

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2021-2022)]

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

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

File No. : [PR141/14-DD/182/14-DC/538/17]

In the matter of:

**Shri Uma Shankar Bhartia**  
**Director**  
IGL Finance Limited,  
Plot No.2B, Sector 126,  
Noida 201304

..... Complainant

**Versus**

**CA. Rajesh Kishore Hiranandani (M.No.036920);**  
**CA. Rajan Dattatray Kamat (M.No.036822); and**  
**CA Padmanabh Ramchandra Barpande (M.No.015291) of**  
M/s. Deloitte Haskin & Sells,  
Chartered Accountants,  
India Bulls Finance Centre  
Tower 3,  
27<sup>th</sup> - 32<sup>nd</sup> Floor,  
Elphinstone Road (West)  
Mumbai 400 013.

..... Respondent

**MEMBERS PRESENT:**

**CA. (Dr.) Debashis Mitra, Presiding Officer**  
**Sh. Rajeev Kher, I.A.S. (Retd.), Government Nominee**  
**CA. Babu Abraham Kallivayalil, Member**  
**CA. Rajendra Kumar P, Member**

**DATE OF FINAL HEARING : 27.07.2021**

**PLACE OF FINAL HEARING : ICAI Bhawan, Delhi**

**PARTIES PRESENT** :

Respondent :

- (i) CA. Rajesh Kishore Hiranandani
- (ii) CA. Rajan Dattatray Kamat
- (iii) CA. Padmanabh Ramchandra Barpande
- (iv) CA. A P Singh – Counsel for Respondents
- (v) Shri Shovik Bhadra, Advocate – Counsel for Respondents

**CHARGES IN BRIEF:-**

1. The Committee noted that in the present case the Complainant has submitted Copy of "Report on Special Audit of Multi Commodity Exchange of India Limited" by Price Waterhouse Coopers Private Limited, dated 21<sup>st</sup> April, 2014 (C-4 to C-143). According to the Complainant there were certain issues raised in the said report against the Respondent Firm.
2. The Committee noted that the Respondents were held Not Guilty by Director (Discipline) in his prima-facie opinion, however the Board of Discipline while considering the Prima-facie Opinion was of the view that on account of the detailed observations made by the special auditor with respect to various heads covered under his scope of work for the review period, the matter needs to be examined further and accordingly, did not agree with the prima facie opinion of the Director that the Respondent is NOT GUILTY of professional and/or other misconduct falling within the meaning of Clauses (7) and (8) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 and referred the matter to the Disciplinary Committee to proceed under Chapter V of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

**BRIEF FACTS OF THE PROCEEDINGS:**

3. On the day of final hearing on 27/07/2021, the Committee noted that the Complainant was not present before it, however, the Respondents along with their counsel CA. A.P. Singh were present before it through video conferencing to defend the case. At the outset, the Committee enquired from the Respondent and his counsel as to whether they wish to opt for the de-novo hearing by the present/new bench as a consequence of change in composition of the earlier bench post last hearing in this matter. The Respondent opted for de-novo hearing.

- 3.1 Thereafter, the Counsel of the Respondent presented his line of defense stating that there has been no allegation against the Respondents in Special Audit Report issued by Price Waterhouse Coopers Pvt. Ltd. It was also submitted by the Counsel of the Respondents that in Form I the Complainant had not mentioned any allegations categorically.
- 3.2 The Committee also noted that the Complainant in one his correspondences with Directorate viz., vide email dated 30<sup>th</sup> September, 2017 had requested for withdrawal of complaint.
- 3.3 Thereafter, the Committee, while considering the documents on record and the submissions of the Respondent decided to conclude the hearing by reserving the judgment in the instant matter.
- 3.4 Thereafter this matter was placed in meeting dated 2<sup>nd</sup> September 2021 for consideration of the facts and arriving at a decision by the Committee.

**MEMBERS PRESENT ON 02.09.2021:**

**CA. (Dr.) Debashis Mitra, Presiding Officer**  
**Sh. Rajeev Kher, I.A.S. (Retd.), Government Nominee**  
**CA. Babu Abraham Kallivayalil, Member**

**FINDINGS OF THE COMMITTEE**

4. The Committee noted that the present complaint is filed by the Complainant against **M/s. Deloitte Haskin & Sells, (FRM No. 117366W), Mumbai** hereinafter referred to as the "**Respondent Firm**"). The Respondent in response to correspondence with Disciplinary Directorate vide letter dated 15.09.2014 had mentioned his partners as member answerable as under:

<b>Financial Year ended</b>	<b>Name of the Member</b>
31 <sup>st</sup> March, 2013	CA. Rajesh Kishore Hiranandani
31 <sup>st</sup> March, 2009	CA. Rajan Dattatray Kamat
31 <sup>st</sup> March, 2008	CA. Padmanabh Ramchandra Barpande

5. The Committee noted that the Respondent's Counsel in his submission with regards to charges against the Respondent had drawn the attention to lacuna in Item no. 5 and Item no. 6 of Form-I in which the Complaint is required to be submitted under the Chartered Accountants (Procedure of Investigations of

Professional and Other Misconduct and Conduct of Cases) Rules, 2007. The Counsel further added that in the Complaint itself, there were no specific allegations that were levied by the Complainant whereas law requires under the rules that all the particular allegations must be serially numbered together with corresponding clauses or part on the relevant schedules under which the alleged acts of commission or omission or both would fall.

6. The Committee observed from perusal of the Report on Special Audit of MCX dated 21<sup>st</sup> April, 2014 on which the entire allegations are based, that the period of review is from inception (i.e, from year 2003 to 30 September, 2013) **(C-8 to C-9)** while the Respondents have conducted the audit of MCX for the FYs 2012-13, 2008-09 and 2007-08 only.
7. The Committee noted that Special Audit Report raises question on the role of one CA. Mukesh P Shah of M/s Mukesh P Shah & Co. **(Point no. 2.3.6 at page C-13)** who was the Statutory Auditor of MCX for FY 2002-03 and thereafter became the Tax Auditor of MCX during the FY 2003-04 till FY 2012-13. The Committee was informed by the Office that a separate disciplinary proceeding is pending against said CA. Mukesh P Shah.
8. Similarly, the complaint filed by Shri Ketan Anil Shah, a shareholder of MCX also speaks about the role of Mr. Mukesh P Shah **(R-9)** and nowhere speaks about the role of Respondents. The list of Key Accused given by said Shri Ketan Anil Shah **(R-8)** also does not contain the name of the Respondent or Respondent firm.
9. The Committee noted that though, various financial irregularities have been pointed out in the report, but the said report lacks clarity as to which period the said irregularities pertain. Hence, it is not possible to attribute these financial irregularities to the audit periods of the Respondents. Therefore, under these circumstances, it is not possible to infer any Professional Misconduct on the part of Respondents.
10. The Committee further noted that the Complainant in one of his correspondences with Directorate viz., vide email dated 30<sup>th</sup> September 2017 had requested for withdrawal of complaint. The Committee looking into the facts of facts vis-à-vis withdrawal by the Complainant decided to extend benefit in favour of the Respondent.

### CONCLUSION

11. In view of the above observation, considering the submissions of the parties and documents on record, the Committee held the Respondent **NOT GUILTY**

under Clause (7) and (8) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

12. Accordingly, in terms of Rule 19 (2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee passed order for closure of this case against the Respondent.

sd/-

(CA. (Dr.) DEBASHIS MITRA)  
PRESIDING OFFICER

approved & confirmed through email  
(SH. RAJEEV KHER, I.A.S. (Retd.))  
GOVERNMENT NOMINEE

approved & confirmed through email  
(CA. BABU ABRAHAM KALLIVAYALIL)  
MEMBER

DATE: 11<sup>TH</sup> FEBRUARY, 2022

सही प्रतिलिपि होने के लिए प्रमाणित /  
Certified to be true copy

विभागाध्यक्ष / Shri. Vishwas Nath Tiwari  
कार्यकारी अधिकारी / Executive Officer  
अनुशासनालय / Disciplinary Directorate  
इंस्टिट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया  
The Institute of Chartered Accountants of India  
आईसीएआई भवन, विश्वास नगर, शाहदरा, दिल्ली-110032  
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