



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)
CMA Bhawan, 3 Institutional Area,
Lodhi Road, New Delhi-110003

Phone : +91-11-24622156-57-58
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The Board of Discipline u/s 21A

The Institute of Cost Accountants of India

In the matter of:- Complaint No Com/21-CA(44)/2016

CMA Vijender Sharma (M/18513)-----Complainant

V/s

CMA Sandeep Kumar Bhatt (M/14652)-----Respondent

ORDER

Dated 12/06/2020

1. A complaint dated 25/05/2016, in Form- I was filed under Section 21 of the Cost Accountants Act, 1959, ("the Act") read with Sub- Rule (1) of Rule 3 of the Cost and Works Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, ("the Rules"), by Shri Vijender Sharma (hereinafter referred to as 'the Complainant'), against CMA Shri Sandep Kumar Bhatt (M/14652), (hereinafter referred to as 'the Respondent').
2. The Complainant *inter-alia* stated/alleged that Shri Sandeep Kumar Bhatt, Chairman NIRC had issued a letter dated 06/11/2015 with subject titled: Debit Notes in Compliance of Auditor's qualification. The said letter was addressed to the then President, whereas, it had been circulated to the public at large by CMA Sandeep Kumar Bhatt through e mail and what's app groups. Besides, the members at large, the letter had been circulated even to the client companies of the complainant with the ulterior motive to defame him. As per the said letter, an amount of Rs. 41.44 lacs had been debited to the complainant (Past Chairman of NIRC) in compliance with Auditor's Qualification in the Audit Report of NIRC for the financial year 2014-15. Whereas the Auditor had not discussed any such point in his report. Thus the reference to Auditor Qualification in the letter is wrong, misleading and with mala fide intend to defame the reputation of the complainant. The details of amount of Rs. 41.44 lacs is neither given in the said letter nor in the Balance Sheet/ Notes to accounts/Audit report issued by the Auditor. Thus the amount mentioned is at the whims and fancies of the issuer of the letter with mala fide intend. The complainant received initial copy of the said letter from the public what's app groups on the night of 6th November, 2015 which was posted in the public groups by CMA Sandeep kumar Bhatt (M/14652), Chairman NIRC himself and whereas, the said letter was never served to the addressee or the addressee in cc referred in the letter nor the same was served to the complainant. Thus the ulterior motive of the said letter was to defame and damage the reputation of the complainant through circulation in public emails and what's app



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groups and not the delivery to the addressee. The complainant was never given any opportunity of being heard as a principle of natural justice before issue of the said letter. Thus the letter has been issued with the sole intention of defamation. The circulation of letter with illegal, wrong, misleading, defamatory contents with mala fide intend in the public platforms has brought disrepute to the complainant, the Institute, NIRC and the profession at large.

3. The respondent was intimated vide letter dated 08th June , 2016 to send response to the complaint through a written statement in his defence within 21 days from the date of service of the letter.
4. The respondent vide his letter dated 03/04/2018, denied the allegations made against him and stated inter alia as below:-

- i) In the minutes of the Regional Council meeting wherein accounts were approved with Auditor's qualification , it was decided that as the term of old council is expiring hence the new council shall take decision with respect to Auditor's qualification on so many expenses incurred by the then Chairman without any authority and without any sanction of the Regional Council.
- ii) The new council enquired each aspect in detail and in the meeting of the EC held on 06th October, 2015, the details of unapproved expenses incurred by the previous Chairman were worked out and EC decided to give letter to the then President of the Institute with copy of notice sent to previous Chairman too by the NIRC mail.
- iii) The matter was put before the Regional Council Meeting held on 22/11/2015 and the same was approved by the Regional Council.
- iv) The same matter was put before the AGM of members with complete photography and voting and the same was approved by the members. The same debit note was put in the Auditor's Report of FY 2015-16 and was approved by the AGM and the Regional Council.
- v) On the same matters and as per resolution in the AGM by members, the NIRC filed recovery suit before the Hon'ble court at Delhi which is under witness stage now.
- vi) On the same matter, the NIRC filed FIR with the police and also filed suit before the Hon'ble court to order to police to initiate criminal action.
- vii) The council was working in a fully transparent manner and was disclosing each working to the members and was also hosting details on the website.

All the work had been done by the Regional Council and under directions as Chairman being the official post then how an individual is responsible. We are also surprised to see that how cleaning the system can give disrepute to the profession.. He requested to lodge his complaint for wasting precious time of all and wasting the energy of the Institute and misleading all. The matter is sub-judice. Further, the actions have been taken by the Regional Council then how an individual is responsible and how complaint lies before the Institute. The complaint is baseless and is liable to be quashed and lodge our complaint against Vijender Sharma for giving false picture to the Institute and wasting time, money and resources.

5. The written statement of the respondent was sent to the complainant vide letter dated on 09th April, 2018 for sending rejoinder.



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6. The complainant, in his rejoinder dated 27/04/2018 stated that the respondent has not submitted any counter to the specific complaint and admitted the allegation. The Disciplinary Committee may take it on record and proceed accordingly.
7. The Director (Discipline) vide his prima- facie opinion dated 17/08/2019 stated that on perusal of the Complaint, written statement and rejoinder, it is observed that that there was nothing on record to prove the allegations against the respondent and the complainant has not been able to adduce any evidence regarding the same.
8. After detailed deliberations, the Board decided to order for closure of the matter in accordance with Rule 9(3) (a) of the Cost and Works Accountants (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007 and inform the Complainant and the Respondent accordingly.

Accordingly, the complaint stands disposed off.


Presiding Officer