



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

[PR-63/17/DD/88/2017/BOD/508/2019]

ORDER UNDER SECTION 21A(3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 15(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

In the matter of:

CA. Hamesh Madaan,

M/s. Hamesh Madaan & Associates, Chartered Accountants,
New Delhi

.....Complainant

-Vs-

CA. Sonika Aggarwal (M.No.510834)

M/s. Sonika Aggarwal & Company, Chartered Accountants,
Noida

.....Respondent

[PR-63/17/DD/88/2017/BOD/508/2019]

MEMBERS PRESENT (in person):

CA. Rajendra Kumar P., Presiding Officer

Ms. Dolly Chakrabarty (IAAS, ret'd.), Government Nominee

Date of Final Hearing: 17th March, 2023

1. The Board of Discipline vide Findings dated 10th June 2022 was of the view that CA. Sonika Aggarwal (M.No.510834) is Guilty of Professional Misconduct falling within the meaning of Item (8) and (9) of Part I of the First Schedule to the Chartered Accountants Act, 1949.
2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against CA. Sonika Aggarwal and communication dated 1st March 2023 was addressed to him thereby granting him an opportunity of being heard in person and/or to make written representation before the Board on 17th March 2023.
3. CA. Sonika Aggarwal made her written representation vide email dated 7th October 2022 and also appeared before the Board through video conferencing on 17th March 2023 and made her oral representation thereat.
4. CA. Sonika Aggarwal, in her written representation, inter-alia, stated as under:-



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- (i) Evidence submitted by her has not been taken on record and submitted and all fake documents produced by the Complainant has been acknowledged.
- (ii) Honorable judges have ignored all evidence which they can check online or verify. They have ignored Honorable High Court or Supreme Court citations.
5. The Board has carefully gone through the facts of the case alongwith the oral and written representation of **CA. Sonika Aggarwal**.
6. As per the Findings of the Board as contained in its report, with regard to the first allegation the Board held that communication has to be done with the previous auditor prior to acceptance of the audit assignment which had not been done in the instant case. Also, the Respondent failed to bring on record any positive evidence of delivery of said letter to the Complainant. Accordingly, the Board held that the Respondent has committed an act of Professional Misconduct falling within the meaning of Item (8) of Part I of the First Schedule to the Chartered Accountants Act, 1949 for accepting the Statutory audit of the Company for the FY 2015-16 without first communicating with the Complainant. With regard to the second allegation, on perusal of the Directors' report of the company dated 2nd September 2016 for the F.Y. 2015-16, the Board observed that it was stated therein that the Respondent firm offer themselves for appointment for a period of one year from the conclusion of this Annual General meeting till the conclusion of 9th AGM. The Board also noted that the audit report issued by the Respondent for the company for the F.Y. 2015-16 was dated 4th September 2016. However, there was no communication on record from the company to the Complainant as regards his removal from the position of auditor of the company. Thus, the Respondent was not able to establish how compliance with the provisions of Sec 140(4) of the Companies Act 2013 had been ensured by the Respondent prior to acceptance of the audit by the company for the F.Y. 2015-16. Accordingly, **CA. Sonika Aggarwal** was held Guilty of Professional Misconduct falling within the meaning of Item (8) and (9) of Part I of the First Schedule to the Chartered Accountants Act, 1949.
7. Thus. upon consideration of the facts of the case, the consequent misconduct of **CA. Sonika Aggarwal** and keeping in view her oral and written representation before it, the Board decided to **Reprimand CA Sonika Aggarwal (M. No. 510834)**.

Sd/-

CA. Rajendra Kumar P
(Presiding Officer)

DATE: 19th April 2023

सही प्रतिलिपि होने के लिए प्रमाणित
Certified to be true copy

बिष्वा नाथ तिवारी / Bishwa Nath Tiwari
कार्यकारी अधिकारी / Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया
The Institute of Chartered Accountants of India
विशास नगर, शाहदरा, दिल्ली-110032
ICAI Bhawan, Vishwas Nagar, Shahdara, Delhi-110032

Sd/-

Ms. Dolly Chakrabarty (IAAS, retd.)
(Government Nominee)

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-63/17/DD/88/2017/BOD/508/2019

CORAM (in person):

CA. Prasanna Kumar D., Presiding Officer
Ms. Dolly Chakrabarty (IAAS, ret'd.), Government Nominee
CA. (Dr.) Raj Chawla, Member

In matter of:

CA. Hamesh Madaan,
M/s. Hamesh Madaan & Associates, Chartered Accountants,
New Delhi

.....Complainant

-Vs-

CA. Sonika Aggarwal (M.No.510834)
M/s. Sonika Aggarwal & Company, Chartered Accountants,
Noida

.....Respondent

DATE OF FINAL HEARING : 20th April 2022
PLACE OF FINAL HEARING : New Delhi/ through video conferencing

PARTIES PRESENT (through Video Conferencing):

Complainant : CA. Hamesh Madaan

Respondent : CA. Sonika Aggarwal

FINDINGS:

Charges Alleged:

- 1.1 The Respondent firm accepted an appointment as an auditor of M/s Ornatus Solutions Pvt Ltd for the Financial Year 2015-16 without first communicating with the Complainant firm in writing.

1.2 The Respondent accepted the audit without first ascertaining whether the requirement of Section 225 of the Companies Act, 1956 / Section 139 and 140 of the Companies Act, 2013 has been duly complied with by the Company.

Brief of Proceedings held:

2. During the hearing held on 20th April 2022, the Complainant and the Respondent were present before the Board through video conferencing. Since there was a change in the composition of the Board since the last hearing, the Board gave an option to the parties to the case as to whether they would like to have a De -Novo enquiry or continue from the last proceedings to which they stated that they would like to continue from the last proceedings. The Board also noted that at the time of last meeting held on 10th January, 2022, it had directed the Respondent to submit the following:

(a) Letter seeking no-objection from the Complainant before accepting the appointment as auditor of the company for the Financial Year 2015-16 alongwith the proof of delivery of the said letter.

(b) Documentary evidences to substantiate that compliance of Section 139 and 140 of the Companies Act, 2013 had been ensured by her.

The Respondent vide e-mail dated 2nd March, 2022 submitted her reply.

Thereafter, the Respondent made her detailed submissions before the Board. The Complainant also made his detailed oral submissions on the charges alleged against the Respondent. The Respondent was examined by the Board. On consideration of the documents and submissions on record, the Board decided to conclude the proceedings in the case.

Brief of the Submissions of the parties to the case:

(a) Respondent:

3.1 The Respondent, in her defense, inter alia, submitted as under:-

- a. She has filed complaint in police station for payment of fees amounting to Rs.2,15,000/- due from the company and also for loss of certain documents from her office.
- b. When GNL-2 Form was introduced on MCA portal, it was stated that this form must be accompanied with Form no ADT-1 in PDF format. This GNL-2 form was introduced for the purpose to intimate the appointment of statutory auditors of the company on MCA portal. GNL 2 was filled by the Complainant(for appointment for the period

from financial year 2014-15 to 2018-19) was invalid as it was filled without attachment of ADT-1 which was mandatory. As an opportunity was given to him to rectify his mistake by filing Form 67. But, the Complainant didn't filled form 67 for rectification of defects of Form GNL 2 as per guidelines and hence GNL 2 filled was invalid so he was never appointed as auditor of company or he has appointed himself wrongfully as statutory auditor of the aforesaid company.

c. The Respondent also submitted the copy of the following documents:

- Form ADT 1 (intimation to Registrar of Companies for appointment) filed by her for financial year 2015-16 with complete attachments.
- Appointment letter issued by M/s Orantus Solutions Private Limited for the financial year 2015-16 to her.
- Consent letter for her appointment issued by the Respondent to M/s Orantus Solutions Private Limited.
- Extract of the resolution passed by the Board of Directors of the company for the appointment of the Respondent as statutory auditor of the company on 30.09.2016.
- Challan for payment of fee of Form no. ADT 1 paid by company vide SRN no. G20077509 dated 05/11/2016.
- Letter written by the Respondent to the Complainant asking his No Objection for her appointment as Statutory Auditor of M/s Orantus Solutions Private Limited dated 10/10/2016 duly received by his office and clearly mentioning that in the absence of his reply within 15 working days, it would be assumed that he had no objection on her appointment. Since the Complainant didn't reply in next 15 working days from the date of letter and in such circumstances, it was presumed by the Respondent that the Complainant had no objection on her appointment.
- Affidavit given by Mr. Bijender Singh, one of the directors of M/s Orantus Solutions Private Limited stating the circumstances under which appointment of the Respondent was made due to non-cooperative behaviour of the Complainant.
- Copy of company master data downloaded from the website of Ministry of Corporate Affairs (MCA) showing struck off status of company.
- Audited Financial statement of the company for the F.Y. 2014-15 and 2015-16.
- e-forms and annexures downloaded from the MCA site.
- Form 32 for appointment of 4 directors,
- payment challans etc.

(b) Complainant:

3.2 The Complainant in his submissions, inter-alia, submitted as under:

- i. The Complainant drew attention to the letter dated 02nd Aug, 2016 written by the Respondent to him, which is annexed as annexure "D-10" (Letter provided to him by ICAI only) and stated that:
 - a) The letter does not have his address mentioned on it.
 - b) The letter is without any acknowledgement from his office.
 - c) Fake stamp / seal of his office has been made and affixed on the said letter as close scrutiny of the stamp / seal reveals that the word "s" is missing from "Chartered Accountants" in this stamp / seal, which is there in his original stamp. The original stamp / seal can be seen in all the letters submitted by him and are enclosed as annexures D-4, D-5, D-6, C-52 to 54, C-56 to 58. Also, the font size of this stamp / seal is different from his original stamp.
 - d) The letter mentions that M/s. Sonika Aggarwal and Company has been appointed as the Statutory Auditor of M/s Ornatus Solutions Pvt Ltd for the financial year 2016-17 for which NOC is being sought. However they have audited the records for financial year 2015-16 also. NOC is to be taken only once for the first year and is not a regular feature which is taken year after year.
 - e) In her email dated April 28... (year not mentioned) which is enclosed as annexure W-4 to W-6, the Respondent has mentioned:-
 - (i) In point no. III that Complainant firm has resigned on 02.08.2019 as the statutory auditors of the company. However, she has not submitted the copy of his resignation letter.
 - (ii) From point V to XIII she has not mentioned anything relating to statutory documentation / formalities done relating to change of the auditors as per the Guidelines laid down by ICAI and the Companies Act. We have never met nor had any telephonic discussion at any point of time.

Observations and Findings of the Board:

4. As regard the first charge, the Board noted that the Respondent in her defence brought on record copy of the letter dated 10th October 2016 addressed to the Complainant seeking his no-objection for her appointment as the auditor of the company for the F.Y. 2015-16. The said letter bore only the stamp of the Complainant Firm. No date or signature of the person receiving the same had been mentioned on the same. Further, even the Complainant denied having received the said letter. The Board also noted that the financial statement of the company for the F.Y. 2015-16 had been audited by the Respondent on 3rd September

2016. Thus, the alleged letter seeking the no-objection of the Complainant was sent after the audit of the Financial Statements of the company by the Respondent. The Board also noted that the Respondent brought on record copy of the letter dated 02nd August, 2016 and 06th August, 2016 hand delivered to the Complainant Firm seeking his no-objection for her appointment as the auditor of the company for the F.Y. 2016-17 which bore only the stamp of the Complainant Firm and no date or signature of the person receiving the same had been mentioned on the same. The Board observed that no-objection of the previous auditor is sought only in the year when change of the auditor is there and not for every year of audit. Thus, the Board observed that there were clear contradictions in the documents brought on record by the Respondent to defend herself in respect of the charge alleged.

5. The Board further noted that the Respondent brought on record the copy of the following communication between her and the company:
 - (a) copy of the resolution passed at the AGM of the Company held on 30th September 2016 for her appointment as the auditor of the company.
 - (b) copy of the appointment letter dated 03rd October, 2016 issued to her by the Company
 - (c) her consent vide letter dated 03rd October, 2016 to act as the auditor of the company.
 - (d) letter dated 29th June 2016 written by the Respondent to the company asking them to give a confirmation in writing as regards clearance of the dues of the previous auditor so that she can start the audit sooner.
 - (e) letter dated 30th July 2016 followed by reminder dated 17th August 2016 and 30th August 2016 written by the Respondent to the company requesting to provide the copy of the no-objection of the previous auditor.
 - (f) letter dated 5th September 2016 written by the company to the Respondent assuring that full and final dues have been paid to the previous auditor and that the previous auditor has given assurance for full cooperation for her firm's appointment.
 - (g) letter dated 20th September 2016, 8th October 2016, 11th October 2016, 22nd October 2016, 25th October 2016 written by the company to the Respondent confirming that full and final dues have been paid to the previous auditor.

Thus, the Board observed that the resolution for the appointment of the Respondent as the statutory auditor of the company was passed in the AGM of the company on 30th September 2016 but, she was in touch with the company even prior to that seeking the no-objection of

the previous auditor. Also, the Board was of the view that the responsibility to communicate with the previous auditor is on the incoming auditor and he /she can not delegate/pass on the same to the auditee.

6. The Board noted the following requirement of Item (8) of Part I of the First Schedule to the Chartered Accountant Act, 1949:

“(8) accepts a position as auditor previously held by another chartered accountant or a certified auditor who has been issued certificate under the Restricted Certificate Rules, 1932 without first communicating with him in writing;”

Further, as per Code of Ethics (Reprint December, 2010 Edition) :

“The requirements of Clause (8) of Part I of the first Schedule can be considered to have been complied with only:

(i) if there is evidence that a communication to the previous auditor had been by R.P.A.D (Registered Post Acknowledgment Due).

(ii) if there was positive evidence about delivery of the communication to the previous auditor.

In the absence of both, the member should be found to have contravened this Clause.

(R.M. Singhai & Associates vs. R.V. Agarwal - Page 155 of Vol. VI(2) of Disciplinary Cases - Decided on 15th, 16th and 17th December, 1988)

Thus, the Board held that communication has to be done with the previous auditor prior to acceptance of the audit assignment which had not been done in the instant case. Also, the Respondent failed to bring on record any positive evidence of delivery of said letter to the Complainant. Accordingly, the Board is of the view that the Respondent has committed an act of Professional Misconduct falling within the meaning of Item (8) of Part I of the First Schedule to the Chartered Accountants Act, 1949 for accepting the Statutory audit of the Company for the FY 2015-16 without first communicating with the Complainant.

7. As regards the second charge, the Board noted that Item (9) of Part I of the First Schedule to the Chartered Accountants Act 1949 provides as under:

"(9) accepts an appointment as auditor of a company without first ascertaining from it whether the requirements of section 225 of the Companies Act, 1956 (1 of 1956) in respect of such appointment have been duly complied with;"

Since the period of audit under question is the F.Y. 2015-16, the corresponding provisions of Section 139/140 of the Companies Act 2013 were taken into view by the Board which provides as under:

"Section 139 of Companies Act, 2013 states procedure for Appointment of auditors

- (1) Subject to the provisions of this Chapter, every company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be such as may be prescribed: Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting: Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be prescribed, shall be obtained from the auditor: Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in section 141: Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed. Explanation.—For the purposes of this Chapter, "appointment" includes reappointment.*
- (2) No listed company or a company belonging to such class or classes of companies as may be prescribed, shall appoint or re-appoint— (a) an individual as auditor for more than one term of five consecutive years; and (b) an audit firm as auditor for more than two terms of five consecutive years: Provided that— (i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term; (ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term: Provided further that as on the date of appointment no audit firm having a common partner or partners to the other audit firm, whose tenure has expired in a company immediately preceding the financial year, shall be appointed as auditor of the same company for a period of five years: Provided also that every*

company, existing on or before the commencement of this Act which is required to comply with provisions of this sub-section, shall comply with the requirements of this sub-section within three years from the date of commencement of this Act: Provided also that, nothing contained in this sub-section shall prejudice the right of the company to remove an auditor or the right of the auditor to resign from such office of the company.

- (3) *Subject to the provisions of this Act, members of a company may resolve to provide that— (a) in the audit firm appointed by it, the auditing partner and his team shall be rotated at such intervals as may be resolved by members; or (b) the audit shall be conducted by more than one auditor.*
- (4) *The Central Government may, by rules, prescribe the manner in which the companies shall rotate their auditors in pursuance of sub-section (2). Explanation.—For the purposes of this Chapter, the word “firm” shall include a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008.*
- (5) *Notwithstanding anything contained in sub-section (1), in the case of a Government company or any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, the Comptroller and Auditor-General of India shall, in respect of a financial year, appoint an auditor duly qualified to be appointed as an auditor of companies under this Act, within a period of one hundred and eighty days from the commencement of the financial year, who shall hold office till the conclusion of the annual general meeting.*
- (6) *Notwithstanding anything contained in sub-section (1), the first auditor of a company, other than a Government company, shall be appointed by the Board of Directors within thirty days from the date of registration of the company and in the case of failure of the Board to appoint such auditor, it shall inform the members of the company, who shall within ninety days at an extraordinary general meeting appoint such auditor and such auditor shall hold office till the conclusion of the first annual general meeting.*
- (7) *Notwithstanding anything contained in sub-section (1) or sub-section (5), in the case of a Government company or any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government, or Governments, or partly by the Central Government and partly by one or more State Governments, the first auditor shall be appointed by the Comptroller and Auditor-General of India within sixty days from the date of registration of the company and in case the Comptroller and Auditor-General of India does not appoint such auditor within the said period, the Board of Directors of the company shall*

- appoint such auditor within the next thirty days; and in the case of failure of the Board to appoint such auditor within the next thirty days, it shall inform the members of the company who shall appoint such auditor within the sixty days at an extraordinary general meeting, who shall hold office till the conclusion of the first annual general meeting.
- (8) Any casual vacancy in the office of an auditor shall— (i) in the case of a company other than a company whose accounts are subject to audit by an auditor appointed by the Comptroller and Auditor-General of India, be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting; (ii) in the case of a company whose accounts are subject to audit by an auditor appointed by the Comptroller and Auditor-General of India, be filled by the Comptroller and Auditor-General of India within thirty days: Provided that in case the Comptroller and Auditor-General of India does not fill the vacancy within the said period, the Board of Directors shall fill the vacancy within next thirty days.
- (9) Subject to the provisions of sub-section (1) and the rules made thereunder, a retiring auditor may be re-appointed at an annual general meeting, if— (a) he is not disqualified for re-appointment; (b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and (c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.
- (10) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.
- (11) Where a company is required to constitute an Audit Committee under section 177, all appointments, including the filling of a casual vacancy of an auditor under this section shall be made after taking into account the recommendations of such committee.

Section 140 of the Companies Act, 2013 states Removal, resignation of auditor and giving of special notice

- (1) The auditor appointed under section 139 may be removed from his office before the expiry of his term only by a special resolution of the company, after obtaining the previous approval of the Central Government in that behalf in the prescribed manner: Provided that before taking any action under this sub-section, the auditor concerned shall be given a reasonable opportunity of being heard.

- (2) *The auditor who has resigned from the company shall file within a period of thirty days from the date of resignation, a statement in the prescribed form with the company and the Registrar, and in case of companies referred to in sub-section (5) of section 139, the auditor shall also file such statement with the Comptroller and Auditor-General of India, indicating the reasons and other facts as may be relevant with regard to his resignation.*
- (3) *If the auditor does not comply with sub-section (2), he or it shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.*
- (4) *(i) Special notice shall be required for a resolution at an annual general meeting appointing as auditor a person other than a retiring auditor, or providing expressly that a retiring auditor shall not be re-appointed, except where the retiring auditor has completed a consecutive tenure of five years or, as the case may be, ten years, as provided under sub-section (2) of section 139. (ii) On receipt of notice of such a resolution, the company shall forthwith send a copy thereof to the retiring auditor. (iii) Where notice is given of such a resolution and the retiring auditor makes with respect thereto representation in writing to the company (not exceeding a reasonable length) and requests its notification to members of the company, the company shall, unless the representation is received by it too late for it to do so,— (a) in any notice of the resolution given to members of the company, state the fact of the representation having been made; and (b) send a copy of the representation to every member of the company to whom notice of the meeting is sent, whether before or after the receipt of the representation by the company, and if a copy of the representation is not sent as aforesaid because it was received too late or because of the company's default, the auditor may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting: Provided that if a copy of representation is not sent as aforesaid, a copy thereof shall be filed with the Registrar. "*

8. The Board noted that the Respondent brought on record an affidavit from one of the directors of the company to the effect that she had been appointed in the AGM of the company held on 30th September 2016 and that since the Complainant was not willing to resign from the position of the auditor of the company, he was removed from the position of the auditor of the company. Thus, the compliance of the provisions of Sec 140(4) of the Companies Act 2013 had to be ensured by the Respondent. The Board further noted that the Respondent brought on record the following documents:

- (a) copy of the resolution passed at the AGM of the Company held on 30th September 2016 for her appointment as the auditor of the company.

- (b) copy of the appointment letter dated 03rd October, 2016 issued to her by the Company
- (c) her consent vide letter dated 03rd October, 2016 to act as the auditor of the company.
- (d) letter dated 29th June 2016 written by the Respondent to the company asking them to give a confirmation in writing as regards clearance of the dues of the previous auditor so that she can start the audit sooner.
- (e) letter dated 30th July 2016 followed by reminder dated 17th August 2016 and 30th August 2016 written by the Respondent to the company requesting to provide the copy of the no-objection of the previous auditor.
- (f) letter dated 5th September 2016 written by the company to the Respondent assuring that full and final dues have been paid to the previous auditor and that the previous auditor has given assurance for full cooperation for her firm's appointment.
- (g) letter dated 20th September 2016, 8th October 2016, 11th October 2016, 22nd October 2016 and 25th October 2016 written by the company to the Respondent confirming that full and final dues have been paid to the previous auditor.

Also, on perusal of the Directors' report of the company dated 2nd September 2015 for the F.Y. 2014-15, the Board observed that it was stated therein that the Complainant firm retire at the forthcoming AGM and being eligible, offer themselves for re-appointment. The Board also noted that the audit report issued by the Complainant for the company for the F.Y. 2014-15 was dated 2nd September 2015. On perusal of the Directors' report of the company dated 2nd September 2016 for the F.Y. 2015-16, the Board observed that it was stated therein that the Respondent firm offer themselves for appointment for a period of one year from the conclusion of this Annual General meeting till the conclusion of 9th AGM. The Board also noted that the audit report issued by the Respondent for the company for the F.Y. 2015-16 was dated 4th September 2016. However, there was no communication on record from the company to the Complainant as regards his removal from the position of auditor of the company. Thus, the Respondent was not able to establish how compliance with the provisions of Sec 140(4) of the Companies Act 2013 had been ensured by the Respondent prior to acceptance of the audit by the company for the F.Y. 2015-16. Accordingly, the Respondent is held Guilty of professional misconduct falling within the meaning of Item (9) of Part I of First Schedule to the Chartered Accountant Act, 1949 also.

CONCLUSION:

9. Thus, in conclusion, in the considered opinion of the Board, the Respondent is held **GUILTY** of Professional Misconduct falling within the meaning of Items (8) and (9) of Part I of the First Schedule to the Chartered Accountants Act, 1949.

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

Sd/-
Ms. DOLLY CHAKRABARTY (IAAS,retd.)
(GOVERNMENT NOMINEE)

Sd/-
CA.(Dr.) RAJ CHAWLA
(MEMBER)

DATE: 10th June 2022


प्रमाणित सत्य प्रतिलिपि / Certified true copy

सीए, ज्योतिका गौवर / CA, Jyotika Grover
सहायक सचिव / Asst. Secy Secretary
अनुशासन विभाग / Discipline
प्रतिष्ठान और महा-संश्लेषण का केंद्र
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