

**DISCIPLINARY COMMITTEE [BENCH – II (2019-2020)]
[Constituted under Section 21B of the Chartered Accountants Act, 1949]**

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

[File No. PR/132/15/DD/135/2015-DC/903/2018]

In the matter of:

Shri K V S Bishnoi

509, G-3, 'Malhar' Building, Lokpuram,
THANE (WEST) – 400610

...Complainant

Versus

CA. Anitha Viswanathan....(M.No.113512)

M/s R.S. Prabhu & Associates

Chartered Accountants

Swagat Bhavan

Near Indian Oil, Opp M S E B Colony

Dist. Thane, Vasai Road – East

VASAI – 401 202

.....Respondent

MEMBERS PRESENT:

CA. ATUL KUMAR GUPTA, (PRESIDING OFFICER),

CA. AMARJIT CHOPRA, GOVT. NOMINEE,

CA. CHANDRASHEKHAR VASANT CHITALE, MEMBER

DATE OF FINAL HEARING : 24.06.2019

PLACE OF FINAL HEARING : ICAI Tower, Bandra Kurla Complex, Mumbai

PARTIES PRESENT:

Complainant : Not Present

**Respondent : CA. Anita Viswanathan along with her
Senior partner.**

BRIEF OF THE CHARGES:-

1. It is noted that the Respondent was Auditor of M/s Malhar Lokpuram Coop. Housing Society Ltd. (hereinafter referred to as the “**Society**”) for the Financial Year 2013-14. The charges in respect of which the Respondent was held prima facie guilty are as under:-

i) The Complainant has cited following two instances where the Respondent made contradictory remark in her audit report as under:-

- **FIRST INSTANCE:** - Item no.9 (**C-10**) vis- a-vis item no. 12(c) 1 (**C-15**) of audit report.

It is seen that the item no. 9 relates to fixed deposits whereas the item no. 12(c)1 relates to verification of securities. In item no. 9 (**C-10**) the Respondent had mentioned that the Society had not provided fixed deposit copies for purpose of audit, whereas in item no. 12(c)1 (**C-15**) the Respondent reported that she had physically verified the securities and checked whether the same were in the name of the Society

- **SECOND INSTANCE:-**

It is seen that the item no. 10 relates to failure in providing the bank statement of TDCC Bank and NICB by the Society whereas the item no. 12(b) relates to bank balances reconciliation. The Respondent in item no. 12(b) reported “Yes” in respect of question as to whether bank balance shown as per Bank pass book or bank statement and bank balances certifies with such balances as shown in books of accounts.

BRIEF FACTS OF THE DISCIPLINARY PROCEEDINGS AND FINDINGS:-

2. The Committee noted that the Complainant was not present. The Respondent was present. She was put on oath. The Respondent stated that the Complainant has expired and his son has submitted a letter for withdrawal of complaint filed by the Complainant against the Respondent. The Respondent stated that he already submitted a copy of withdrawal letter along with her submissions.
3. The Committee perused the charges leveled against the Respondent and noted the submissions of the Respondent that Bank Fixed Deposit Receipts (FDR) are not 'Securities' as definition of the term", 'Securities' means Share, debentures, bonds, etc. In that sense, what the Respondent stated is not incorrect. She verified the securities -i.e. shares in housing federation maintained by the Society. There is no contradiction in reporting. In respect of savings account maintained With TDCC and

NICB the Respondent stated that no reconciliation was warranted since the balance as per bank for saving account of TDCC and saving account of NICB exactly matched with the audited figures. Both the savings account being account held with TDCC and NICB were not produced before them for the purpose of audit and the same was reported in the audit general remarks.

4. The Committee upon consideration of the matter vis-à-vis submissions of the Respondent on the same, the Committee was of the view that the disciplinary mechanism of the Institute is meant for proceedings against the erring members of the Institute on account of any professional and/or other misconduct in the execution of their professional related assignments and the same ought not to be used by the parties for resolving their personal disputes inter-se between the parties and / or clarifying their doubts with the members.

4.1 The Committee, thereafter, allowed the said request of complainant's son to withdraw the present complaint under Rule 6 of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. Upon agreeing to the request of the Complainant's son seeking withdrawal of the complaint, the Committee has not dealt with the complaint on merit.

CONCLUSION:

5. Thus the Committee acceded to the request of the Complainant's son permitting him to withdraw the case filed by the Complainant (now deceased) against the Respondent. Accordingly, the Committee hereby passes order for closure of the case.

**Sd/-
(CA. ATUL KUMAR GUPTA)
PRESIDING OFFICER**

**Sd/-
(CA. AMARJIT CHOPRA)
GOVERNMENT NOMINEE**

**Sd/-
(CA. CHANDRASHEKHAR VASANT CHITALE)
MEMBER**

**DATE : 16th December, 2019
PLACE : New Delhi**