

CONFIDENTIAL

BOARD OF DISCIPLINE
Constituted under Section 21A of the Chartered Accountants Act 1949

Findings under Rule 14(9) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007

File No. : [PR-230/2016-DD/272/2016/BOD/335/2017]

CORAM:

CA. Prasanna Kumar D., Presiding Officer
Mrs. Rani Nair (IRS, Retd.), Government Nominee
CA. Durgesh Kumar Kabra, Member

In the matter of:

CA. Ashok Kumar,
H.No. 983, Opp. Community Hall,
Santosh Complex,
Jalalabad (W),
Punjab – 152 024

...Complainant

-Vs-

CA. Kawaljeet Singh (M. No. 532263),
M/s. Sahil Garg & Company (FRN 024695N),
Chartered Accountants,
House No. 15, Street No. 11,
Shaheed Bhagat Singh Nagar,
Dhandra Road,
Ludhiana – 141116

...Respondent

DATE OF FINAL HEARING : 29th October, 2020
PLACE OF HEARING : Through video conferencing

PARTIES PRESENT:

Complainant : CA. Ashok Kumar, Jalalabad

FINDINGS:

1. The Board noted the charge against the Respondent that he did not obtain no-objection from the previous auditor i.e. Complainant before accepting the appointment as Statutory Auditor of M/s. Karan Rice Export Pvt. Ltd. (hereinafter referred to as the "Company") for the FY 2014-15.
2. The Board duly considered the submissions of the Complainant who was present before it through video conferencing. However, the Respondent was not present and had verbally informed of his unwillingness to appear before the Board. Since the written submissions of

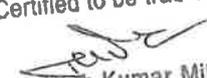
the Respondent on the prima facie opinion of the Director (Discipline) were already on record, the Board decided to conclude the hearing in the case on the basis of submissions and documents on record.

3. The Board noted that the Complainant firm was appointed as the statutory auditors of the company for the F.Y. 2013-14. Thereafter, M/s Vivek Bhasin & Associates (Membership No. 516822) were appointed as the statutory auditor of the company for the Financial year 2014-15. M/s Vivek Bhasin & Associates (Membership N;. 516822) resigned from the office of statutory auditor of the company for the Financial year 2014-15 on 5th April 2015 on account of their pre-occupation in other assignments. Thereafter, the Respondent Firm assumed the office of statutory auditor of the company for the Financial Year 2014-15 and communicated with M/s Vivek Bhasin & Associates vide letter dated 06th May 2015. M/s Vivek Bhasin & Associates gave their no –objection to the Respondent on 8th May 2015. The appointment of the Respondent was ratified by the shareholders of the company in the extra-ordinary general meeting held on 29th May 2015.
4. The Board also noted that the Respondent submitted the copy of Form No. ADT-3 w.r.t Notice of resignation by the Auditor CA. Vivek Bhasin, resignation letter issued by CA. Vivek Bhasin addressed to the Board of Directors of the Company for his resignation w.e.f. 05/04/2015, appointment letter dated 05/05/2015 issued by the Company in favour of Respondent Firm, letter dated 06/05/2015 addressed by the Respondent to M/s Vivek Bhasin & Associates seeking their no-objection, no-objection given by M/s Vivek Bhasin & Associates and certified true copy of the resolution passed in the extra-ordinary general meeting of the company held on 29th May 2015.
5. The Board observed that the 'Code of Ethics' defines the term "previous auditor" as the immediately preceding auditor who held same or similar assignment comprising same/similar scope of work. From this definition, the Board concluded that CA. Vivek Bhasin was the person who held same or similar assignment comprising same scope of work and accordingly, the Respondent communicated with him prior to acceptance of the statutory audit assignment of the company for the Financial Year 2014-15. In view of the same, the Board held that the Respondent is not guilty in respect of the charge alleged him.

CONCLUSION:

6. Thus, the Board of Discipline, in view of the above, is of the considered opinion that the Respondent is **Not Guilty** of Professional Misconduct falling within the meaning of Item (8) of Part I of First Schedule to the Chartered Accountants Act 1949. Accordingly, the Board passed Order for closure of the case in terms of the provisions of Rule 15(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

Sd/-
CA. PRASANNA KUMAR D.
(PRESIDING OFFICER)

Certified to be true copy

Mukesh Kumar Mittal
Assistant Secretary,
Disciplinary Directorate
The Institute of Chartered Accountants of India,
ICAI Bhawan, Vishwas Nagar, Shahdra, Delhi-110032