

भारत सरकार / Government of India
राष्ट्रीय वित्तीय रिपोर्टिंग प्राधिकरण / National Financial Reporting Authority

7th Floor, Hindustan Times House,
Kasturba Gandhi Marg, New Delhi
सातवीं मंजिल, हिंदुस्तान टाइम्स हाउस,
कस्तूरबा गांधी मार्ग, नई दिल्ली
दिनांक: 12.06.2023

Order No.: 020/2023

ORDER

In the matter of CA Gautam Guha under Section 132(4) of the Companies Act, 2013

1. This Order disposes of the Show Cause Notice ('SCN', hereafter) of even no. dated 28.09.2022, issued to CA Gautam Guha, Partner of M/s G. Basu & Co. (ICAI Firm Registration No. 301174E) ('Audit Firm', hereafter), Kolkata, who is a Member of the Institute of Chartered Accountants of India ('ICAI', hereafter) and was the Engagement Partner ('EP', hereafter) for the statutory audit of M/s Nicco Uco Alliance Credit Limited ('Nicco' or 'the company', hereafter) for the Financial Year ('FY', hereafter) 2015-16.
2. This Order is divided into the following sections:
 - A. Executive Summary
 - B. Introduction & Background
 - C. Lapses in the audit
 - D. Articles of Charges of Professional Misconduct
 - E. Penalty & Sanctions

A. EXECUTIVE SUMMARY

3. Pursuant to the information received from the Ministry of Corporate Affairs, regarding irregularities observed, in the financial statements of Nicco for FY 2015-16, by the Financial Reporting Review Board ('FRRB', hereafter) of the ICAI, NFRA initiated investigation into the role of the Statutory Auditors. During FY 2015-16, the Company was listed on Bombay Stock Exchange ('BSE', hereafter). M/s G. Basu & Co. were the statutory auditors of Nicco and CA Gautam Guha was the EP for the statutory audit during FY 2015-16.
4. Based on the investigation into the issues raised in the FRRB report and a preliminary examination of the financial statements of Nicco and the Audit File submitted by the EP,

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it was observed that there was a *prima facie* case of professional misconduct and hence a Show Cause Notice was issued to the EP.

5. Our findings after considering the charges listed in the SCN and the replies of the EP, thereon, establish several failures of the EP in conduct of his statutory audit of Nicco. These relate to several deficiencies in the accounts of Nicco such as non-reporting of foreign currency liability of ₹11.83 Crore at the closing rates as on the dates of financial statements viz., 31.03.2015 and 31.03.2016, which was in non-compliance to AS 11; showing assets given on finance lease of ₹1.81 Crore even though the lease agreements had become null and void and the assets had turned into NPA¹; not showing several items as per the format given in Schedule III to the Companies Act, 2013; making references to the Companies Act, 1956, in place of Companies Act, 2013 which was the applicable law; showing two different values of Earning Per Share (EPS) in the same financial statements; and other omissions in the notes to the financial statements. These omissions and commissions have not been duly reported by EP in the Independent Auditor's Report. The EP has not even determined the materiality and performance materiality for the Statutory Audit.
6. This Order establishes that the EP failed to report the Company's non-compliance with Accounting Standards as well as with the format of Financial Statements prescribed by the Companies Act, 2013 and that he did not comply with Standards on Auditing ('SA' hereafter) relevant to the audit of the Company.
7. Finding the EP guilty of professional misconduct based on his established failures in conducting the Statutory Audit, this Order imposes upon the EP a monetary penalty of Rupees One Lakh (₹1,00,000).

B. INTRODUCTION & BACKGROUND

8. NFRA is a statutory authority set up under Section 132 of the Companies Act, 2013 to monitor and enforce compliance of the auditing and accounting standards and to oversee the quality of service of the professions associated with ensuring compliance with such standards. NFRA has specified powers of a civil court and is empowered under Section 132(4) of the Companies Act, 2013 to investigate and impose penalty for professional or other misconduct of the individual members or firms of chartered accountants acting as statutory auditors of the prescribed classes of companies.
9. The statutory auditors, both individual and firm of chartered accountants, are appointed by the members of company under Section 139 of the Companies Act, 2013. The statutory auditors, including the Engagement Partners and Engagement Team, that conduct the audit are bound by the duties and responsibilities prescribed in the Companies Act, 2013, the rules made thereunder, the Standards on Auditing (SA) including the Standards on Quality

¹ Non-Performing Assets

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Control (SQC) and the Code of Ethics, violation of which constitutes professional misconduct, and is punishable with penalty prescribed under Section 132(4)(c) of the Companies Act, 2013.

10. On receipt of information vide letter dated 05.11.2019 from Ministry of Corporate Affairs describing irregularities observed by the Financial Reporting Review Board of the Institute of Chartered Accountants of India in the Financial Statements of Nicco for FY 2015-16, the matter was taken up by NFRA for investigation into the role of the Statutory Auditor under Section 132(4) of the Companies Act, 2013.
11. During FY 2015-16, the equity shares of the company were listed on BSE Limited. As per Director's Report for FY 2015-16, during the year under review, the Company could not carry on any fund-based business, i.e., Leasing and Hire Purchase, due to cancellation of Certificate of Registration by Reserve Bank of India. However, efforts were made for recoveries from '*NPA/ written off parties.*' The company was required to prepare its financial statements for FY 2015-16 in accordance with Schedule III and other applicable provisions of the Companies Act, 2013 and the Accounting Standards ('AS', hereafter) notified under the Companies (Accounting Standards) Rules, 2006.
12. M/s G. Basu & Co. having Firm Registration No. 301174E were the Statutory Auditors for Nicco for the FY 2015-16 and CA Gautam Guha was the Engagement Partner on behalf of the Audit Firm. To examine the case, the EP was requested on 08.12.2021, to submit the Audit File and SQC1² Policy of the Audit Firm. In response, the EP furnished the audit file along with SQC1 Policy followed by the Audit Firm vide email dated 30.12.2021. Subsequently, vide letter dated 18.02.2022, the non-compliances observed by the FRRB of ICAI in the financial statements of the company were sent to EP for clarification/ explanation on each of the issues, which were responded to by the EP on 14.03.2022.
13. After examination of the Audit File and other materials available on record, a *prima facie* case of professional misconduct on the part of EP was found and accordingly a Show Cause Notice under Section 132(4)(c) of the Companies Act, 2013 and Rule 11 of the National Financial Reporting Authority Rules, 2018 (NFRA Rules 2018, hereafter) was issued to the EP on 28.09.2022, giving him time to respond by 28.10.2022. The EP was charged with professional misconduct on the following grounds:
 - a) failure 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 a financial statement, where he is concerned with that financial statement in a professional capacity.
 - b) failure to report a material misstatement known to him to appear in a financial statement with which EP is concerned in a professional capacity.

² Refer Para 7 and 8 of Standards on Quality Control Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements Order in the matter of Nicco Uco Alliance Credit Limited for FY 2015-16

- c) failure to exercise due diligence and being grossly negligent in the conduct of professional duties.
 - d) failure to obtain sufficient information which is necessary for expression of an opinion, or its exceptions are sufficiently material to negate the expression of an opinion; and
 - e) failure to invite attention to any material departure from the generally accepted procedure of audit applicable to the circumstances.
14. On 22.10.2022, the EP sought an extension of time till 14.11.2022 to submit his response but submitted it on 28.10.2022. Further to this, another set of written submissions was received from the EP vide letter dated 05.12.2022.
15. The SCN also gave the EP an opportunity to be heard in person in accordance with Rule 11(5) of NFRA Rules 2018, but the EP did not avail of the opportunity.
16. Taking cognizance of all materials on record, including the written submissions made by the EP before and after issue of the SCN, this Order identifies the lapses in the Statutory Audit of Nicco for FY 2015-16. The main lapses on the part of the EP are incorrect reporting of outstanding liability arising out of Foreign Currency Loan, incorrect accounting treatment of Assets given on Lease, not reporting the non-compliances with the format of Financial Statements and violations of Standards on Auditing. These charges are discussed in Part 'C' of the Order.

C. LAPSES IN THE AUDIT

C.1 Incorrect reporting of outstanding liability arising out of Foreign Currency Loan

17. The EP was charged with not reporting the non-compliance by the Company with requirements of AS 11³ that foreign currency monetary items should be reported using the closing rate of exchange at the year end. The foreign currency loan of ₹11.83 Crore outstanding as on 31.03.2015 and 31.03.2016 were valued at the same rate. These loans were more than the size of the balance sheet in FY 2015-16 (₹ 8.29 Crores⁴) and in FY 2014-15 (₹ 9.24 Crores⁵) and were hence, material.
18. In response, EP had stated that the impact of the non-consideration of foreign currency loans was not material and hence did not require disclosure/qualification as per his professional judgement. He has stated that "*In exercise of the professional judgment with particular reference to the auditee, the undersigned has benchmarked materiality for*

³ AS 11, *The Effects of Changes in Foreign Exchange Rates*. Para 11(a) of AS 11 provides that foreign currency monetary items should be reported using the closing rate.

⁴ Sum total of current and non-current liabilities of ₹ 604.16 crore and shareholders' funds of ₹ (-) 595.87 crore due to accumulated losses.

⁵ Sum total of current and non-current liabilities of ₹ 595.52 crore and shareholders' funds of ₹ (-) 586.28 crore due to accumulated losses.

over/under statement of liabilities or assets or income/expense slippage at 1% of total value of assets and 1% of total expenses respectively in statement of profit and loss". He also stated that the measurement of foreign currency loans at the closing date would have increased the liability of the company, which would have misled the stakeholders as the Company was already in negotiations with the lender for a one-time settlement.

19. In his reply dated 05.12.2022, the EP stated that the forex loan had become non-performing; that the lender IFC, Washington had filed a suit which was pending and an out of court settlement for a much lower amount was under process and the Board expected a favourable outcome. He has further stated that standards allow circumstances when the closing rate may not be applied.
 20. The response given by the EP cannot be accepted due to the following reasons:
 - (a) The Provisions of Para 11(a) of AS 11 clearly state that "*foreign currency monetary items should be reported using the closing rate.*"
 - (b) Further, we cannot accept the argument of the EP that in exceptional circumstances the closing rate may not apply. Para 11(a) of AS11 states that "*. . .in certain circumstances, the closing rate may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realised from, or required to disburse, a foreign currency monetary item at the balance sheet date, e.g., where there are restrictions on remittances or where the closing rate is unrealistic and it is not possible to effect an exchange of currencies at that rate at the balance sheet date. In such circumstances, the relevant monetary item should be reported in the reporting currency at the amount which is likely to be realised from, or required to disburse, such item at the balance sheet date.*" We did not find any analysis in the Audit File showing the existence of the exceptional circumstances justifying non-application of the closing rate as per para 11 (a) of AS 11. While it may be true that suits had been filed by the creditors (IFC, Washington) for recovery, it does not imply that the company should not make appropriate disclosure of its liabilities and not translate the foreign currency liability at the closing rate as on the balance sheet date till the liability was reduced either through settlement or by a court order. The arguments advanced by the EP are therefore an afterthought as the Audit File has no evidence of his analysis of this position and that any decision for a reduction in liability had been taken.
 - (c) The EP has stated that the accounting impact is below the benchmark considered for materiality. However, in the audit file submitted by the EP, there is no work paper evidencing the determination and application of materiality.
 - (d) The outstanding foreign currency loan of the Company as on 31.03.2015 and 31.03.2016 is ₹11.83 Crores, which is more than the total assets of the Company which stand at ₹8.29 Crores in the balance sheet in FY 2015-16.
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(e) The impact of non-consideration of currency exchange rate, estimated by EP to be ₹70 lakh (approx.), was 8.5% of the total assets (₹8.29 Crores) of the Company, which was above the acceptable materiality threshold of 1-2% of total assets of a loss-making company. It would also have increased the loss of the company by over 7% from ₹9.58 Crore to ₹10.28 Crore, which is significant.

21. Since the foreign currency loan, which was material as per the balance sheet size, has not been correctly translated at the closing rate and there are no circumstances justifying use of any rate other than the closing rate, the charges that the EP did not report non-compliance by the Company with the requirements of AS 11 stands proven.

C.2 Incorrect accounting treatment of Assets given on Lease

22. The EP was charged with not reporting the improper accounting of assets given on finance lease. In Note 2.8 on Tangible Assets in the Financial Statements for FY 2015-16, the company wrongly presented the Assets of ₹1.81 Crores given on Finance Lease under the Schedule of Tangible Assets of ₹5.69 Crores. This was identified as non-compliance of Para 26 of AS 19⁶, which states that the lessor should recognize assets given under finance lease as a receivable in its Balance Sheet at an amount equal to the net investment in the lease; and of Schedule III of the Companies Act, 2013, which requires the Company to indicate the assets taken on finance lease and not assets given on finance lease under head Tangible Assets -Assets under lease.

23. In response, the EP stated that *“all the terms of lease have been broken/infringed (as happened in instant cases) rendering the lease agreement null and void, they can no further be treated as ‘Lease Transaction’ with consequent non-applicability of AS-19”*. He further stated *“. . . that relevant assets deserves classification under appropriate head of fixed assets schedule which reflects the true and firmness (sic) of the assets in a more transparent perspective”*.

24. We note that in para 2(a) in Annexure 2 of the Independent Auditor’s Report (given on Page 35 of the Annual Report), the EP has stated that *“There is no live agreement for lease and hire purchase stock as on date. All such assets have turned Non-performing and necessary provision has been made for the same. Physical verification for the same has not been done during the year. However as explained to us by the management, there is little scope for doing the same.”* Further, in his reply dated 28.10.2022 and 05.12.2022 to NFRA, the EP has stated that all the lease agreements were null and void. The explanation given by the EP cannot be accepted as Assets given on finance lease have to be presented by the Lessor as Receivables as per para 26 of AS 19. However, they have been presented under Tangible Assets in Balance Sheet as on 31.3.2016, following the format given in Schedule III to the Companies Act, 2013. It is misleading and erroneous to present unpaid finance lease receivables as fixed assets because definition, recognition and measurement

⁶ AS 19, Leases

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and disclosure requirements for fixed assets and lease receivables are completely different. Hence, the charge of incorrect accounting of Assets given on lease stands proven.

C.3 Not reporting non-compliance with the format of Financial Statements

25. The Company was required under Section 129(1) of the Companies Act, 2013⁷ to prepare Financial Statements in the format provided in Division I of Schedule III to the Companies Act, 2013. The SCN identified the following non-compliances with the format and the EP was charged with not reporting the same:
- (a) non-disclosure of breakup of Trade Receivables of ₹ 2.95 Crore into outstanding amount of more than 6 months and less than 6 months, as required by Note 6P of 'General Instructions for preparation of Balance Sheet' given in Part 1 of the Division I, Schedule III to the Companies Act, 2013.
 - (b) not reporting that the depreciation schedule does not mention the adjustments/additions/deductions in the Gross Block and depreciation for the previous year 2014-15, which was not in compliance with the requirements of Schedule III to the Companies Act, 2013.
26. The EP stated that the entire trade receivables were outstanding for more than 6 months, being brought forward balances from previous years and that the omission of separate disclosure for amounts outstanding for more than 6 months does not mislead the users.
27. The explanation given by EP in respect of trade receivables cannot be accepted because there is no such disclosure in the financial statements. It is possible for the amounts of trade receivables for FY 2014-15 and FY 2015-16 to be same, but with different composition. Therefore, the Company should have followed the provisions of note 6P of

⁷ Section 129(1) of the Companies Act, 2013 reads as under:

"(1) The financial statements shall give a true and fair view of the state of affairs of the company or companies, comply with the accounting standards notified under section 133 and shall be in the form or forms as may be provided for different class or classes of companies in Schedule III:

provided that the items contained in such financial statements shall be in accordance with the accounting standards:

Provided further that nothing contained in this sub-section shall apply to any insurance or banking company or any company engaged in the generation or supply of electricity, or to any other class of company for which a form of financial statement has been specified in or under the Act governing such class of company:

Provided also that the financial statements shall not be treated as not disclosing a true and fair view of the state of affairs of the company, merely by reason of the fact that they do not disclose-

(a) in the case of an insurance company, any matters which are not required to be disclosed by the Insurance Act, 1938 (4 of 1938), or the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);

(b) in the case of a banking company, any matters which are not required to be disclosed by the Banking Regulation Act, 1949 (10 of 1949);

(c) in the case of a company engaged in the generation or supply of electricity, any matters which are not required to be disclosed by the Electricity Act, 2003 (36 of 2003);

(d) in the case of a company governed by any other law for the time being in force, any matters which are not required to be disclosed by that law."

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'General Instructions for preparation of Balance Sheet' given in Part 1 of the Division I, Schedule III to the Companies Act, 2013 and specifically stated that the entire trade receivables was outstanding for more than 6 months. In the absence of it, the EP should have reported the same as disclosure of ageing analysis of trade receivables is material useful information to the users of financial statements.

28. In respect of Depreciation, the EP explained that it is an age-old practice to give the depreciation schedule as given by the Company and has attached the financial statements of a few companies to substantiate his explanation.
29. The explanation given by the EP cannot be accepted as Schedule III of the Companies Act, 2013 clearly provides that the corresponding amounts for the previous reporting period need to be given for all items in the Financial Statements including notes. Further, a wrong practice does not become legitimate just because it is being followed by other companies and not being reported by other auditors.

C.4 Other charges showing lack of due diligence by EP

30. The EP was charged with not reporting that in the Significant Accounting Policies, reference of the Companies Act, 1956 had been given in the financial statements of the Company even though the Companies Act, 1956 had been repealed by then and Companies Act, 2013 was applicable in this case. The EP has accepted the error and stated that it was an inadvertent typographical omission.
31. The EP was charged with not reporting the mismatch in the investment schedule in the financial statements of the Company. There is an error of ₹ 12 Lakhs (approx.) as the total of quoted investments (₹ 6.50 Crore) and unquoted investments (₹ 4.03 Crore) does not match with the total of individual items of investments. The EP has clarified that the misstatement appeared due to a typographical/printing error and that there is no misstatement in the signed financial statements.
32. The EP was charged with certifying two different values of Earning Per Share (Basic & Diluted) in the same financial statements. In the Statement of Profit and Loss, the Earning (loss) Per Share (Basic & Diluted) is shown to be ₹ (-)2.39, while in Note no. 2.30, the figure is given as ₹ (-)1.16. There is no evidence for the calculation of the correct figure for EPS in the Audit file submitted earlier by the EP. This is in non-compliance with SA 450⁸. The EP has accepted the error and clarified that it was a typographical omission, and the correct EPS is ₹ (-)1.16. Even though the auditor has accepted the mistake, he has not exercised due diligence in not noticing such glaring typographical error.

⁸ Para 5 of SA 450, *Evaluation of Misstatements Identified During the Audit* states that “The auditor shall accumulate misstatements identified during the audit, other than those that are clearly trivial”.

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33. The EP was charged with not reporting the omission of Note no. 2.3(ix), 2.3(x) and 2.3(xi) in the financial statements of the Company. In the Financial Statements for 2015-16, Note no. 2.3(viii) is followed by Note no. 2.3(xii) in both the printed and signed copy of the Financial Statements. In his first response letter dated 28.10.2022, the EP reiterated that the said Notes were available in their signed copy and were inadvertently missed later on. However, in the second response letter dated 05.12.2022, the EP accepted the error and submitted that it was a typographical error.
34. We observe that while the charges in paras 30 to para 33 may not be 'material misstatement' but signal lack of due diligence on the part of the EP. Lack of due diligence is a professional misconduct under Clause (7) of Part 1 of Second Schedule of Chartered Accountants Act, 1949 (CAs Act, hereafter).

C.5 Violations of Standards on Auditing

35. The EP was charged with not determining the materiality and performance materiality in the statutory audit as required under SA 320⁹. There was no work paper in the Audit file regarding materiality. In his letter dated 05.12.2022, the EP stated that they had been auditors of the Company for more than 30 years and the materiality had been benchmarked in the previous audits and kept in the audit file for FY 2015-16.
36. As per para 10 of SA 320, when establishing the overall audit strategy, the auditor shall determine materiality for the financial statements as a whole. Further, as per para 11 of SA 320, the auditor shall determine performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. There is no work paper in the audit file showing that the materiality benchmarked in the previous years' audit has been kept the same in the year under review.
37. A percentage is often applied to a chosen benchmark as a starting point in determining materiality for the financial statements as a whole (Para A2 of SA 320). Even though the fixed percentage and the underlying benchmark is kept the same across the years by the EP, the amount of Materiality and Performance Materiality will depend upon the balance sheet numbers and need to be documented accordingly in the Audit File. There is not a single work paper in the audit file which states the determination of Materiality and Performance Materiality for FY 2015-16. The explanation given by the auditor is not accepted and we conclude that the charge is proven.

D. ARTICLES OF CHARGES OF PROFESSIONAL MISCONDUCT

38. Given the above-mentioned actions and omissions, it is established that CA Gautam Guha did not comply with the stipulations in the CAs Act and showed gross negligence and lack

⁹ Para 10 and 11 of SA 320, Materiality in Planning and Performing an Audit deals with "determining materiality and performance materiality when planning the Audit" and Para 14 deals with the "documentation" of the same.
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of due diligence in the audit of M/s Nicco Uco Alliance Credit Limited. CA Gautam Guha has not ensured audit quality and was grossly negligent in professional duties by not adhering to the requirements laid down by the relevant SAs. This has led to the issuance of an audit report not backed by valid audit evidence and the absence of quality in the audit work. Specifically, the following failures on the part of CA Gautam Guha as contained under the Articles of Charges in the SCN stand established:

- (a) Failure 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 as CA Gautam Guha failed to disclose in his report the material non-compliances the company made regarding wrong accounting of foreign currency loans and assets given on Finance Lease. (As per Section 22 and Clause 5 of Part I of the Second Schedule to the CAs Act),
- (b) Failure to report a material misstatement known to him to appear in a financial statement with which he is concerned in a professional capacity as CA Gautam Guha failed to disclose in his report the material misstatements made by the Company regarding wrong accounting of foreign currency loans and assets given on Finance Lease. (As per Section 22 and Clause 6 of Part I of the Second Schedule to the CAs Act),
- (c) Failure to exercise due diligence and being grossly negligent in the conduct of professional duties, because of the lapses and omissions as explained and proved in part C above. (As per Section 22 and Clause 7 of Part I of the Second Schedule to the CAs Act),
- (d) Failure to obtain sufficient information which is necessary for expression of an opinion, or its exceptions are sufficiently material to negate the expression of an opinion, because of the lapses and omissions as explained and proved in part C above. (As per Section 22 and Clause 8 of Part I of the Second Schedule to the CAs Act), and
- (e) Failure to invite attention to any material departure from the generally accepted procedures of audit applicable to the circumstances, because he certified in his report that the audit is done as per SAs mandated under Section 143 of the Companies Act, 2013 and committed the lapses and omissions as explained and proved in part C above. (As per Section 22 and Clause 9 of part I of the Second Schedule to the CAs Act).

By his above-mentioned failures, CA Gautam Guha committed professional misconduct, as defined in the respective clauses of the CAs Act, which is also a professional misconduct under Section 132 (4) of the Companies Act, 2013 as per the Explanation to Section 132 (4) (c) of the Companies Act, 2013.

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PENALTY & SANCTIONS

39. Section 132(4) of the Companies Act, 2013 provides for penalties in a case where professional misconduct is proved. The seriousness with which proved cases of professional misconduct are viewed, is evident from the fact that a minimum punishment is laid down by the law. Independent Auditors of Public Listed Companies serve a critical public function of enabling the users of Audited Financial Statements to take informed decisions. Absent a robust system of Auditing, Investors, Creditors and Other Users of Financial Statements would be handicapped and their work compromised. The best of systems fails if the professionals implementing the system do not perform their job. This could lead to a serious failure of the financial system which could ultimately result in a breakdown in trust and confidence of investors and the public at large.
40. Thus, the auditor is duty bound to examine and ascertain the integrity of Financial Statements of such entities¹⁰ in larger public interest. This is all the more important for a financial services entity, like Nicco that involve considerable public interest and public funds. The EP, in this case, has not carried out the audit as per the Standards on Auditing and failed to report several non-compliances by the Company with Accounting Standards in preparing its financial statements.
41. All these show a collective lack of due diligence in the audit and gross negligence specifically relating to incorrect valuation of foreign currency loans and failure to report incorrect reporting of assets on lease.
42. Considering the fact that professional misconducts have been proved and considering the nature of violations and principles of proportionality, we, in exercise of powers under Section 132(4)(c) of the Companies Act, 2013, order imposition of a monetary penalty of **Rupees One Lakh (₹1,00,000)** upon CA Gautam Guha.
43. This Order will become effective after 30 days from the date of its issue.

Signed

(Dr. Ajay Bhushan Prasad Pandey)

Chairperson

Signed

(Dr. Praveen Kumar Tiwari)

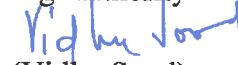
Full-Time Member

Signed

(Ms. Smita Jhingran)

Full- Time Member

Authorised for issue by National Financial Reporting Authority


(Vidhu Sood)

Secretary

सचिव / Secretary
राष्ट्रीय वित्तीय रिपोर्टिंग प्राधिकरण
National Financial Reporting Authority
नई दिल्ली / New Delhi

Date: 12.06.2023

Place: New Delhi

¹⁰ As defined in Rule 3 of NFRA Rules 2018

To,

CA Gautam Guha

ICAI Membership No: 054702

G. Basu & Co.

Firm Registration no:301174E

Basu House

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Email: fcaslahiri@gmail.com

Copy to:

- (i) Secretary, Ministry of Corporate Affairs, Government of India
- (ii) Securities and Exchange Board of India
- (iii) Secretary, Institute of Chartered Accountants of India
- (iv) M/s Nicco Uco Alliance Credit Limited
- (v) IT-Team, NFRA for uploading the order on the website of NFRA