OF THE COMMITTEE

4.1 The Committee noted that the Complainant has alleged that the Respondent has failed to report understatement of its Equity Paid-up Capital of the Company in the Financial Statement of the subject Company for the financial years 2011-12 and 2012-13. The Committee noted that in support of his allegation the Complainant has brought on record following documents:

- Copy of both Form 2, certified by the Respondent dated 03.11.2011 and 11.11.2011.
- Copy of Financial Statements of the subject Company for the financial year 2011-12 and 2012-13 audited by the Respondent.

On perusal of Financial Statement of the subject Company for the FY 2011-12, it is seen that the subject Company had Initial/Opening Equity Share Capital of Rs. 5,00,000/- (C-18) and during FY 2011-12, the said company had issued further Equity Share Capital twice for which it filed two Form-2 dated 03.11.2011 and 11.11.2011 (both certified by the Respondent). The Committee noted that considering that the Company had Initial Equity Share Capital of Rs. 5,00,000/- and during FY 2011-12, it had increased its Equity Share Capital twice, for an amount of Rs. 40,00,000 and Rs. 15,00,000 on 03.11.2011 and 11.11.2011 respectively, the aggregate Equity Share Capital of the Company as on 31.03.2012 became Rs. 60,00,000/- (5,00,000 + 40,00,000 + 15,00,000), however, from the Financial Statement of the subject Company audited by the Respondent, it is seen that the Company in its financial statement for FY 2011-12 & 2012-13 had mentioned its Equity Share Capital as Rs. 45,00,000/- only instead of Rs. 60,00,000/- thereby ignoring the Equity Share Capital issued by the said Company on 11.11.2011 for an amount of Rs. 15,00,000/-.

4.2 Further, the Committee also noted that the Respondent was neither himself present during the course of any hearing nor has filed his Written Statement in the instant

Complaint under Rule 8(1)(a) despite reminders sent to him by the directorate at Prima Facie Stage which reflects his casual approach not only while issuing his audit report but also towards dealing with the instant disciplinary case wherein serious allegations have been levelled against him.

- 4.3 The Committee also noted that at hearing stage under Rule 18(6), the Respondent was given multiple opportunities to present his case before the bench on 30.07.2020, 26.08.2020, 13.10.2025 and 23.10.2025, however, the Respondent has not bothered to appear before the bench even once.
- 4.4 The Committee viewed that the Respondent in his position as an Auditor of the subject Company has not exercised the requisite due diligence while issuing his Audit Report for the FY 2011-12 & 2012-13. Moreover, he has not filed any counter reply/submissions to present his defence to the allegation. Accordingly, the Committee decided to hold the Respondent **Guilty** of professional misconduct falling within the meaning of Items (5), (6) and (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

5. CONCLUSION

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

Sd/-
(CA. Prasanna Kumar D)
PRESIDING OFFICER

Sd/-
(Ms. Rani S. Nair, IRS (Retd.))
GOVERNMENT NOMINEE

Sd/-
(Shri Ajaib Singh, IA&AS (Retd.))
GOVERNMENT NOMINEE

Sd/-
(CA. Chandrashekhar Vasant Chitale)
MEMBER

DATE: 22.12.2025
PLACE: New Delhi

Deputy RoC, Kolkata -Vs.- CA. Rajeev Tandon, (M. No. 050522), Kolkata

सचिवालय को भेजे के लिए प्रमाणित / Certified to be True Copy

श्री गुरु / Shri. G. Gupta
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनिक निदेशालय / Disciplinary Directorate
संस्थान का राष्ट्रीय कार्यालय

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