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-II (2026-2027)]
[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.

File No.: [PR/269/2021-DD/242/2021-DC/1838/2023]
In the matter of:
Sh. Ashok Venkatesh Deshpande
C/o Adv. U.A. Patel
F/403, Goodwill Gardens, Sector-8,
Kharghar, Navi Mumbai,
MAHARASHTRA-410210. **.... Complainant**

Versus

CA. Namit Deepak Bhambri (M.No.173320)
Partner of M/s S.V. Kedia & Associates
Chartered Accountants
B-421, 4th Floor, Vardhman Market,
Sector-17, Vashi,
Navi Mumbai,
MAHARASHTRA – 400703. **...Respondent**

MEMBERS PRESENT:

1. **CA. Prasanna Kumar D, Presiding Officer (In person)**
2. **CMA. Chandra Wadhwa, Government Nominee (In person)**
3. **CA. Mahesh Shah, Government Nominee (In person)**
4. **CA. Satish Kumar Gupta, Member (In person)**
5. **CA. Hans Raj Chugh, Member (In person)**

DATE OF HEARING: 23rd July 2026
DATE OF PRONOUNCEMENT OF ORDER: 23rd July 2026
DATE OF ORDER: 23rd July 2026

1. That vide Findings dated 11th February 2026 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. Namit Deepak Bhambri (M.No.173320)** (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 communication was addressed to him thereby granting an opportunity of being heard in person/ through video conferencing and to make representation before the Committee on **23rd July 2026.**

3. The Committee noted that on the date of hearing on **23rd July 2026**, the Respondent was present through VC. During the hearing, the Respondent made verbal submissions and also referred to the written representation dated 22nd July 2026 on the Findings of the Committee. The Committee noted the written representation of the Respondent dated 22nd July 2026, and verbal submissions on the Findings of the Committee, which, inter alia, are as under: -

- The lapse was due to lack of professional care and diligence, without any dishonesty, malafide intention, or falsification of financial information.

- The concern regarding verification of the complete bank passbook for the financial year stood clarified upon submission of the second passbook during the proceedings.

- The amounts appearing in the passbooks and the cash withdrawals reflected therein have never been disputed, nor has there been any allegation of fictitious withdrawals, misappropriation, fraud, financial loss, or personal benefit. The lapse relates solely to the incorrect description of the extent of verification undertaken, and not to the correctness of the figures certified.

- There is no finding that he obtained any pecuniary advantage, that any stakeholder suffered financial loss, that any public funds were affected, or that any statutory authority was deceived.

- He expressed sincere regret for the same and pleaded for leniency in punishment.

4. The Committee considered the reasoning as contained in Findings holding the Respondent 'Guilty' of Professional Misconduct vis-à-vis verbal and written submissions of the Respondent. The Committee noted that the issues/ submissions made by the Respondent as aforestated have been dealt with by it at the time of hearing under Rule 18.

5. Thus, keeping in view the facts and circumstances of the case, material on record including verbal and written submissions of the Respondent on the Findings, the Committee observed that the Respondent had issued a Cash Withdrawal Certificate dated 12th September 2020 in respect of M/s Gouri Enterprises for the year ended 30th September 1985, certifying that the particulars contained therein were in agreement with the books of account maintained, financial statements prepared and bank passbook of alleged entity.

6. The Committee observed that the Respondent prepared the Certificate primarily on the basis of the bank passbook and financial statements, without verifying the Cash Book. It further noted that expenses such as bank interest, bank charges and commission, and interest on term loans were incorrectly treated as cash payments, reflecting an assumption that all expenses in the Profit and Loss Account had been paid through cash withdrawals without proper verification. The Respondent, in his written submissions submitted at the hearing stage, admitted that the

relevant books of account were not available for verification at the time when the Certificate was issued.

7. The Committee further noted that the minutes of the Arbitral Meeting dated 18th February 2022 recorded that the books of account of the relevant period were not available. Accordingly, the Committee was of the view that the Respondent had incorrectly certified verification of the books of account despite the admitted fact that they were neither available nor verified, thereby failing to exercise the due diligence and care expected while issuing the certificate.

8. The Committee was therefore of the considered view that the Respondent had failed to exercise due diligence and professional care while issuing the said Certificate, resulting in the issuance of a misleading professional certification. Hence, the Professional Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 11th February 2026 which is to be read in consonance with the instant Order being passed in the case.

9. Accordingly, the Committee was of the view that the ends of justice would be met if punishment is given to him in commensurate with his Professional Misconduct.

10. **Thus, the Committee, keeping in view the facts and circumstances of the case, material on record and representation of the Respondent before it, ordered that CA. Namit Deepak Bhambri (M. No. 173320), Mumbai be Reprimanded and also imposed a fine of Rs. 50,000 (Rupees Fifty Thousand only) under Section 21B(3)(a) of the Chartered Accountants Act, 1949.**

Sd/-
(CA. PRASANNA KUMAR D)
PRESIDING OFFICER

Sd/-
(CMA Chandra Wadhwa)
GOVERNMENT NOMINEE

Sd/-
(CA. Mahesh Shah)
GOVERNMENT NOMINEE

Sd/-
(CA. SATISH KUMAR GUPTA)
MEMBER

Sd/-
(CA. Hans Raj Chugh)
MEMBER

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy
मीनू गुप्ता / Meenu Gupta
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनात्मक 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 – II (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

File No: PR-269/2021/DD/242/2021/DC/1838/2023

In the matter of:

Sh. Ashok Venkatesh Deshpande
C/o Adv. U.A. Patel
F/403, Goodwill Gardens, Sector-8,
Kharghar, Navi Mumbai,
MAHARASHTRA-410210. **.....Complainant**

Versus

CA. Namit Deepak Bhambri... (M.No.173320)
Partner of M/s S.V. Kedia & Associates
Chartered Accountants
B-421, 4th Floor, Vardhman Market,
Sector-17, Vashi,
Navi Mumbai,
MAHARASHTRA – 400703. **.....Respondent**

Members Present (in person):

CA. Charanjot Singh Nanda, Presiding Officer
CMA. Chandra Wadhwa, Government Nominee
CA. Mahesh Shah, Government Nominee
CA. Pramod Jain, Member
CA. Ravi Kumar Patwa, Member

DATE OF FINAL HEARING : 2nd December 2025

Parties Present (through videoconferencing):

Complainant: Shri. Ashok Venkatesh Deshpande
Authorized representative of the Complainant: Shri U.A. Patel, Advocate
Respondent: CA. Namit Deepak Bhambri (M.No.173320)
Counsel for the Respondent: Sh. S. G. Gokhale, Advocate

1. BACKGROUND OF THE CASE:

1.1 The Complainant was 50% partner of M/s Gouri Enterprises, a Registered Partnership Firm (hereinafter referred to as 'the Firm') incorporated in 1980 and the other partner was Ms. Gouri Arun Deshpande. It was a family Partnership Firm. Initially all business activities were conducted from the office on rent at L.J. Road, Mahim, Mumbai. Thereafter, the firm was shifted to Royal Industrial Estate, Wadala on rent which was later on owned by the firm in 1986. In 2002, the firm was shifted to Thane Belapur Road, Navi Mumbai on rent. In 2007, the firm was shifted to the premises owned by the firm at New Panvel. All the firms' record, lock, stock and barrel were shifted every time. However, before shifting to New Panvel in 2007, the financial records of the firm for the year 1980 to 1992 and unwanted files, etc. were destroyed in accordance with the laws laid down by the Income Tax.

1.2 There were disputes between both the partners on the subject matter of an ongoing arbitration proceeding pending before Sole Arbitrator Justice Naresh Patil (Retd.)-Ex-Chief Justice of High Court of Judicature at Mumbai. During the arbitration proceeding Ms. Gouri Arun Deshpande filed Evidence Affidavit dated 12th September 2020 and produced Certificate of Cash Withdrawals issued by the Respondent.

2. CHARGES IN BRIEF:

2.1 The Committee noted that the following had been alleged against the Respondent: -

S. No.	Allegations	Prima Facie Opinion of Director(Discipline)	Clauses
1.	The Respondent had not mentioned the Registration Number of the Partnership Firm M/s S.V. Kedia & Associates on the alleged Certificate.	Not Guilty	---
2.	The Respondent had neither sought the Complainant's consent nor contacted the existing auditors of the firm to provide the alleged Certificate.	Not Guilty	---
3.	Various amounts mentioned in the Certificate were wrong and incorrect as the entire amount of Direct Expenses and Indirect Expenses reported in the Profit and loss Account were considered as Cash expenses. The Respondent issued false, incorrect and fabricated Certificate containing Ex-facie mistakes in the Certificate.	**Guilty**	Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

3. THE RELEVANT ISSUES DISCUSSED IN THE PRIMA FACIE OPINION DATED 10th NOVEMBER 2023 FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF ARE GIVEN BELOW(only with respect to the allegation for which the Respondent has been held prima facie guilty):

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3.1 The extant case pertained to a Certificate of Cash Withdrawals issued by the Respondent on 12th September 2020 for the year ended 30th September 1985.

3.2 In this respect, it was stated that the various amounts mentioned in the Certificate were wrong and incorrect as the entire amount of Direct Expenses and Indirect Expenses reported in the profit and loss account were considered as Cash expense which, as per the Complainant, indicated that the business of the firm was carried on cash basis. It was further stated that the Respondent had nowhere mentioned in the Certificate either the source through which he obtained the books of accounts of the Firm or whether the alleged Certificate was in agreement to the books of accounts for the year ended 30th September 1985. Hence, it was alleged that the Respondent had issued false, incorrect and fabricated Certificate containing Ex-facie mistakes in the Certificate. The Respondent, in this regard, submitted that he had issued the Certificate after verification of the documents produced before him and had denied the allegation of false, incorrect and fabricated Certificate. He further submitted that he had nowhere mentioned, commented and opined in the Certificate that the entire amount of Direct Expenses and Indirect Expenses were the Cash expenses. He also submitted that he had mentioned in the Certificate that the maintenance of records, documents, books of accounts and preparation of the financial statements was the responsibility of the management of the firm. He had neither expressed his audit opinion on the financial statements nor certified that the firm was carrying out its business entirely on cash basis. It was further noted that the Respondent had in response to this Directorate's query about the documents relied upon by him for the issuance of alleged Certificate, clarified that he had relied upon the Statement of bank account no. 1949 maintained by the firm with Saraswat Co-Operative Bank, Dadar Branch, the Profit and Loss Account for the year ended 30th September 1985 and the Balance Sheet of M/s Gouri Enterprises as on 30th September 1985.

3.3 The extant allegation has arisen on account of absence of books of accounts of the period to which the alleged Certificate pertained to. Although on the face of Certificate the Respondent had explicitly stated the documents relied upon by him which included the passbook for the period ended 30th Sept 1985 but on record he produced only the passbooks for the period 22.03.1984 to 24.05.1985 which raised doubt if he was able to gather the complete information for the period. Further, it was noted from the Certificate that the Respondent had after extracting the figures of cash withdrawals from the said bank account, expenses – direct, indirect, sales tax from the profit and loss account, advance tax and capital withdrawn from the balance sheet determined the total cash balance which signify that he presumed that all cash withdrawn from the bank account was utilized for meeting the said expenses. However, on scrutiny of the passbook, it was noted that there were indeed transactions through Cheque also. Further, the receipts from the Sales or Opening Cash Balance were also not considered and that the figures of advance income tax paid as shown in the balance sheet being considered as paid during the year although it might be the figure accumulated over the years. Hence, the assumptions based on which the said Certificate was made had not been disclosed due to which it was not possible for the reader to understand the alleged Certificate. There were discrepancies in the Cash Withdrawal Certificate issued by the Respondent as alleged by the Complainant. Therefore, it was viewed that the Respondent was not diligent in performance of his professional duties.

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3.4 The Director (Discipline) in his Prima Facie Opinion dated 10th November 2023 opined that the Respondent was Prima Facie **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 of 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:
X X X X X
(7) does not exercise due diligence or is grossly negligent in the conduct of his professional duties.
X X X X X

3.5 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee at its meeting held on 14th December 2023. The Committee on consideration of the same, concurred with the reasons given against the charge(s) and thus, agreed with the Prima Facie opinion dated 10th November 2023 of the Director (Discipline) that 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 and accordingly, decided to proceed further under Chapter V of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

4. **DATE(S) OF WRITTEN SUBMISSIONS/PLEADINGS BY PARTIES:**

4.1 The relevant details of the filing of documents in the instant case by the parties are given below:

S.No.	Particulars	Date
1.	Date of Complaint in Form 'I' filed by the Complainant.	09.07.2021
2.	Date of Written Statement filed by the Respondent.	28.09.2021
3.	Date of Rejoinder filed by the Complainant.	27.10.2021
4.	Date of Prima facie Opinion formed by Director (Discipline).	10.11.2023
5.	Written Submissions filed by the Respondent after Prima facie Opinion	14.03.2024 19.09.2025 18.11.2025 29.11.2025
6.	Written Submissions filed by the Complainant after Prima facie Opinion	21.03.2024, 15.11.2025

5. **SUBMISSION OF THE RESPONDENT ON PRIMA FACIE OPINION:**

5.1 The Respondent in his submissions dated 14th March 2024, in response to the Prima Facie Opinion, inter-alia, stated as under: -

a) The complaint had arisen out of an internal dispute between partners of a firm who were close relatives.

b) He qualified as a Chartered Accountant in 2016 and had issued the impugned Certificate in 2020, at a stage when he was relatively inexperienced and lacked proper guidance. While due care had been exercised in verifying the available documents, certain drafting nuances were inadvertently overlooked.

c) The principal error in the Certificate lay in the opinion paragraph, where it was stated that the Certificate had been issued after verification of, inter alia, the books of account, whereas in fact the books of account were not made available for verification. Had the books been produced, a bifurcation of expenses between cheque and cash payments could have been undertaken.

d) The reference to books of account in the opinion paragraph was inadvertent and stemmed from the commonly used language in such Certificates. Attention was drawn to paragraph 1 of the Certificate, wherein it was clearly stated that the Certificate had been prepared solely on the basis of the bank passbook, and that the books of account had neither been verified nor audited by him.

e) The Respondent had explicitly denied having audited the books of account and that the inclusion of the term "books of account" in the opinion paragraph was an oversight, rendering the statement erroneous but not false or misleading.

f) The inclusion of statements regarding Management's Responsibility and Practitioner's Responsibility was a standard disclosure in line with the ICAI Guidance Note on Reports or Certificates for Special Purposes and should not be construed as an assertion that the books of account had been verified.

5.2 The Respondent vide letter dated 19th September 2025 provided the copy of the Bank Passbook of M/s Gouri Enterprises for the period 24th May 1985 to 9th May 1986.

5.3 The Respondent vide letter dated 18th November 2025 provided a copy of the bank statement and working for the amount in his Certificate which are the subject matter of the complaint.

5.4 The Respondent vide letter dated 29th November 2025 provided the copy of the profit and loss account of M/s Gouri Enterprises for the relevant period.

6. SUBMISSION OF THE COMPLAINANT ON PRIMA FACIE OPINION:

6.1 The Complainant in his submissions in response to the Prima Facie Opinion, inter-alia, stated as under: -

a) The Respondent knowingly issued a false Certificate during an ongoing arbitration to benefit one party, without having any books of accounts. The Certificate falsely states that figures were tallied with books of accounts for F.Y.1985, which admittedly never existed. The Respondent misused the term "books of accounts" without qualification, effectively undertaking an unauthorized re-audit of already audited accounts.

b) Issuance of the Certificate without consulting the Complainant or the statutory auditor demonstrates malafide intent. The so-called "Cash Withdrawal Statement" contains non-cash items, makes no reference to a Cash Book (which was never available), and ignores key components such as cash received, cash paid, cash spent, and cash deposited in the bank, rendering it misleading and incomplete.

c) Direct and indirect expenses were incorrectly treated entirely as cash expenses, with no bifurcation between cash and bank expenses, falsely concealing the absence of a Cash Book. Advance tax and sales tax were wrongly treated as cash expenditure of the same year, and capital withdrawals were incorrectly shown as cash withdrawals. While closing cash balance was considered, opening cash balance was omitted, further invalidating the statement.

d) The opinion paragraph of the Certificate is false, as it incorrectly claims agreement with books of accounts that were admittedly unavailable.

e) Ms. Gouri Deshpande, named as a Respondent in arbitration, had neither filed any claim nor any counterclaim in the proceedings.

7. **BRIEF FACTS OF THE PROCEEDINGS:**

7.1 The details of the hearing(s) fixed and held/adjourned in said matter are given as under: -

S. No.	Particulars	Date(s) of meeting	Status of hearing
1.	1st Hearing	18.06.2024	Part Heard & Adjourned
2.	2nd Hearing	28.07.2025	Adjourned at the request of the Respondent
3.	3rd Hearing	19.08.2025	Adjourned at the request of the Respondent.
4.	4th Hearing	19.09.2025	Part-Heard and adjourned.
5.	5th Hearing	06.10.2025	Fixed and adjourned.
6.	6th Hearing	19.11.2025	Fixed and adjourned.
7.	7th Hearing	02.12.2025	Heard and concluded.

7.2 At the time of hearing held in the case on 18th June 2024, the Committee noted that the Complainant along with his Counsel and the Respondent were present before it through video conferencing. Thereafter, the Complainant and the Respondent were administered on Oath. The Committee enquired from the Respondent as to whether he was aware of the charge(s) alleged against him to which he replied in the affirmative. However, he pleaded Not Guilty to the charge(s) levelled against him. The Committee, looking into the fact that this was the first hearing, decided to adjourn the hearing in the case to a future date.

7.3 At the time of hearing held in the case on 28th July 2025, the Committee noted that the Respondent vide email dated 28th July 2025 sought adjournment on the ground that his Counsel/Authorized Representative is occupied with other Court hearing(s). Since the request for adjournment of hearing had been received for the first time, the Committee, keeping in view the principles of natural justice, acceded to the request of the Respondent for adjournment. Accordingly, the hearing in the case was adjourned at the request of the Respondent.

7.4 At the time of hearing held in the case on 19th August 2025, the Committee noted that the Respondent, vide his email dated 18th August 2025, had requested an adjournment on the ground that his authorized representative was currently travelling for Ganesh Chaturthi festivities as his travel was scheduled prior to the hearing and because of heavy rainfall in various parts of the State and increased festive travellers, he is not able to arrange for travel back to Mumbai. Although the hearing in the case had been adjourned at the request of the Respondent on earlier occasion also, however, keeping in view the principles of natural justice, the Committee acceded to the request of the Respondent for adjournment to provide a final opportunity to the Respondent to defend his case before it. Accordingly, the hearing in the case was adjourned at the request of the Respondent.

7.5 At the time of hearing held in the case on 19th September 2025, the Committee noted that the Complainant as well as the Respondent along with their respective Counsel(s) were present before it through video conferencing. Since there had been a change in the composition of the Committee since the last hearing held in the case, the same was duly intimated to both the parties to the case who were present before the Committee and were given an option of de-novo. The parties to the case affirmed to continue with the proceedings in the case. Thereafter, on being asked by the Committee to further substantiate their case, the Counsel for the Complainant, inter-alia, stated that the alleged Certificate relates to a period for the year ending 30th September, 1985, whereas the Bank Passbook, on the basis of which it has been prepared is covering a period of 22nd September, 1984 to 24th May, 1985. The alleged Cash withdrawal Certificate is based on passbook whereas a Cash withdrawal Certificate has to come from a cash book also having a withdrawal from the bank if it is with the bank column.He further submitted that the alleged Certificate falsely claimed tallying with books of accounts as the same never existed for Financial Year 1984-85. Thereafter, the Counsel for the Respondent presented the Respondent's line of defence, inter-alia, admitting that the Respondent never verified the cash book or the books of accounts of Financial Year 1984-85. On consideration of the submissions made, the Committee posed certain questions to the Counsel for the Complainant and the Respondent which were responded to by them. Thus, on consideration of the submissions and documents on record, the Committee adjourned the hearing in the case with the direction to the Respondent to provide the following documents/information within one week with a copy to the other party to the case to provide their comments thereon, if any: -

a) Copy of Complete Passbook for the alleged period.
b) Specifically identify the cash withdrawals shown in the alleged Certificate with the Bank passbook.
c) Specifically identify the direct and indirect expenses which are shown in the alleged Certificate with the item(s) in the Profit & Loss Account for the alleged period.

7.6 At the time of hearing held in the case on 6th October 2025, the Committee noted that the Complainant, vide his email dated 29th September 2025, requested an adjournment on the ground that his Advocate is engaged in multiple Court proceedings and, therefore, will not be in a position to attend any hearing until 21st October 2025. Since the request for adjournment of hearing had been received for the first time, the Committee, keeping in view of the principles of natural justice, acceded to the request of the Complainant for adjournment. Accordingly, the hearing in the case was adjourned at the request of the Complainant.

7.7 At the time of hearing held in the case on 19th November 2025, the Committee noted that the Complainant vide his email dated 17th November 2025, requested for an adjournment of hearing on ground that his Counsel is not available on the date of hearing and he himself had burn injury and just discharged from the hospital. Further, the Respondent vide email dated 17th November 2025 informed that he is travelling out of town and would not be available on the date of hearing. Looking into the ground on which request for adjournment of hearing had been made by the Complainant and the Respondent, the Committee, keeping in view the principles of natural justice, acceded to the request of the Complainant and the Respondent for adjournment. Accordingly, the hearing in the case was adjourned at the request of the Complainant and the Respondent.

7.8 At the time of hearing held in the case on 2nd December 2025, the Committee noted that the Complainant and the Respondent along with their respective Counsel(s) were present before it through Video Conferencing. The Committee further noted that the Respondent vide email dated 19th September 2025, 18th November 2025 and 29th November 2025 provided his response in compliance with the direction given by the Committee at the time of hearing held in the case on 19th September 2025. The Complainant also vide email dated 15th November 2025 made his submissions. Thereafter, considering the submissions made by the respective Counsel of the Complainant and the Respondent, the Committee posed certain questions to them which were responded by them. Thereafter, the Committee, on consideration of the documents on record and the oral and written submissions of the parties to the case vis-à-vis facts of the case, decided to conclude the hearing in the case.

8. **FINDINGS OF THE COMMITTEE:**

8.1 The Committee noted that the bone of contention in the instant case is a Certificate of Cash Withdrawals dated 12th September 2020 in respect of M/s Gouri Enterprises for the year ended 30th September 1985 issued by the Respondent. The Committee further noted that the Respondent in the said Certificate certified as under:

"CERTIFICATE OF CASH WITHDRAWALS

We hereby certify the below summary of cash withdrawals, cash balance, profit and loss account extracts and balance sheet extracts of M/s Gouri Enterprises for the year ended 30th September 1985 as verified from the passbook of account no. 1949 maintained with Saraswat Co-operative Bank, Dadar branch by the partnership firm and financial statements of the firm for that year.

S.No.	Particulars	Ref.	Amount (Rs.)
1.	Total cash withdrawn from A/c no. 1949 maintained with Saraswat Co-operative Bank for the year ended 30th September 1985		3,69,241.75
2.	Total direct expenses (*)		25,645
3.	Total indirect expenses (*)		1,98,917.20
4.	Total expenses (*)	(1) + (2)	2,24,562.00
5.	Advance tax paid (*)		11,125
6.	Sales Tax paid (*)		2,913.20
7.	Capital withdrawal BY Ashik Deshpande (*)		52,170.75

8.	Capital withdrawal by Gouri Deshpande (*)		8370
9.	Balance Cash	(1) + (4) + (5) + (6) + (7) + (8)	70,100.60
10.	Cash in hand as on 30th September 1985		2,738.99
11.	Difference in cash	(9) + (10)	67,361.61

This certificate has been prepared from the above mentioned bank passbook and financial statements comprising of profit and loss account for the year ended 30th September 1985and balance sheet as at that date produced before us for verification. These books have not been subject to audit by us.

....

PRACTITIONER'S RESPONSIBILITY

Our responsibility is to provide assurance whether the details in this certificate are in agreement with the books of accounts maintained and financial statements prepared by M/s Gouri Enterprises."

8.2 The Committee further noted that during the course of hearing the Respondent was asked as under:

a) Specifically identify the cash withdrawals shown in the alleged Certificate with the Bank passbook.

b) Specifically identify the direct and indirect expenses which are shown in the alleged Certificate with the item(s) in the Profit & Loss Account for the alleged period.

8.2.1 In response, the Respondent vide email dated 18th November 2025 provided the required working.

8.2.2 On perusal of the same, the Committee noted that in the alleged Certificate various indirect expenses, such as bank interest, bank charges and commission, and bank interest on term loan amounting to Rs. 340.22, Rs. 2,701.91 and Rs. 6,589.03 respectively, were treated as having been paid in cash. The Committee observed that such expenses are, by their very nature, ordinarily debited directly by banks through journal entries and are not discharged through cash payments. Recording such expenses as cash payments in the Certificate indicated that the Respondent had mechanically assumed that all expenses reflected in the Profit and Loss Account had been met out of cash withdrawals, without undertaking any verification or applying professional skepticism. The Committee was of the view that such treatment of expenses was not only factually implausible but also untenable.

8.3 The Committee also noted that the alleged Certificate of Cash Withdrawals dated 12th September 2020 had been prepared by the Respondent primarily on the basis of the bank passbook of the firm. While the bank passbook may reflect withdrawals made from the bank account, the Committee was of the firm view that a Certificate of Cash Withdrawals cannot be validly issued solely on the basis of a bank passbook. The Committee emphasized that the Cash Book is a primary and fundamental accounting record for determining actual cash inflows and outflows, including opening cash balance, cash receipts, cash payments, and closing cash balance. In the absence of verification of the Cash Book, it would be impossible to ascertain whether the amounts withdrawn from the bank were actually utilized as cash expenses, redeposited into the bank, or otherwise applied. The Respondent's failure to insist upon or verify the Cash Book before issuing a Certificate of such nature, in the Committee's view, constituted a serious lapse in professional diligence.

8.4 Further, the Committee noted that in the Opinion part of the alleged Certificate of Cash Withdrawals dated 12th September 2020, the Respondent categorically stated that as under:

"Opinion

Based on our examination, as above, we are of the opinion that the particulars in this certificate are in agreement with the books of accounts maintained, financial statements prepared and bank passbook of M/s Gouri Enterprises."

8.5 The Committee further noted that however, the Respondent, in his written submissions dated 14th March 2024, admitted before the Committee that the books of accounts of the relevant period were not made available to him for verification at the time of issuance of the said Certificate. The Committee also noted that the Counsel for the Respondent during the course of hearing held on 2nd December 2025 also admitted as under:

"to a certain extent, there is shortcoming in the Certificate. In para 2 and 3, there are references to the books of accounts. But I have not verified the books of accounts, as I am admitting in WS to Prima Facie Opinion also."

8.6 The Committee also took note of the minutes of the Arbitral Meeting held on 18th February 2022, wherein it was specifically recorded that the Power of Attorney holder of Mrs. Gouri Arun Deshpande (to whom the alleged Certificate was provided by the Respondent) submitted that the books of accounts for which inspection is sought, are not available with them.

8.7 In view of the above undisputed factual position, the Committee observed that the statement made by the Respondent in the Opinion paragraph of the alleged Certificate of Cash Withdrawals dated 12th September 2020 to the effect that the particulars were in agreement with the books of accounts, was demonstrably incorrect. The Committee was of the considered view that a Chartered Accountant is expected to exercise utmost care and precision while issuing any Certificate as it is a written confirmation of the facts stated therein. Issuance of a Certificate containing a categorical assertion regarding verification of books of accounts, when such books of accounts were admittedly neither available nor verified, reflects a clear lack of due diligence on the part of the Respondent.

8.8 Thus, on consideration of the submissions and documents on record, the Committee held that the Respondent failed to exercise due diligence and professional care while issuing the alleged Certificate of Cash Withdrawals dated 12th September 2020. Accordingly, the Committee held that 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.

9. CONCLUSION:

9.1 In view of the findings stated in above paras, vis-à-vis material on record, the Committee gives its charge wise findings as under: -

Charges (as per PFO)	Findings	Decision of the Committee
S.no. 3 of Para 2.1 as given above	Paras 8.1 to 8.8 as given above	**GUILTY** - Item (7) of Part I of the Second Schedule

9.2 In view of the above observations, considering the oral and written submissions of the parties and material on record, the Committee held 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. CHARANJOT SINGH NANDA)
PRESIDING OFFICER

Sd/-
(CMA. CHANDRA WADHWA)
GOVERNMENT NOMINEE

Sd/-
(CA. MAHESH SHAH)
GOVERNMENT NOMINEE

Sd/-
(CA. PRAMOD JAIN)
MEMBER

Sd/-
(CA. RAVI KUMAR PATWA)
MEMBER

DATE : 11.02.2026
PLACE : NEW DELHI

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy
Charantup
चरण सिंह / Charan Singh
कार्यकारी अधिकारी / Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
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ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)