CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – IV (2026-2027)]

[Constituted under Section 21B of the Chartered Accountants Act,1949]

Findings under Rule 18(17) and Order under Rule 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

File No: [PR/G/125/2017-DD/143/2017-DC/1979/2025]

In the matter of:
Mr. Utpal Kumar Acharya,
Dy. DGFT, O/o the Addl. DGFT,
(CLA) Wing 'A',
Indraprastha Bhawan, I.P. Estate,
New Delhi – 110002 **.....Complainant**

Versus

CA. Sandeep Midha (M. No. 085937),
S-460, G.K. Part - I,
New Delhi – 110048 **.....Respondent**

MEMBERS PRESENT:

1. **CA. Mangesh Kinare, Presiding Officer & Vice-President, ICAI (In Person)**
2. **Ms. Dakshita Das, IRAS (Retd.), Government Nominee (Through VC)**
3. **Adv. Vijay Jhalani, Government Nominee (In Person)**
4. **CA. Dayaniwas Sharma, Member (In Person)**
5. **CA. Ravi Kumar Patwa, Member (In Person)**

Date of Final Hearing	**: 04.06.2026**
Date of Decision Taken	**: 21.07.2026**
Date of Pronouncement of Decision	**: 23.11.2026**

PARTIES PRESENT ON THE DATE OF FINAL HEARING:

Authorised Representative of the Complainant	**: Shri Mahaveer, FTDO (through VC)**
Authorised Representative of the Respondent	**: CA. Lakshay Gupta (through VC)**

1. **Background of the Case:**

The Complainant Department had issued an Export House Certificate to M/s. Tanya Impex (hereinafter referred to as the ***"firm"***) based on their export turnover certified by the Respondent as per para 3.19b of Handbook of procedure 2015-2020 in a manner prescribed in annexure to ANF-3C.

2. **Charges in brief:**

<table>
<tr><th>Allegation No. (As per PFO)</th><th>Allegation against the Respondent</th><th>PFO of DD</th><th>Clauses</th></tr>
<tr><td>01</td><td>The Respondent firm issued two different certificates in favor of the firm on 13.06.2016 and 20.06.2016 with two different figures for the same financial year i.e.: -
<table><tr><th>S. No.</th><th>Financial Year</th><th>Figures (as provided on 20.06.2016)</th><th>Figures (as provided on 13.06.2016)</th></tr><tr><td>1</td><td>2015-16</td><td>84,91,271.00</td><td>87,75,666.00</td></tr><tr><td>2</td><td>2014-15</td><td>96,84,494.00</td><td>98,21,942.00</td></tr><tr><td>3</td><td>2013-14</td><td>61,27,830.00</td><td>55,68,012.00</td></tr></table>When clarification was sought from the Respondent firm regarding the discrepancies in the figures of two certificates for the same years, the Respondent has confirmed that first certificate dated 13.06.2016 (sic 11.06.2016) was issued on the basis of dates of Invoices raised by the party, while the second certificate dated 20.06.2016 (sic 11.06.2016) was based on the dates of Airway Bills.</td><td>Guilty</td><td>Item (7) of Part I of the Second Schedule</td></tr>
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3. The Committee noted that the Prima Facie Opinion dated 03rd May 2018 was placed before the Disciplinary Committee at its 180th meeting held on 26th June 2018 wherein in terms of the provisions of Rule 9(2)(c) of the Chartered Accountants (Procedure of Investigations of Professional and other misconduct and Conduct of Cases) Rules, 2007, the Committee directed the Director (Discipline) to seek information from the Respondent about the verification procedures adopted by him in order to establish the linkage between the ledger account entries (as provided along with the written statement) and the bank statements of the firm in question for the relevant period. In the said meeting the Committee directed the Directorate to call from the Respondent duly certified bank statements establishing the linkage between the export recorded as sales and their realization in the said bank accounts and thereafter, place his opinion for consideration. Thus, the Disciplinary Committee decided to refer the case back to the Director (Discipline).

3.1 As per aforesaid direction, the above documents/ information was called for from the Respondent by the Directorate vide its letter dated 08.03.2024. In response, the Respondent vide letters dated 18.04.2024 and 25.05.2024 provided the requested documents / information. Accordingly, after considering the new documents / information / facts and the existing documents already on records, in reiteration of the views expressed in earlier prima facie opinion dated 03rd May 2018, Director (Discipline) formed supplementary prima facie opinion dated 22nd August 2024, wherein, the Respondent was held prima facie ***GUILTY*** of professional misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

3.2 The Committee noted that in the Prima Facie Opinion dated 22nd August 2024 and 03rd May 2018 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 in sole allegation as above (Allegation No. 1). He was held Prima Facie Guilty of Professional Misconduct falling within the meaning of Item (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949 which is as under:

Item (7) of Part-I of Second Schedule states as under: -
"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"

4. **Brief of the Disciplinary Proceedings: -**

Details of the hearing(s) fixed and held/ adjourned in the said matter are given as under:–

S.No.	Date of Meeting(s)	Status
1.	17th March 2026	Oath taken by the Respondent.
2.	01st April 2026	Part Heard and Adjourned.
3.	14th May 2026	Adjourned due to paucity of time.
4.	04th June 2026	Heard & concluded. Judgement Reserved
5.	21st July 2026	Decision Taken

4.1 On the day of hearing held on 17th March 2026, the Committee noted that the Respondent and Complainant both were present through VC. Being first hearing of the case, the Respondent was put on Oath. Thereafter, the Committee enquired from the Respondent as to whether he was aware of the charge(s) against him and whether he

pleads guilty. In response the Respondent replied that he is aware of the charges and pleaded 'Not Guilty' to the charges levelled against him. Accordingly, in view of Rule 18(9) of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee adjourned the case to a future date.

4.2 On the day of hearing held on 01st April 2026, the Committee noted that the Authorised Representative of the Complainant was present through VC and the Counsel for the Respondent were present in person. The Committee directed the Complainant to make his submissions in the matter. The Complainant alleged that the Respondent had certified Annexure-3C on the basis of accounting value whereas the said certificate was required to be issued on the basis of realised value, i.e., payment received from the overseas.

Thereafter the Committee directed the Counsel for the Respondent to make his submissions in the matter. The Counsel for the Respondent submitted that the first certificate was issued on the basis of Invoice date, while the second certificate was issued on the basis of Airway Bills. He further submitted that the difference in the figures pertains to freight, Bank charges and certain exchange fluctuations which cannot be traced out from the bank statement, but it is taken from the books of accounts.

After considering the above submissions, the Committee directed the Counsel for the Respondent to provide the reconciliation of the amount mentioned in his certificate with the amount realized in the bank account for all the three years, i.e., 2013-14, 2014-15 and 2015-16. With this, the case was Part Heard and adjourned.

4.3 On the day of hearing held on 14th May 2026, consideration of subject case was deferred by the Committee due to paucity of time.

4.4 On the day of hearing held on 4th June 2026, the Committee noted that the Authorised Representative of the Complainant and the Respondent were present through VC and appeared before it.

The Committee noted that the matter was part heard on 01.04.2026 in which the Authorised Representative of the Respondent made his submissions on the allegation in which the Respondent was held Prima Facie Guilty by Director (Discipline). In the said hearing the Committee directed the Authorised Representative of the Respondent to provide the reconciliation of the amount mentioned in his certificate with the amount realized in the bank account for all the three years, i.e., 2013-14, 2014-15 and 2015-16. The Committee noted that the Respondent had provided the said reconciliation on 30th April 2026.

Thereafter the Committee directed the Authorised Representative of the Respondent to make his submissions. The Authorised Representative of the Respondent submitted that

the reconciliation pertains to the total sales reported in the audited financial statements vis-à-vis the figures reflected in the bank statements. He also submitted that the certificate had been issued on the basis of shipping bills which were duly realised from the respective debtors. He clarified that the first certificate issued was withdrawn Suo-motu and the second certificate was issued prior to the initiation of any action by the DGFT.

Thereafter, the Committee directed the Authorised Representative of the Complainant to make his submissions. The Authorised Representative of the Complainant submitted that the certificates had been issued on the basis of shipping bills, whereas, as per the annexure to ANF-3B, the certificate is required to be issued on the basis of actual realisation of export proceeds. He contended that if the realisation had been received at the time of issuance of the certificate, the Respondent would have mentioned the same earlier as well.

The Committee considered the submissions made by both parties and directed the Authorised Representative of the Complainant to furnish his final written submissions, if any. The Committee further directed the Authorised Representative of the Respondent to submit an affidavit from the Respondent, within 7 days, affirming that the amounts mentioned in the certificate had been duly realised from the debtors prior to the issuance of the certificate. After hearing the submissions of the Parties, the Committee deliberated on the matter and decided to conclude the hearing and judgment was kept reserved.

4.5 In the meeting held on 21st July 2026, the Committee noted that the subject case was heard by it in the presence of the Authorised Representative of the Complainant and the Respondent, and the hearing was concluded at its meeting held on 04th June 2026 and the Findings was kept reserved. The Committee considered the material on record. The Committee deliberated in detail on the said case and took decision on the conduct of the Respondent.

5. **Submissions of the Complainant/ Respondent and Findings of the Committee:**

Allegation 1: - It is alleged that the Respondent firm issued two different certificates in favor of the firm on 13.06.2016 and 20.06.2016 with two different figures for the same financial year i.e.: -

S. No.	Financial Year	Figures (as provided on 20.06.2016)	Figures (as provided on 13.06.2016)
1	2015-16	84,91,271.00	87,75,666.00
2	2014-15	96,84,494.00	98,21,942.00
3	2013-14	61,27,830.00	55,68,012.00

When clarification was sought from the Respondent firm regarding the discrepancies in the figures of two certificates for the same years, the Respondent has confirmed that first certificate dated 13.06.2016 was issued on the basis of dates of Invoices raised by the party, while the second certificate dated 20.06.2016 was based on the dates of Airway Bills. The Committee noted that the Authorised Representative of the Complainant and the Respondent during hearing and through their written submissions had inter-alia stated as under:

5.1.1 The Authorised Representative of the Respondent, in his defence, submitted that M/s Tanya Impex, Delhi, a well-established export firm and client of the Respondent since year 2009, had maintained an export record with no instances of default or adverse notice from the RBI or any other regulatory authority.

5.1.2 In June 2016, the firm approached the Respondent for issuance of an Export Turnover Certificate for the financial years 2013-14, 2014-15 and 2015-16 for the purpose of obtaining Star Accreditation, which required a minimum turnover of Rs. 25 crores, a threshold the firm had comfortably exceeded.

5.1.3 The Respondent had initially issued a certificate dated 13th June 2016 based on the books of account, debtors' realization data and supporting documents duly verified by him. Subsequently, it came to his notice that the accountant had erroneously recorded turnover based on invoice dates instead of Airway Bill/ Shipping Bill dates, leading to the application of incorrect exchange rates. Upon discovering this error, the Respondent promptly instructed withdrawal of the first certificate and issued a corrected certificate dated 20th June 2016.

5.1.4 The Respondent further submitted that the firm also requested the DGFT not to take cognizance of the earlier certificate. As no acknowledgment or file number had been assigned to the first certificate, it was effectively withdrawn before any official cognizance. The fresh application was duly accepted by the DGFT, which did not take cognizance of the earlier certificate dated 13/06/2016. He further submitted that bank credits were reflected in INR, whereas the certificates were issued in USD, and variations in exchange rates along with bank charges rendered precise bill-to-bill reconciliation impractical.

5.1.5 The Respondent emphasized that the differences for FYs 2014-15 and 2015-16 were negligible in comparison to the overall turnover. As regards FY 2013-14, the difference arose due to double counting of freight by the accountant, which was duly confirmed by way of affidavit and the corrected figures substantially reconciled.

5.1.6 The Authorised Representative of the Complainant, in his submissions, stated that the certificates had been issued on the basis of shipping bills, whereas, as per the annexure to ANF-3B, the certificates were required to be issued on the basis of actual realisation of export proceeds.

5.1.7 As per the directions of the Committee during the hearing held on 01st April 2026, the Respondent submitted the reconciliation of the amount mentioned in Annexure-3C, certified by him, with the amount realized in the bank account for all three years, i.e., 2013-14, 2014-15 and 2015-16 vide email dated 30-04-2026.

5.1.8 Further, as per directions of the Committee during the hearing held on 4th June 2026, the Respondent submitted an Affidavit vide email dated 04-06-2026 stating that the realisation of export proceeds had been completed in respect of the export invoices considered for issuance of the certificate. However, no response was received from the Authorised Representative of the Complainant.

6. The Committee considered the allegation, the material available on record, the submissions made by the Authorised Representative of the Complainant and the Respondent. The Committee noted the submission of the Respondent that the initial certificate dated 13.06.2016 was prepared based on figures extracted from the books of account, wherein the accountant had recorded export turnover based on invoice dates. The Respondent promptly took corrective action upon discovery of this inadvertent error and withdraw the certificate suo-motu. The Committee observed that the Respondent withdrew the earlier certificate before it could be acted upon by the concerned authority (Complainant) and issued a revised certificate dated 20.06.2016 based on corrected data. The Committee took note of the reconciliation of the certified export turnover with the amounts realized in the bank accounts for all the relevant financial years. The Committee also took cognizance of an affidavit submitted by the Respondent affirming that the export proceeds in respect of the invoices considered in the certificate had been duly realized prior to issuance of the certificate. The Committee observed that no rebuttal or contrary evidence has been furnished by the Authorised Representative of the Complainant to dispute the reconciliation statement or the affidavit submitted by the Respondent.

6.1 In view of submissions of the parties and documents brought on record by them, the Committee was of the view that an inadvertent error was made by the Respondent in first set of certificates issued by him on 13/06/2016, which he promptly identified and corrected measures were adopted before reliance made by any authority and thereafter, provided the correct certificates on 20/06/2016. Further, the Respondent has also provided the reconciliation for the mismatch of figures and has also provided an affidavit to this effect.

6.2 In view of actions/steps and documents brought on record by the Respondent, the Committee was of the opinion that the Respondent has exercised due diligence by withdrawing the incorrect certificates and issuing corrected certificates upon detection of the error and subsequently substantiating the figures through reconciliation with bank realizations and an affidavit confirming compliance with realization requirements.

6.3 The Committee also noted that the Authorised Representative of the Complainant has not brought on record any contrary evidence to establish that the Respondent knowingly issued incorrect certificates or acted with any mala fide intent, or that the incorrect certificate was relied upon by any authority including the Complainant to the detriment of any stakeholder. Accordingly, the Committee decided to hold the Respondent **NOT GUILTY** of any Professional or Other Misconduct in respect of instant allegation.

7. CONCLUSION

In view of the above observations, considering the oral and written submissions of the parties and material on record, the Committee held the Respondent **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.

8. ORDER:

Accordingly, in terms of Rule 19 (2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee passes an Order for **CLOSURE** of this case against the Respondent.

Sd/-
(CA. Mangesh Kinare)
PRESIDING OFFICER

Sd/-
(Ms. Dakshita Das, IRAS (Retd.))
GOVERNMENT NOMINEE

Sd/-
(Adv. Vijay Jhalani)
GOVERNMENT NOMINEE

Sd/-
(CA. Dayaniwas Sharma)
MEMBER

Sd/-
(CA. Ravi Kumar Patwa)
MEMBER

DATE: 23.11.2026
PLACE: New Delhi

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