

**THE BOARD OF DISCIPLINE**  
**THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

ICSI/DC: 174/2013

In the matter of complaint of professional or other misconduct filed by  
Mr. Manoj Kumar against Mr. Sanjay Chandrasen Rane, ACS-12084.


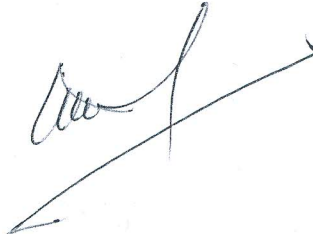
Date of decision: 21<sup>st</sup> July, 2014

**Coram:** Mr. P K Mittal, Presiding Officer  
Mr. Anil Murarka, Member

**ORDER**

1. A complaint dated 28<sup>th</sup> January, 2013 in Form I was filed under Section 21 of the Company Secretaries Act, 1980 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 Mr. Manoj Kumar (hereinafter referred to as the 'Complainant') against Mr. Sanjay Chandrasen Rane, ACS-12084 (hereinafter referred to as the 'Respondent'). The Complainant has *inter-alia* alleged that the Respondent in connivance with the directors of M/s. Ankur Drugs & Pharma Limited has circulated an un-audited Balance Sheet for the year 2011-12 to the shareholders. The Complainant has stated that the Respondent along with the directors of M/s. Ankur Drugs & Pharma Limited purported that the Balance Sheet and Annual Accounts of M/s. Ankur Drugs & Pharma Limited have been duly audited by the statutory auditor i.e. Mr. M. G. Vashi, Chartered Accountant, Mumbai. The Complainant further stated that on enquiry from the auditor about certain irregularities in the aforesaid Annual Accounts & Balance Sheet of M/s. Ankur Drugs & Pharma Limited, he came to know that the Balance Sheet and Annual Accounts of the said company have not been audited by him.
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 1<sup>st</sup> February, 2013 calling upon him to submit the written statement followed by a reminder dated 25<sup>th</sup> February, 2013. However, the Respondent did not submit the written statement.
3. Pursuant to rule 9 of the Rules, the Director (Discipline) after examination of the complaint and other material on record, formed his *prima-facie* opinion dated 5<sup>th</sup> June, 2013 wherein he wrote that the Respondent has not submitted his written





statement despite a reminder and therefore, without going into the merits of the case, the Respondent is *prima-facie* 'Guilty' of violation of clause (2) of Part III of the First Schedule of the Company Secretaries Act, 1980.

4. The Board of Discipline in its meeting on 17<sup>th</sup> June, 2013 had considered the *prima-facie* opinion dated 5<sup>th</sup> June, 2013 of the Director (Discipline); the material on record and agreed with the *prima-facie* opinion and decided to proceed further in the matter in accordance with the Company Secretaries Act, 1980 and the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. Accordingly, a copy of the *prima-facie* opinion of the Director (Discipline) was sent to the Respondent and the Complainant *vide* letters dated 18<sup>th</sup> June, 2013 asking them to submit the written statement and rejoinder, respectively. However, the written statement and rejoinder was not been received from the parties. The parties were then called upon to appear before the Board of Discipline on 13<sup>th</sup> August, 2013 *vide* letters dated 31<sup>st</sup> July, 2013. The Board of Discipline at its meeting held on 13<sup>th</sup> August, 2013 took note of the letter dated 10<sup>th</sup> August, 2013 of the Respondent wherein he refuted all the allegations levelled against him as they being false, misleading and were made with ulterior motive. He further stated that he has been unnecessarily dragged into the personal feud between the Complainant and the company and he has played no role in the accounting and finance operations of the company. The Respondent further stated that he desires to bring all these facts along with all the necessary evidence before the Board of Discipline and wants to co-operate with it in this matter. The Respondent further stated that he is not well and the doctor has advised him to take rest for at least two weeks, hence he is unable to attend the proceedings personally before the Board of Discipline scheduled on 13<sup>th</sup> August, 2013 and prayed for granting him a further date of two weeks thereafter so as to enable him to engage a lawyer to attend on his behalf before the Board of Discipline.
5. Mr. Satish K Jadon, ACS-23580 appeared on behalf of the Complainant and submitted (i) the authority letter of the Complainant authorising him to appear before the Board (ii) the copies of the Minutes of the AGM of M/s. Ankur Drugs & Pharma Ltd., for the year 2011-12 along with certain other documents (iii) a copy of the winding up order dated 8<sup>th</sup> July, 2013 passed by the Hon'ble Bombay High Court. He also made oral submissions and *inter-alia* stated that the Complainant is



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one of the shareholders of M/s. Ankur Drugs & Pharma Ltd., and the company has circulated an un-audited Balance Sheet for the year 2011-12 to the shareholders. The Respondent did not inform such fraud to any regulator for non-compliance by the company. He further stated that the Complainant has also made various complaints in various forums which are under process. The Board asked him to provide the list along with status of the various complaints made by the Complainant against the directors of the company. The Board informed Mr. Satish K Jadon about the request of the Respondent for two weeks time to appear before the Board. The Board also informed him that the Respondent has been granted another opportunity to appear before the Board. The Board further informed him that in case the Complainant is required to appear before the Board, he will be accordingly informed.

6. Accordingly, the Respondent was called upon to appear before the Board of Discipline on 11<sup>th</sup> September, 2013, *vide* letter dated 16<sup>th</sup> August, 2013. Pursuant to the directions of the Board of Discipline on 13<sup>th</sup> August, 2013, the Complainant *vide* letter dated 20<sup>th</sup> August, 2013 provided the status of complaints filed by him against M/s. Ankur Drugs & Pharma Ltd., and its directors. The Board at its meeting held on 11<sup>th</sup> September, 2013 was informed that the notice issued to the Respondent was returned undelivered. The Board was also appraised that the Respondent has mentioned below his name 'Company Secretary' in his letter dated 10<sup>th</sup> August, 2013 wherein he stated that the feud between the Complainant and M/s. Ankur Drugs & Pharma Ltd., has now taken very dangerous twist resulting into targeting him i.e. the poor Company Secretary, who is merely a salaried employee of the company discharging only purely secretarial functions and no connection whatsoever with any accounting/finance operations of the company. The Board also noted that the Respondent had also mentioned the designation 'Company Secretary' below his signature/name in the said letter which indicates that he is working as 'Company Secretary' though he has not paid his membership fee.
7. The Board noted a letter dated 24<sup>th</sup> February, 2014 received from Agra police *vide* which it has been requested to ICSI to take action in case the Respondent has committed Professional Misconduct in alleged manipulation of Balance Sheet of M/s. Ankur Drugs & Pharma Ltd., for the Financial Year 2010 and 2011.




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8. The Board at its meeting held on 4<sup>th</sup> May, 2014 had considered the material on record and decided to provide last and final opportunity to the Respondent to appear before it. The Board also decided that in case the Respondent fails to appear, the Board shall proceed *ex-parte*. Accordingly, the Respondent *vide* letter dated 19<sup>th</sup> May, 2014 was called upon to appear before the Board on 23<sup>rd</sup> May, 2014. However, the meeting was postponed and the same was communicated to the Respondent *vide* letter dated 21<sup>st</sup> May, 2014. The Board also noted that the Respondent was asked to appear before the Board on 21<sup>st</sup> July, 2014 *vide* letter dated 11<sup>th</sup> July, 2014 but the Respondent did not appear.
9. We have observed that the Respondent neither appeared before it nor submitted any reply to the complaint. Hence, the contentions of the Complainant are deemed to have been admitted by the Respondent in absence of any specific denial as provided under order 8 rule 5 of the Civil Procedure Code, 1908. Hence, we have no difficulty in arriving at a conclusion that the Respondent is 'Guilty' of violation of Clause (2) of Part III of the First Schedule of the Company Secretaries Act, 1980.

We afford an opportunity of being heard to the Respondent before passing any order under Section 21A (3) of the Company Secretaries Act, 1980.

  
(Anil Murarka)  
Member

  
(P. K. Mittal)  
Presiding Officer

New Delhi

