



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
(Set up by an Act of Parliament)

[PR-62/17-DD/87/17-DC/918/2018]

**ORDER UNDER SECTION 21B(3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH  
RULE 19(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATION OF  
PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007.**

[PR-62/17-DD/87/17-DC/918/2018]

**In the matter of:**

**Shri Ashok Kumar Puri,  
Director,  
Karrimore Conveyor Systems Pvt. Ltd.,  
5/79 Madhuban,  
Keluskar Road, South,  
Shivaji Park, Dadar  
Mumbai – 400 028.**

**.....Complainant**

**-Vs.-**

**CA. Abhijit Balkrishnan Gaikwad (M.No.122995)  
C-307 & 308 Mega Centre,  
Second Floor,  
Pune Solapur Road,  
Magarpatta Hadapsar,  
PUNE - 411013.**

**.....Respondent**

**MEMBERS PRESENT:**

- 1. CA. Atul Kumar Gupta, Presiding Officer**
- 2. CA. Amarjit Chopra, Government Nominee**
- 3. CA. Rajendra Kumar P, Member**
- 4. CA. Pramod Kumar Boob, Member**

1. That vide findings under Rule 18 (17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 dated 10.02.2020, the Disciplinary Committee was inter-alia of the opinion that **CA. Abhijit Balkrishnan Gaikwad (M.No.122995)** (hereinafter referred to as the **Respondent**) was **GUILTY** of professional misconduct

Shri Ashok Kumar Puri, Director, Karrimore Conveyor Systems Pvt. Ltd., Mumbai – vs –  
CA. Abhijit Balkrishnan Gaikwad (M.No.122995), Pune



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falling within the meaning of Clause (2) of Part IV of First Schedule and Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

2. That an action under Section 21B (3) of the Chartered Accountants Act, 1949 was contemplated against the Respondent and a communication dated 4<sup>th</sup> March, 2020 was sent to him thereby granting an opportunity of being heard in person and/or to make oral/ written representation before the Committee on 17<sup>th</sup> March, 2020 at Delhi/Mumbai.

3. The Respondent was present before the Committee in Mumbai office of ICAI through video conferencing mode. He argued on the point of ex-parte decision against him. He submitted that the last date of hearing in his matter was though, fixed on 24<sup>th</sup> June, 2019, yet, he was presented on 25<sup>th</sup> June, 2019 for the hearing as he was unable to attend the meeting on 24<sup>th</sup> June, 2019. He further argued that since, he had already sent a mail in this regard i.e., his intention to attend the meeting on 25<sup>th</sup> June, 2019 instead of 24<sup>th</sup> June, 2019 and he was assured by one official of the ICAI that it was permissible to do so. However, on asking by the Committee to the Respondent about any written assurance from the side of that ICAI official allegedly guiding him to attend the meeting the next day of the day when his case was fixed for hearing, he could not bring anything on record. Besides, he was also convinced upon by the Bench that the power to allow adjournment rests with none other than the Bench only, and hence, he was supposed to be present before it on the date of hearing (i.e., 24<sup>th</sup> June, 2019) for seeking adjournment, if any. Hence, the Committee impressed upon him as to why his case was decided ex-parte the Respondent due to his uninformed absence. Despite this, he was again given the opportunity on 17.3.2020 by the Bench to submit anything in his defense and heard his submissions with due patience.

4. As regards signing of Balance Sheet without being signed by the Director, the Respondent argued that the management took his signature forcefully. The Committee noted that there is no evidence on record that the Respondent filed FIR in respect of the same. Further, the Respondent while preparing second set of balance sheet failed to mention that the same was revised balance sheet.

Shri Ashok Kumar Puri, Director, Karrimore Conveyor Systems Pvt. Ltd., Mumbai – vs –  
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5. The Committee on the argument of the Respondent that his appointment for F.Y. 15-16 was forged and he was appointed only for F.Y. 2014-15 as the appointment was altered noted that the same cannot be accepted as according to Companies Act, 2013 appointment is made for 5 years. Further, the Respondent accepted before it that he had not read Companies Act, 2013.


6. Accordingly, the Committee was of the opinion that ends of justice shall be met if the name of the Respondent be removed from the Register of Members for a period of one month.

7. Therefore, keeping in view the facts and circumstances of the case, material on record and submissions of the Respondent before it, the Committee ordered that the name of the Respondent i.e. CA. Abhijit Balkrishnan Gaikwad (M.No.122995) be removed from the register of members for a period of 01 (One) month .

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

Sd/-  
(CA. AMARJIT CHOPRA)  
GOVERNMENT NOMINEE

Sd/-  
(CA. RAJENDRA KUMAR P.)  
MEMBER

**Certified Copy**  
  
**PARVESH BANSAL**  
Deputy Secretary  
Disciplinary Directorate  
The Institute of Chartered Accountants of India  
ICAI Bhawan, I.P. Marg, New Delhi-110 002

Sd/-  
(CA. RAMOD KUMAR BOOB)  
MEMBER

DATE : 17/03/2020  
PLACE : Delhi

Revised Copy

PAF 1000-10000  
The Institute of Chartered Accountants of India  
ICAI Bhawan, I.P. Marg, New Delhi-110 002

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2019-2020)]

[Constituted under Section 21B of the Chartered Accountants Act, 1949]

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

[Ref. No. PR-62/17-DD/87/17-DC/918/2018]

In the matter of:

**Sh. Ashok Kumar Puri,**  
**Director, Karrimore Conveyor Systems Pvt. Ltd.,**  
5/79, Madhuban,  
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**MUMBAI – 400 028**

....Complainant

**Versus**

**CA. Abhijit Balkrishan Gaikwad ....(M.No.122995)**  
C-307 & 308, Mega Centre,  
Second Floor,  
Pune Solapur Road,  
Magarpatta Hadapsar,  
**Pune – 411 013**

.....Respondent

MEMBERS PRESENT:

**CA. ATUL KUMAR GUPTA, PRESIDING OFFICER,**  
**CA. AMARJIT CHOPRA, GOVERNMENT NOMINEE,**  
**CA. CHANDRASHEKHAR VASANT CHITALE, MEMBER**

**DATE OF FINAL HEARING : 24.06.2019**

**PLACE OF FINAL HEARING : ICAI, Bandra Kurla Complex, MUMBAI**

PARTY PRESENT:

**Complainant : Shri Ashok Puri**

**Respondent : Not Present**

Shri Ashok Kumar Puri -Vs- CA. Abhijit Balkrishan Gaikwad (M.No.122995)

**BRIEF OF THE CHARGES:-**

1. The Committee noted that the Respondent was appointed as auditor of M/s Karrimore Conveyor Systems Private Limited (hereinafter referred to as the "Company") after casual vacancy caused due to the resignation by the previous auditor. The Company was having only two directors who were shareholders viz. the Complainant and his wife. It is noted that in respect of the following charges, the Respondent was held prima facie guilty:-

i) The Respondent was grossly negligent (or due to lack of due diligence) in conducting the audit of the Company for the Financial Year 2014-2015.

ii) The Respondent was neither resigning nor filing audited Balance Sheet for the Financial Year 2015-16 with MCA despite fee having been paid to him.

**BRIEF OF THE DISCIPLINARY PROCEEDINGS:-**

2. First of all, the Committee noted that previous hearing fixed on 29.05.2019 in the instant matter was adjourned at the request of the Respondent. On the day of the final hearing held on 24<sup>th</sup> June, 2019 at Mumbai, the Committee noted that the Complainant was present. The Respondent was not present. Since there was no intimation from the Respondent about his absence, the Committee decided to proceed with the matter ex-parte the Complainant in terms of the Rules. The Complainant was put on oath. He explained the charges against the Respondent. The Committee posed question to the Complainant. After hearing the submissions, the Committee concluded the hearing in the above matter.

**FINDINGS OF THE DISCIPLINARY COMMITTEE:-**

3. In First charge, the Complainant alleged that the first Balance Sheet of the Company for the financial year 2014-15, prepared and signed by the Respondent was full of errors and omissions and did not reflect true picture of the Company. The Complainant submitted that the said Balance Sheet was rejected by the Board of Directors and revised Balance Sheet was prepared by the Respondent reflecting correct status of the Company. Yet, there were some more discrepancies in

Depreciation Schedule and when discrepancies were pointed out to the Respondent, he failed to respond to the same.

- 3.1 In respect of above charge, the Respondent in his written submissions stated that the Complainant came to his office for the first time for the audit through Shri Vardhman Shah who was writing the accounts of the Company and having his office in the same building as that of the Respondent. Since Shri Vardhman Shah was writing the accounts, he reluctantly agreed as there was already severe pressure of work. He completed the initial formalities and completed the audit. However, immediately after signing and giving the copies to the Complainant, he noticed some errors in the schedules. The Respondent also stated that there was no mistake in audit report but there was some mistake in the Schedule VI format of the financial statements to be submitted with the ROC and the preparation of the same is the primary responsibility of the management of the Company.
- 3.2 The Respondent also stated that upon knowing the errors, he immediately communicated the same to the Complainant and they mutually agreed to rectify the errors and sign the same. It appears that he intentionally avoided giving back the old copies despite his repeated requests. The Respondent stated that it was merely a correction done within a couple of days and not a revision of audit report. The incorrect balance sheet was not submitted anywhere.
4. Upon perusal of the documents and submission on record, it is noted that there was difference in the figures of the Balance Sheet and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2015. Some of the differences were as under:-

Item / Head	First Set of Financial Statement	Revised Set of Financial Statement
Reserve & Surplus	0	(24,92,305)
Long Term Borrowings	0	15,46,450
Short Term Borrowings	15,46,450	0
Trade Payable	8,97,083	1,63,733
Short Term Provisions	376	7,23,349
Long Term Loan & Advances	36,248	0
Trade Receivables (Debtors)	- 1,700	23,300

- 4.1 It is also noted that first set of financial statements was not signed by directors of the Company. Further, apart from above differences in the figures, it is noted that the first

set showed Preference share capital which was missing in second set. It is seen that the Respondent could not give any specific reason for discrepancies in the first set of balance sheet dated 31<sup>st</sup> March, 2015 signed by him. He only stated that he was under pressure of work at that time and when he noticed the discrepancies, he immediately communicated the same to the Complainant.

- 4.2 The Committee noted that as per Section 134 (1) of the Companies Act, 2013, the financial statements shall be approved by the Board of Directors and signed by the two directors before submission to the auditor for his report thereon. Hence, in view of above provisions, the financial statements needs to be approved and signed by Directors first but in the instant matter the Respondent failed to ensure it before signing the financial statements. Further looking into admission of the Respondent in respect of mistakes in financial statement, it is apparent that he failed to act diligently in respect of certification. Further, if he had made revision in the set, he was required to have the copies of earlier set withdrawn before signing revised financial statements. He was also required to mention in his audit report about first set of financial statements. Thus, in view of above, the Committee is of the view that the Respondent failed to exercise due diligence while performing his professional duties. Accordingly, the Respondent is guilty of professional misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.
5. As regard the second charge relating to not filing the balance sheet for the financial year 2015-16 with MCA and not resigning from the post of auditorship, the Respondent in his written submissions stated that he has never given acceptance for audit for financial year 2015-16. The Complainant obtained extra copy of his acceptance letter for 2014-15 from him and misused the same by making manipulations in the year and signing it himself. The Respondent also stated that he merely helped the Complainant to upload his Income Tax return by his own digital signature with a clear understanding that the accounts were yet to be audited and that he was not willing to audit the same. The Complainant had agreed to get them audited by someone else. The appointment letter bears no receipt from his side.







5.1 In respect of above charge, It is seen from the consent letter of the Respondent that in para 1 of the said letter he has given his consent for being appointed as auditor of the Company commencing from F.Y. 2014-15 upto end of F.Y. 2015-16. However, in para 7, he mentions about F.Y. 2014-15 only. It is seen from the copy of email submitted by both the parties that the Respondent vide email dated 30.09.2016 advised the Complainant to follow the procedure of removal of auditors for his removal as auditor. It is however, noted from the reply of the Respondent that a fee of Rs. 5000/- was received from the Complainant. If the Respondent was not appointed as auditor, then there was no question of accepting and clearing cheque of Rs.5000. It is further seen that the Respondent in his reply had neither mentioned about returning of that amount of fees nor provided copy of complaint filed for manipulation as claimed done by the Complainant.

5.2 Hence, the Committee is of the view that the act of the Respondent in not signing the financial statements for F.Y 2015-16 and in not resigning from the post of auditorship without any valid and reasonable reason caused hardship to the Complainant, does point to behaving in an unprofessional manner. Accordingly, the Respondent is Guilty of Other Misconduct falling within the meaning of Clause (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

**CONCLUSION:-**

6. Thus in the considered opinion of the Committee, the Respondent is **GUILTY** of Professional Misconduct falling within the meaning of Clause (2) of Part IV of First Schedule and Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.



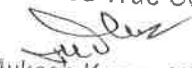
Sd/-  
(CA. ATUL KUMAR GUPTA)  
PRESIDING OFFICER

Sd/-  
(CA. AMARJIT CHOPRA )  
GOVERNMENT NOMINEE

Sd/-  
(CA. CHANDRASHEKHAR VASANT CHITALE)  
MEMBER

DATE : 10<sup>th</sup> February, 2020  
PLACE : NEW DELHI

Certified True Copy

  
Mukesh Kumar Mittal

Assistant Secretary  
Disciplinary Directorate

The Institute of Chartered Accountants of India  
ICAI Bhawan, I.P. Marg, New Delhi

