

**THE BOARD OF DISCIPLINE**  
**THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**  
**IN THE MATTER OF COMPLAINT OF PROFESSIONAL OR OTHER MISCONDUCT**

**ICSI/DC: 262/2014**

**Date of Decision: 18<sup>th</sup> January, 2015**

**Shri M Kiran Kumar Reddy**

**....Complainant**

**Vs.**

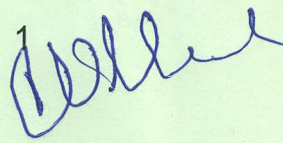
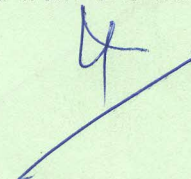
**Shri B Venkatarami Reddy, FCS-4827**

**....Respondent**

**ORDER**

1. A complaint dated 1<sup>st</sup> October, 2014 in Form 'I' along with a letter dated 1<sup>st</sup> October, 2014 was filed under Section 21 of the Company Secretaries Act, 1980 (the Act) read with sub-rule (1) of Rule 3 of the Company Secretaries (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007 (the Rules) by one Shri M Kiran Kumar Reddy (hereinafter referred to as the 'Complainant') against Shri B Venkatarami Reddy, FCS-4827 (hereinafter referred to as the 'Respondent'). The Complainant *inter-alia* stated that the Respondent has been associated with the company for the past eight years but he was not signing any Balance Sheet rather he got them signed by other Company Secretaries on payment basis. The Complainant further alleged that the Respondent has not devoted his time and concentration for the legal compliance and other activities of the company instead he was engaged in developing illicit relations with others. The Complainant submitted a CD containing CCTV footages of the Respondent and alleged that the Respondent was utilising the premises of registered office of the company for the purpose of carrying on his illicit relations. The Respondent has also disclosed confidential information of the company to the outsiders. He further alleged that the Respondent has not updated his employment details in ICSI directory even after eight years of employment in the company. Further, an independent audit report also shows there is some revenue leakage to the company with active involvement of the Respondent.
2. Pursuant to sub-rule (3) of Rule 8 of the Rules, a copy of the complaint was sent to the Respondent *vide* letter dated 10<sup>th</sup> October, 2014 calling upon him to submit the written statement. A letter dated 20<sup>th</sup> October, 2014 received from one Mr. Arvind





Toshniwal. A letter dated 3<sup>rd</sup> November, 2014 was received from the Respondent updating his address. The Respondent submitted his written statement dated 28<sup>th</sup> October, 2014 wherein the Respondent has stated that he was appointed in the company as office in-charge and subsequently he became a director in the company. The Respondent has *inter-alia* denied all the allegations levied upon him by the Complainant and stated that the complaint cannot be entertained by the ICSI as the Respondent is neither a Company Secretary in Practice nor Company Secretary in Service. He further stated that filing of any Form 32 or signing any balance sheet does not arise as he was not acting as a Company Secretary in the company and as a Director he did not have any authorisation for the same. The Respondent further stated that CCTV footage provided by the Complainant pertains to the year 2011. If there has been anything objectionable in the alleged CCTV footage, then why the footage is being revealed after a lapse of three years. He further stated that the complaint was made to blackmail him and to force him to tender his resignation as he was refusing to resign from the directorship.

3. Pursuant to sub-rule (4) of Rule 8 of the Rules, a copy of the written statement dated 28<sup>th</sup> October, 2014 was sent to the Complainant *vide* letter dated 5<sup>th</sup> November, 2014 asking him to submit the rejoinder. A letter dated 8<sup>th</sup> November, 2014 was received from the Respondent along with a letter dated 26<sup>th</sup> August, 2014 sent by the Respondent to the Board of Directors, M/s. Sri Lakshmi Narasimha Mining Company Pvt. Ltd. The Complainant submitted his rejoinder dated 15<sup>th</sup> November, 2014.
4. Pursuant to Rule 9 of the Rules, the Director (Discipline) after examination of the complaint, written statement, rejoinder and other material on record, in his *prima-facie* opinion dated 15<sup>th</sup> January, 2015 observed that the allegations advanced by the Complainant mainly revolves around an alleged illicit relation and act thereof of the Respondent with someone in the office premises of the company. The Complainant has an apprehension that the Respondent may share confidential information with someone he has illicit relationship. The apprehension without conclusive proof cannot be entertained. This matter may be taken up with the appropriate forum by the Complainant as the allegations levied by the Complainant do not come within the realm of the Company Secretaries Act, 1980. So far the allegation of the Complainant that the action of the Respondent has brought disrepute to the Institute or profession by his action, it is difficult to arrive at conclusion, without the definite proof of the alleged act and placed the matter before the Board for its consideration

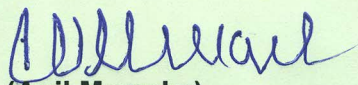


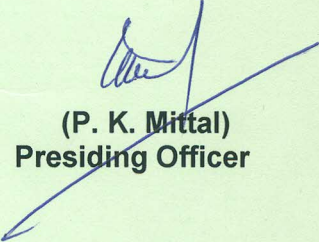
A handwritten signature in blue ink, appearing to be "Allu Arjun", written over a horizontal line.



in terms of Clause (2) Part IV of the First Schedule of the Company Secretaries Act, 1980.

5. The Board on 18<sup>th</sup> January, 2015 considered the *prima-facie* opinion dated 15<sup>th</sup> January, 2015 of the Director (Discipline) and the material on record. The Board concluded that the Respondent is not guilty of professional or other misconduct under the Company Secretaries Act, 1980 as the allegations advanced by the Complainant mainly revolves around an alleged illicit relation and act thereof of the Respondent with someone in the office premises of the company which requires thorough investigation. The Board further concluded that the allegations may be taken up with the appropriate forum by the Complainant.
6. We, therefore close the matter. Accordingly, the complaint stands disposed-off.

  
(Anil Murarka)  
Member

  
(P. K. Mittal)  
Presiding Officer

Date: 20<sup>th</sup> Feb, 2015

