

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – IV (2025-2026)]

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

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

File No.: - [PPR/121B/2015/DD/100B/INF/2015/DC/872/2018]

In the matter of:

**CA. David Jones (M.No.098113)
M/s Walker Chandiook & Co LLP
Building No-10, 12th Floor Tower,
DLF Cyber City Phase - II
Gurugram (Haryana) - 122002**

.....Respondent

MEMBERS PRESENT :

**CA. Prasanna Kumar D, Presiding Officer (In person)
Adv. Vijay Jhalani, Government Nominee (In person)
CA. Mangesh P Kinare, Member (In person)
CA. Satish Kumar Gupta, Member (In person)**

DATE OF FINAL HEARING : 22nd December 2025

PARTIES PRESENT :

Counsel(s) for Respondent : CA. A. P. Singh (Through VC)

1. Background of the Case:

A letter no. QRB/3-4/2012 dated 17th January, 2014 was received from Quality Review Board (QRB) of the Institute in the matter pertaining to the Statutory Audit of DLF Ltd. (hereinafter referred to the "Company") conducted by M/s. Walker Chandiook & Co LLP (FRN 001076N) (hereinafter referred to as the "Respondent") for the year ended 31st March, 2011 submitting therewith a report dated 10th October, 2013 of the Technical Reviewer, CA. V. Thiagarajan.

2. **Charges in brief:**

2.1 Para 28 of SQC-1 states that "the firm should establish policies and procedures for the acceptance and continuance of client relationships and specific engagements, designed to provide it with reasonable assurance that it will undertake or continue relationships and engagements. Those policies were documented in the name of GTT and not in the name of the firm. There were no documentary evidence to prove that the firm had performed the task of these procedures to conclude that the acceptance of the engagement did provide reasonable assurance of the client's integrity, the firm's capability and the ethical requirements.

2.2 Para 20 of SA 220 states that "the engagement quality control reviewer shall perform an objective evaluation of the significant judgments made by the engagement team, and the conclusions reached in formulating the Auditor's Report." It was observed that only the sign off being part of the assembly of the final audit file in the Voyager system as evidence for conduct of the quality control review being conducted is available. There is no evidence on record in the work papers for having conducted the review process on the matters specified in paragraph 20 of the standard.

2.3 Para 61 of SQC-1 states that "the firm's policies and procedures should require the completion of the engagement quality control review before the report is issued. On review of the engagement work papers (maintained in the internal software "Voyager"), it was noticed that in most of the cases, the work papers had been prepared & reviewed in the month of July 2011 (Generally, the sign off is dated 7th July 2011). There is no evidence available on record that the engagement quality control review was carried out in a timely manner at appropriate stages during the engagement. It was noticed that the quality control review sign off was made on 7th July 2011 which is well later than the report is issued (May 24, 2011).

2.4 Auditor's responsibility to design and perform test of controls to obtain sufficient appropriate audit evidence as to operational effectiveness of relevant controls in detecting material misstatements. As per para A25 of SA 330 that a higher level of assurance may be sought about the operating effectiveness of controls when

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the approach adopted consists primarily of tests of controls, in particular where it is not possible to obtain sufficient appropriate audit evidence only from substantive procedures. Regarding test of controls, it has been reported that the firm has performed test of controls for the entity as a whole based on random sampling methodology using IDEA software.

3. **The relevant issues discussed in the Prima Facie Opinion dated 17th August 2018 formulated by the Director (Discipline) in the matter in brief, are given below:**

3.1 With respect to the first charge, in this matter of adoption of appropriate policies and procedures regarding acceptance and continuance of client relationships and specific engagements in view of para 28 of SQC-1, it was noted that the Respondent had provided the policies and procedures adopted by the firm. The Respondent brought on record details of the quality procedures performed by him on the Independence of Auditor and his view on the same. However, it was viewed that the Respondent's views/observations on the independence issue were related only to his role as engagement partner, and there was nothing on record which could establish or demonstrate with necessary documents that the firm had in fact communicated its independence issues/requirements to its audit staff. Also, there was nothing on record which demonstrated how the firm identified and evaluated the risk of conflict of interest that created threats to the independence of the firm as Auditor of the Company. It was also observed that regarding the audit of significant entities within the group, it had been admitted that certain entities were not audited by the Respondent firm; however, no conclusive document regarding the independence of the firm had been produced on record. It was further noted that the stated policies and procedures adopted by the firm did not make any mention of 'Conflict of Interest' as referred to in para 32 of SQC-1. In view of the above, the matters needed to be further investigated.

3.2 With respect to second charge, on perusal of the observations vis-à-vis the submissions of the Respondent, it was noted that mere evidence of log-in by the responsible quality control partner did not indicate that such partner had effectively evaluated the significant judgments of the engagement team and reached conclusions thereon. As per the requirement of Para 25 of SA 220, an

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engagement quality control reviewer was required to document that the procedures required by the firm's policies on engagement quality control review had been performed and that the reviewer was not aware of any unresolved matters that would cause the reviewer to believe that the significant judgments the engagement team made and the conclusions they reached were not appropriate. But in the extant matter, it was noted that sufficient documentary evidence had not been placed on record providing the quality control partner's observations in respect of the same. Para 63(c) of SQC-1 required a firm to establish policies and procedures for documentation requirements for an engagement quality control review. Hence, documentation was essential. In the absence of such evidence, the matter was recommended for further investigation..

- 3.3 With respect to third charge, it was noted that while the sign-off sheet of the quality control partner might have indicated some steps taken for the requirement of para 73(a) of SQC-1, those of paras 73(b) and (c) were not evident at all. Further, it was viewed that SA 220, Para 63 read with SA 230, from the date of the audit report, allowed a period of 60 days to complete the assembly of the final audit file. However, in the extant case, the allegation was for not carrying out the engagement quality control review in a timely manner at appropriate stages during the engagement. Though the Respondent contended that the document file had been created earlier than the date of attachment of each document in the voyager file, no such document was produced. Thus, the question of whether any document had been prepared or when it had been prepared was not addressed by the Respondent. In the absence of evidence to contradict the same, the matters required investigation.
- 3.4 With respect to fourth charge, the Respondent argued that the requisite information had been collected for risk assessment. The Respondent pointed out that walk-through tests had been performed to identify controls relating to various risks in an engagement, in the context of which the QR was not convinced that sufficient audit evidence had been obtained.
- 3.5 The tests of controls were designed to evaluate control objectives, verify that controls were in place, and assess their operating effectiveness. For control

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examination, the audit report conclusion or opinion needed to be based on whether there was adequate evidence that the combination of controls in place and in effect provided reasonable assurance that the relevant control objectives were met. Although designing such procedures was a matter of professional judgment, the nature and size of transactions verified were considered inadequate in view of the broad risk assessment procedure aimed at by the Respondent. Though the Respondent brought on record certain checklists related to sample checking of related party transactions with regard to purchase of fixed assets and investment in related party entities, details of procedures performed to test the operative control on selling price of products, details of samples of bookings made by the Company, and details of sample checking of revenue recognition on sale of apartments, the said checking of controls by the Respondent did not provide sufficient audit evidence that controls were in fact in place and effective in the Company, as the same did not cover information relating to test checking performed by the Respondent firm to test control over booking of expenses, cash, cheques received from or paid to parties, the accounting system used in the Company to record the transactions, etc. The evidence did not appear to be adequate to show that the Respondent had obtained appropriate material to assess the risk involved. In view of the above, it was held that the Respondent was prima facie guilty of professional misconduct in respect of the charge.

- 3.6. Accordingly, the Director (Discipline) in his Prima Facie Opinion dated 17th August 2018 opined that the Respondent is prima facie **Guilty** of Professional Misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949. The said Clause of the Schedule to the Act, states as under:

Clause (7) of Part I of the Second Schedule:

"A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct if he:

(7) does not exercise due diligence or is grossly negligent in the conduct of his professional duties."

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3.7 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 20th November 2018. The Committee on consideration of the same, concurred with the reasons given against the charge(s) and thus, agreed with the Prima Facie opinion of the Director (Discipline) that the Respondent is GUILTY of Professional Misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 and accordingly, decided to proceed further under Chapter V of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

4. **Date(s) of Written submissions/Pleadings by parties:**

The relevant details of the filing of documents in the instant case by the parties are given below:

S. No.	Particulars	Dated
1.	Date of "Information Letter" sent to Respondent for filing Written Statement.	11 th March 2016
2.	Date of Written Statement filed by the Respondent	14 th June 2016
3.	Date of Prima Facie Opinion formed by Director (Discipline)	17 th August 2018
4.	Written Submissions/ filed by the Respondent after Prima Facie Opinion	04 th February 2019 and 16 th May 2023
5.	Documents filed by the Respondent after Prima Facie opinion	02 nd November 2025
6.	Affidavit submitted by the Respondent after Prima Facie Opinion	22 nd December 2025

5. **Written Submissions dated filed by the Respondent:**

5.1 The Respondent submitted written submissions vide letter dated 04th February 2019 which, inter alia, stated that –

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- The case relates to an investigation by the Director (Discipline) under the Chartered Accountant Act and Rules, which can be initiated only upon receipt of valid "information" indicating violations.
- In this case, report of QRB constituted "information," and any proceedings based on it would be time-barred under the limitation period prescribed by the Rules.
- The process adopted in this case and views of Director (Discipline) are contrary to the Rules, and an attempt to initiate a time-barred matter. Therefore, non-est in law.
- The investigation of Director (Discipline) was not conducted on the basis of valid information as required under the Rules.
- The views of Director (Discipline) demonstrate lack of application of mind, and he ignored the submissions made in letters dated 14/05/2016 and 17/08/2016.
- Based on the material and facts submitted, the Director (Discipline) could not have formed a prima facie opinion of guilt; has suggesting further investigation, cannot replace the failure to form such an opinion.
- The Director (Discipline) has, without basis, pre-judged the Respondent as guilty on certain matters even while suggesting further investigation.
- Allegations of professional misconduct under Clause (7) of Part I of the Second Schedule of the Chartered Accountant Act are unsupported by evidence.
- The Director (Discipline) fails to establish lack of due diligence, negligence, or gross negligence, and relies on conjecture and surmise rather than cogent evidence.
- The Director (Discipline) has ignored facts and submissions made by the Respondent and has proceeded without proper appreciation of evidence.
- The investigation and view of the Director (Discipline) are based on a misconceived understanding of the Chartered Accountant Act and Rules, and on speculative grounds rather than factual material.
- The Respondent has adequately rebutted each allegation, and the Director (Discipline) has failed to establish the case on merits or provide probative evidence.
- The Institute, as a statutory body, is bound to follow the Chartered Accountant Act, Rules, and principles of due process, which have not been adhered to in this matter.

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- The Respondent Firm complies with its Ethics and Quality Control Manual (EQCM) and Audit Manual, aligned with SQC-1 and applicable SAs.
- The Respondent Firm uses Voyager audit software to ensure compliance with EQCM, Audit Manual, and professional standards, supported by physical and electronic audit documentation.
- The Respondent Firm submits that SQC-1 paragraphs 24 and 37 require policies for acceptance/continuance and conflict evaluation, which the Firm has implemented.
- The Respondent Firm maintains a restricted entities list, evidencing ongoing independence compliance.
- Conflict-of-interest references exist within the EQCM and were explained to the QRB reviewer.
- National Conflict Checks and evaluations of non-audit services were conducted and documented.
- The Director (Discipline) wrongly concludes non-compliance with SQC-1 without identifying specific deficiencies, despite extensive explanations to the QRB reviewer.
- The Director (Discipline) alleges inadequate documentation of engagement quality control review under SA 220 and SQC-1. The Respondent Firm explains that SA 220 and SQC-1 require documentation, which was duly maintained.
- The quality control partner reviewed independence, risks, judgments, consultations, misstatements, communications, working papers, and audit reports.
- The quality control partner was involved throughout the audit, including planning, reviews, and final sign-off.
- The Respondent Firm outlines its step-by-step audit review and approval process, involving team members, managers, partners, and EQCR.
- Superseded drafts were removed in compliance with SA 230, which discourages retention of preliminary or superseded documentation.
- File assembly timelines complied with Firm policy and SQC-1 guidance.
- Based on risk assessment, the Respondent Firm adopted a substantive audit approach, which was appropriate for the engagement.
- Detailed risk assessment and substantive procedures were performed and documented. Risk identification, walkthroughs, control design assessment, and

inherent risk evaluation were conducted. Documentation supporting these procedures is maintained in Voyager.

- Substantive procedures for revenue, expenses, cash, and bank transactions were performed and documented. The QRB reviewer raised no objections on expense booking, cash/bank procedures, or accounting systems.
- The Director (Discipline) View on SA 330 is baseless and not grounded in independent application of mind or QRB findings.

5.2 The Respondent submitted written submissions vide letter dated 16th May 2023 which, inter alia, stated that :-

Preliminary Objections

- No reference was made by QRB for disciplinary action in the matter specified in this procedure.
- The Respondent has not been accorded an opportunity to defend appropriately, in the absence of intimation of all charges in respect of which he has been held prima facie guilty.
- Subject case is time-barred under Chartered Accountant Act and Rules framed thereunder.
- The functions of the Quality Review Board do not include the making recommendations to the Council for Disciplinary action against the members/firms. Making recommendations to the Council for disciplinary action under Chapter V of the Act is not included as a function of QRB.
- Procedures for making recommendations for disciplinary action are contained separately in the QRB Procedures under Para 25 (Action to be recommended by the Board).

Submissions of the Respondent:

- The QRB Procedures require that the report of the Review Group, based on the report of the Technical Reviewer, should include a description of non-compliances by the auditor.
- In the instant case, no separate report of the Review Group has been provided. It is therefore inferred that no such separate report exists. It is patently visible that the Respondent has not been provided with any document which contains the

recommendations of the Review Group about the action that are required to be taken.

- The report of the Technical Reviewer is required from a practical standpoint, not just a theoretical view. The Technical Reviewer is obliged to provide suggestions with respect to each of his modifications. In the absence of such suggestions, the validity and maintainability of the modifications contained in the report are highly questionable. Such modifications cannot form the basis of any inquiry of professional misconduct against any auditor.
- Without any powers having been vested in the Council to make such recommendations, this is a clearcut case of sou moto consideration and reference for "Investigation and necessary action" by the Council.
- The Respondent listed out the names of persons to whom he wished to call as witness to be examined in relation to various issues connected with this matter, which are as under:

S. No	Name	Role in the audit of DLF Limited for the Financial Year ended 31 st March 2011
1	Aasheesh Arjun Singh	Quality Control Partner
2	Neeraj Sharma	Engagement Manager

6. The Affidavit submitted by Respondent vide letter dated 22nd December 2025, inter alia, included as under –

- The Respondent is a Chartered Accountant duly enrolled as a member with the Institute of Chartered Accountants of India (ICAI) under Membership No. 098113, and was appointed and acted as the Engagement Partner in relation to the statutory audit of DLF Limited for the financial year 2010–11.
- The Respondent was competent to swear this affidavit and fully acquainted with the facts and circumstances pertaining to the said audit engagement.
- The Respondent stated and affirm that the said audit engagement was conducted in accordance with the Standards on Auditing (SAs) issued by the ICAI, including but not limited to SA 220, titled "Quality Control for an Audit of Financial Statements", and the provisions of the Standard on Quality Control (SQC-1),

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which governs system-wide policies and procedures for quality control in audit firms.

- That as per the provisions of paragraph 25 of SA 220, and paragraph 63(e) read with paragraphs 73(b) and 73(c) of SQC-1, it is mandatory for the Engagement Quality Control Review (EQCR) to be completed prior to the date of the auditor's report, and such review must include an objective evaluation of the significant judgments made by the engagement team and the conclusions reached thereon.
- The Respondent stated and confirm that the EQCR in relation to the audit of DLF Limited for the financial year 2010–11 was duly conducted by CA Aasheesh Arjun Singh, the designated Engagement Quality Control Reviewer (EQCR partner), in accordance with the firm's policies and procedures and in compliance with the requirements of SA 220 and SQC-1.
- That the said EQCR process included the following key areas of review, as stipulated under paragraph 25 of SA 220 and the firm's Engagement Quality Control Manual:

(a) Evaluation of the engagement team's compliance with independence and ethical requirements;

(b) Review of significant risks identified during the engagement and the responses thereto;

(c) Assessment of key audit judgments, particularly with respect to materiality and significant risk areas;

(d) Examination of the appropriateness of consultations undertaken and the resolution of significant issues;

(e) Review of corrected and uncorrected misstatements and their disposition;

(f) Assessment of matters to be communicated to those charged with governance;

(g) Examination of whether the documentation supports the conclusions reached and the opinion issued;

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(h) Evaluation of the overall appropriateness of the auditor's report.

- That all documentation forming part of the audit file was maintained and updated through the firm's electronic documentation software, namely the Voyager platform, and all comments and queries raised by the EQCR partner were duly addressed by the engagement team prior to the issuance of the auditor's report.
- That the final deliverables, including the audit committee presentation and the signed audit report, were shared with the EQCR partner and the EQCR partner conveyed his approval and clearance upon satisfaction that there were no unresolved matters impacting the audit opinion.
- That Respondent further stated that the EQCR process was completed on 24 May 2011, prior to the date of signing of the audit report. The audit report for DLF Limited for the financial year 2010-11 was also issued on 24 May 2011, and the same was preceded by the clearance and approval of the EQCR partner.
- The Respondent further affirm that all required audit procedures, including substantive and compliance procedures, were duly completed by the engagement team prior to the issuance of the audit report, in accordance with the applicable Standards on Auditing.
- That the EQCR partner's comments and conclusions were duly documented, either electronically through the Voyager file or in hard copy, as per the firm's audit documentation policy, and the audit documentation was finalised accordingly. No documentation was created or modified after the issuance of the auditor's report, save for administrative closure in accordance with firm policy.
- That the EQCR partner, CA Aasheesh Arjun Singh, discharged his duties in full conformity with the standards and provided his clearance only after ensuring that the audit engagement met the requirements of SA 220, SQC-1, and the firm's internal guidance, and that no matters remained unresolved.
- That the process undertaken demonstrates full compliance with the obligation under SA 220 to have an objective, independent review of significant audit judgments prior to the issuance of the audit report, thereby upholding audit quality and integrity.
- The Respondent executed this affidavit to place on record that the audit engagement for DLF limited for the F.Y 2010-11 was conducted in accordance with applicable auditing standards, and the EQCR process was completed prior

to the signing of the audit report, in line with the mandatory requirements under SA 220 and SQC-1.

- That the statements made hereinabove are true and correct to my knowledge, belief and understanding, and nothing material has been concealed therefrom.

7. **Brief facts of the Proceedings:**

- 7.1 The details of the hearing(s)/ meetings fixed and held/adjourned in said matter is given as under:

S. No.	Date of meeting(s)	Status
1	22 nd May 2023	Part heard and adjourned.
2	18 th December 2023	Adjourned at the Request of the Respondent
2	23 rd January 2024	Deferred due to paucity of time
4	05 th August 2025	Part heard and adjourned.
5	09 th September 2025	Part heard and adjourned.
6	30 th September 2025	Adjourned at the Request of the Respondent
7	07 th November 2025	Adjourned at the Request of the Respondent
8	20 th November 2025	Part heard and adjourned.
9	15 th December 2025	Part heard and adjourned.
10	22 nd December 2025	Hearing concluded and decision taken

- 7.2. On the day of hearing held on 22nd May 2023, the Committee noted that the Respondent along-with counsel(s) was present before it through Video Conferencing mode. Thereafter, they gave declaration that there was nobody present except them from where they were appearing and that they would neither record nor store the proceedings of the Committee in any form. Being first hearing of the case, the Respondent was put on oath. Thereafter, the Committee

enquired from the Respondent as to whether he was aware of the charges and charges against the Respondent were read out. On the same the Respondent replied that he is aware of the charges and pleaded Not Guilty to the charges levelled against him. In view of Rule 18(9) of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee adjourned the case to later date. With this, the case was part heard and adjourned.

7.3 On the day of hearing held on 18th December 2023, the Committee noted that the Respondent vide mail dated 11.12.2023 has made a request for adjournment of captioned case as his Counsel was not available on the date of hearing. The Committee acceded to the request of the Respondent and adjourned the hearing in captioned case. With this, the case was part heard and adjourned to a future date.

7.4 On the day of hearing held on 23rd January 2024, the consideration of the matter was deferred by the Committee.

7.5 On the day of next hearing held on 05th August 2025, the Committee noted that the Respondent was present through VC along with his Counsel(s) and appeared before it.

The Committee enquired from the Respondent/Counsel for the Respondent that since the composition of the Committee had changed subsequent to the last hearing held on 18/12/2023 in this case, whether he wished to have a de-novo hearing or may continue from the stage it was last heard. The Counsel of the Respondent opted for de-novo hearing and accordingly the Respondent was administered on Oath. Thereafter, the Committee enquired from the Respondent as to whether he was aware of the charges against him and then the charges as contained in prima facie opinion were read out. On the same, the Respondent replied that he is aware of the charges and pleaded 'Not Guilty' to the charges levelled against them.

The Counsel for Respondent inter alia argued that the inquiry is time-barred and that the process followed by the ICAI is inconsistent with the law. The Quality Review Board did not recommend disciplinary action to the Director (Discipline), and the Council of ICAI acted beyond its authority by referring the matter for investigation as the jurisdiction of Council of ICAI was taken away by way of amendment to the Chartered Accountants Act in year 2006. Without any powers having been vested in the Council to make such recommendations, this is a clear-cut case of *sou moto* consideration and reference for "Investigation and necessary action" by the Council. He submitted that the date of meeting of Quality Review Board and the date of reference of decision of the Council to the Disciplinary Directorate for disciplinary action was not informed. Rule 7 of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, provides that 'Information' has to be sent to the Respondent within specified time and same does not seem to have been complied with in the instant case. The Director (Discipline) failed to specify the exact clauses in each allegation in the Prima Facie Opinion where Respondent has been held guilty. He cited few judgements of the Court relating to certain matters in support of his arguments.

The QRB Procedures require that the report of the Review Group, based on the report of the Technical Reviewer, should include a description of non-compliances by the auditor. In the instant case, no separate report of the Review Group has been provided. The Respondent has not been provided with any document which contains the recommendations of the Review Group about the actions that are required to be taken. There was no recommendation from the QRB to the Director (Discipline) for disciplinary action in accordance with the QRB procedures. The Committee noted the above submissions of the Counsel for Respondent. With this, the case was adjourned.

- 7.6 On the day of next hearing held on 09th September 2025, the Committee noted that the Respondent was present through VC along with his Counsel(s) and appeared before it. As regards the allegation related to Para 28 of SQC 1, the Respondent stated that policies for client acceptance and continuance existed and were implemented. The firm used a digital platform "Voyageur," to document

and execute these policies. As regards Para 32 of SQC 1, the Counsel argued that the Director (Discipline) overstepped by including this paragraph, as it was not part of the original allegations. The Respondent made his submissions in regard to conflict-of-interest checks and independence verifications undertaken by the Respondent. As regards the query posed to the Respondent as to why the policies were documented under "GTT" and not the firm's name, the Counsel for Respondent stated that the firm had acquired the rights to use the "Voyageur" software from GTT.

With regard to Technical Reviewer's Observations that SQC 1 was not fully implemented and there was no documentary evidence of client acceptance procedures being approved by the designated quality control partner, the Counsel for Respondent stated that necessary compliance was made and he referred to documentation including emails to demonstrate compliance.

With regard to non-compliance of SA 220, the Counsel explained about the review process, including multiple levels of review by the Engagement Manager, Partner, and Engagement Quality Control Reviewer (EQCR). The Counsel provided email trails and documentation to demonstrate compliance and clarified that only the final version of documents is retained, as per SA 230. As regards the query related to the timing of the EQCR's review and the compilation of the audit file, the Counsel submitted that the EQCR review was completed before the audit report was signed (24th May 2011), and that the final compilation of the audit file occurred within the permissible 45-day period (as per firm policy). The Committee directed the Respondent to provide evidence to demonstrate that all procedures and activities were completed before the audit report's signing date (24th May 2011) With this the matter was part heard and adjourned.

- 7.7 On the day of next hearing held on 30th September 2025, the Committee noted that the Respondent had sought an adjournment vide email dated 25th September 2025 as Respondent required additional time. Acceding to the request of the Respondent, the Committee adjourned the subject case to a future date.

- 7.8 On the day of next hearing held on 07th November 2025, the Committee noted that the Counsel for the Respondent had sought an adjournment vide email dated 31/10/2025 stating that Counsel was not available at scheduled time of meeting. Acceding to the request of the Respondent's Counsel, the Committee adjourned the subject case to a future date.
- 7.9 On the day of next hearing held on 20th November 2025, the Committee noted that the Respondent along with counsel(s) was present through VC and appeared before it. The Counsel for Respondent addressed the allegations related to EQCR (Engagement Quality Control Review) compliance during audit. The counsel emphasized that the firm had robust EQCR policies, ensuring all issues were resolved before the audit report was signed on 24th May 2011. He clarified that the archival process, including uploading documents to the Voyager platform, continued for 45 days post-report signing, in line with firm policy and SQC-1 standards. The counsel committed to providing evidence of the file's progressive completion and digital footprints in the next hearing. The Committee noted the submissions of the Counsel for Respondent. With this, the matter was part heard and adjourned.
- 7.10 On the day of next hearing held on 15th December 2025, the Committee noted that the Respondent along with Counsel(s) was present through VC and appeared before it. The Counsel for Respondent stated that the audit procedures adhered to applicable Standards, including SA 330, SA 200, and SA 230, emphasizing the auditor's professional judgment and flexibility in choosing substantive procedures over control testing, which was permissible under the Standards prior to 2013. The Counsel also presented evidence, including extracts from the Voyager software and email communications, to substantiate compliance with firm policies and audit standards. The Committee asked for specific evidence to confirm compliance regarding the completion of procedures and approvals before the audit report signing date (24th May 2011). With this, the matter was part heard and adjourned for further submissions by the Respondent. With this, the case was part heard and adjourned. 4

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7.11 On the day of next hearing held on 22nd December 2025, the Committee noted that Counsel for the Respondent was present through VC and appeared before it. The Committee directed the Counsel for the respondent to make submissions on matter relating to EQCR. The Counsel for the respondent submitted that efforts were made to trace the specific e-mail confirmation sought by the Committee, preferably prior to the date of signing of the audit report. However, as the engagement team and EQCR were working from the same office at the relevant time, such specific e-mail was not traceable. The Counsel for the respondent further submitted that an affidavit confirming the same factual position would be filed before the Committee.

Based on the documents/material and information available on record and the oral and written submissions made by the Respondent, and on consideration of the facts of the case, the Committee concluded the hearing in subject matter and took the decision on the conduct of the Respondent.

8. **Findings of the Committee: -**

8.1 The Committee noted that the Respondent has referred to the provisions of Rule 12 of the Chartered Accountant (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules 2007 which indicate time limit of 7 years on entertaining complaint or information in respect of any misconduct alleged to have been committed by the member of the Institute and the subject allegation raised by the Complainant pertain to the period which was more than seven years old and hence need not be entertained in view of provision of Rule 12. The Committee observed that Rule 12 is attracted in a situation / circumstance where on account of time lag, the Respondent faces any difficulty in securing proper evidence for his / her defense and it does not ipso facto render the complaint / information as not maintainable. Further, the Committee noted that sufficient documents/papers are on record, based upon which subject matter may be considered and decided.

8.2 Thereafter, the Committee noted that the Respondent has made a request to cross-examine, Mr. Aasheesh Arjun Singh and Mr. Neeraj Sharma as witness.

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The Committee noted that the Respondent has not given valid reasons for examination of said witness and did not corroborate the relevance of these witness which makes it evident that it is a desperate and vexatious attempt to cause unwanted delay in the proceedings. Thus, calling for examination of witness was not warranted as the documents/evidence placed on record are ample for the purpose of consideration of the matter. The Committee, on consideration, was of the view that the said request was clearly made for the purpose of vexation and delay and therefore, be refused in view the provisions of Rule 18(14) of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

8.3 The Committee further noted that the Respondent has raised objection on maintainability of the instant Information case. In this regard, it needs to be clarified that the timelines prescribed in Chartered Accountant Rules are with an intention to expedite and ensure timely completion of the disciplinary proceedings and there is no intent to make any "information" / complaint defunct/ invalid merely on the ground of procedural time lag, or otherwise, if any occurred. Therefore, this plea of the Respondent firm is not maintainable, and the case has been dealt with on merits of the facts / documents on record. The request to shelve the proceedings initiated on the ground of time-ines as defined under the CA Rules 2007 does, therefore, seems to be a mere last-minute effort to defeat the matter on facts / records available / merits and take shelter on incorrect interpretation of Rules framed under the disciplinary provisions of the Chartered Accountants Act, 1949. In view these facts, the Committee rejected the objections of the Respondent and was of the view that procedural lapse (if any) does not absolve the Respondent from charges levelled against him. Thus, the matter has been dealt with on its merits.

8.4. As regards the preliminary objection with regard to the functions of the Quality Review Board do not include the making recommendations to the Council for Disciplinary action against the members/ firms, the Committee noted that under the scheme of the Chartered Accountants Act, 1949 (as amended by the Chartered Accountants (Amendment) Act, 2006), particularly Sections 21 and 28A thereof, the Quality Review Board performs a fact-finding and

recommendatory role with respect to the quality of services provided by members of the Institute, whereas the statutory jurisdiction to initiate disciplinary action vests in the Disciplinary Directorate of ICAI. Upon consideration of the report and recommendations of the Quality Review Board and the material placed on record, the Council, in exercise of its regulatory and supervisory powers, is competent to refer such matter to the Disciplinary Directorate for investigation under Section 21 of the Act, whereupon the statutory disciplinary mechanism stands validly invoked in accordance with law.

The Committee noted that there are four charges against the Respondent in which has been held Prima Facie Guilty and has been explained in para 2.1, 2.2, 2.3 and 2.4 above.

8.5 In context of **first charge** as explained in para 2.1 above, the Committee noted the submissions of the Respondent, wherein he has submitted the Respondent Firm had policies in place under its EQCM (Ethics and Quality Control Manual) to meet independence requirements, including conflict of interest checks, as mandated by SQC-1. The Respondent further stated that the Firm's EQCM policies, including a restricted policy, was designed to ensure that staff avoid conflicts of interest and maintained independence. In subject case (for DLF Limited), a conflict Check was performed, and all non-audit services were evaluated and documented in the audit working papers, supported by extracts from the Voyager software. All relevant independent documents were electronically maintained in Voyager, including client (DLF) re-acceptance parameters.

8.5.1 The Respondent further submitted that the Director (Discipline) and Quality Review Board's report, did not specify, that how Firm's policies failed to comply with SQC-1, despite detailed submissions, explanations, and evidence provided by the Respondent. The Committee asked the reason for use of the name "GTT" in the policies instead of the firm's name, Walker Chandiok. The Counsel clarified that the software "Voyageur" was owned by GTT, but the firm had acquired the rights to use it and had implemented the policies in compliance with Indian laws and IFAC standards.

8.5.2 Thereafter, the Committee raised query whether the right person (Quality Control Partner or National Professional Standards Partner) had approved the client acceptance. The Counsel for the Respondent provided documents showing approvals by various individuals, including the Engagement Partner (Respondent), Engagement Manager (CA. Neeraj Sharma), and EQCR (CA. Aasheesh Arjun Singh). The Committee further asked to provide evidence to confirm that the right person had approved the client's acceptance and that all policies were appropriately implemented.

8.5.3 The Committee perused the allegation, submissions of the Respondent and documents brought on record. On perusal of available documents, the Committee was of the view that the Respondent Firm had audit documentation software 'Voyager' and the Firm had circulated an e-mail dated 14/10/2010 to its employees for maintaining independence checks. The Respondent has also brought on record, a screenshot of voyager, to show that audit documents were maintained in voyager software. Further, the Respondent also brought on record, a letter dated 05/01/2011 addressed to DLF Limited for acceptance of audit assignment. Moreover, the Respondent has provided, Firm's policy on engagement quality control review and working files from the software 'Voyager' to prove that content creation date was before the audit report signing date.

8.5.4 The Committee noted that as per its directions, the Respondent has filed an affidavit dated 22/12/2025 to this effect. The relevant contents of said affidavit are as under:-

"That I state and affirm that the said audit engagement was conducted in accordance with the Standards on Auditing (SAs) issued by the ICAI, including but not limited to SA 220, titled "Quality Control for an Audit of Financial Statements", and the provisions of the Standard on Quality Control (SQC-1), which governs system-wide policies and procedures for quality control in audit firms.

4. That as per the provisions of paragraph 25 of SA 220, and paragraph 63(e) read with paragraphs 73(b) and 73(c) of SQC-1, it is mandatory for the

Engagement Quality Control Review (EQCR) to be completed prior to the date of the auditor's report, and such review must include an objective evaluation of the significant judgments made by the engagement team and the conclusions reached thereon.

5. That I state and confirm that the EOQR in relation to the audit of DLF Limited for the financial year 2010-11 was duly conducted by CA Aasheesh Arjun Singh, the designated Engagement Quality Control Reviewer (EQCR partner), in accordance with the firm's policies and procedures and in compliance with the requirements of SA 220 and SQC-1".

The Committee noted that the Respondent has provided comprehensive evidence, including detailed policies, procedures, and audit documentation, demonstrating that the firm had established and implemented policies in compliance with SQC 1. The Respondent has also submitted proof of the existence and application of these policies, including the use of the digital platform "Voyageur" for maintaining audit documentation. The Committee noted that the policies and procedures were in place and operational, as evidenced by the documentation provided, including Annexures 1, 2, and 3 of the Respondent's submissions.

The Committee reviewed the relevant provisions of SQC 1, particularly paragraphs 28 and 32, which require auditors to establish policies and procedures for the acceptance and continuance of client relationships and to consider potential conflicts of interest. The Respondent has provided evidence that the firm's policies comprehensively addressed these requirements, including the verification of independence and conflict of interest checks. The Committee observed that the Respondent's submissions, supported by the documentation from the Voyageur platform, demonstrate that the firm maintained records of client acceptance and continuance procedures. The Committee finds no evidence to support the claim that the Respondent failed to establish or implement the required policies and procedures under paragraph 32 of SQC 1.

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8.5.5 After considering the above facts, the Committee was of the view that the Firm has policy as per compliance of SQC – 1 and has maintained the working documents in a software called 'Voyager' and thus, held the Respondent Not Guilty of Professional Misconduct within meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 in this allegation.

8.6 In respect of **Second allegation**, which has been explained in para 2.2 above, the Committee noted the submissions of the Respondent, wherein he has submitted that quality control partner reviewed independence, risks, judgments, consultations, misstatements, communications, working papers, and audit reports. The quality control partner was involved throughout the audit, including planning, reviews, and final sign-off. The Respondent Firm outlines its step-by-step audit review and approval process, involving team members, managers, partners, and EQCR.

8.6.1 The Respondent further explained that in the Voyager software, once a document is reviewed by the quality review partner (QRP), only the final version is retained, and earlier drafts or changes are superseded. This approach complies with SA 230, which advises auditors not to retain preliminary or superseded documents and to discard them to maintain clarity. For the audit of DLF Ltd. (F.Y. 2010–11), the QRP, CA. Aasheesh Arjun Singh, was actively involved throughout the engagement, providing comments via emails and inputs during reviews, planning, and final sign-off. The Firm also had policies and procedures in place for engagement quality control review documentation.

8.6.2 After recording the submissions of the Respondent, the Committee asked the Respondent to provide specific evidence to substantiate that the procedures and approvals were completed before the audit report signing date (i.e. 24th May 2011). The Committee also directed to confirm that the Quality Control Partner had approved the client acceptance procedures and to provide specific evidence to prove that the client acceptance procedures were approved by the designated Quality Control Partner.

8.6.3 After recording the submissions of the Respondent, the Committee referred to para 20 of SA 220, which reproduced under:

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"The engagement quality control reviewer shall perform an objective evaluation of the significant judgments made by the engagement team, and the conclusions reached in formulating the auditor's report. This evaluation shall involve:

- (a) Discussion of significant matters with the engagement partner;*
- (b) Review of the financial statements and the proposed auditor's report;*
- (c) Review of selected audit documentation relating to the significant judgments the engagement team made and the conclusions it reached; and*
- (d) Evaluation of the conclusions reached in formulating the auditor's report and consideration of whether the proposed auditor's report is appropriate".*

8.6.4 In view of above, the Committee perused the contents of affidavit of the Respondent filed on 22/12/2025, and noted:

"6. That the said EQCR process included the following key areas of review, as stipulated under SA 220 and the firm's Engagement Quality Control Manual:

- a) Evaluation of the engagement team's compliance with independence and ethical requirements;*
- (b) Review of significant risks identified during the engagement and the responses thereto;*
- (c) Assessment of key audit judgments, particularly with respect to materiality and significant risk areas;*
- (d) Examination of the appropriateness of consultations undertaken and the resolution of significant issues;*
- (e) Review of corrected and uncorrected misstatements and their disposition;*
- (f) Assessment of matters to be communicated to those charged with governance;*
- (g) Examination of whether the documentation supports the conclusions reached and the opinion issued;*
- (h) Evaluation of the overall appropriateness of the auditor's report.*

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7. That all documentation forming part of the audit file was maintained and updated through the firm's electronic documentation software, namely the Voyager platform, and all comments and queries raised by the EQCR partner were duly addressed by the engagement team prior to issuance of the auditor's report.

8. That the final deliverables, including the audit committee presentation and the signed audit report, were shared with the EQCR partner, and the EQCR partner conveyed his approval and clearance upon satisfaction that there were no unresolved matters impacting the audit opinion".

8.6.5 The Committee observed that the Respondent has brought on record, certain documentation made in voyager software evidencing the procedure reviewed by the engagement quality control partner. The extract of voyager shows: response of engagement team against each respective audit procedure by way of memo/attaching working files under column 'Procedure'; initial of engagement team member who performed the audit procedure under column heading 'done by'; initial of engagement team member who reviewed the audit procedure under the column heading 'reviewed by'.

The Committee has reviewed the relevant provisions of SQC 1 and SA 220, which require auditors to establish policies and procedures for EQCR and ensure that the EQCR process is completed before the signing of the audit report. The Respondent has provided evidence that the firm's policies addressed these requirements, including the use of the digital platform "Voyageur" for maintaining audit documentation and tracking the progression of the EQCR process. The Respondent's submissions, supported by the documentation from the Voyageur platform, demonstrate that the EQCR process was conducted in a compliant manner, with all necessary approvals and reviews completed before the audit report was signed. The Committee finds no evidence to support the claim that the Respondent failed to complete the EQCR process before the signing of the audit report.

8.6.6 In view of above facts and evidence on record, the Committee was of the view that the Respondent has duly complied with requirements of SA 220 and held the Respondent Not Guilty of Professional Misconduct within meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 in this allegation.

8/7 In respect of **third charge**, which has been explained in para 2.3 above, the Committee noted the submissions of the Respondent, wherein he has submitted that Para 73(b) and (c) of SQC-1 were complied with, as the EQCR for DLF Limited for F.Y. 2010–11 was completed and signed off on 24th May 2011 and on same day the audit report was issued. This shows the review was finalized before issuance of audit report, leaving no unresolved matters. The sign-off date cited was related to compilation and assembling of final working papers in Voyager software, and the Firm requires audit file assembling within 45 days—stricter than the 60 days as allowed under ICAI norms.

8.7.1 In view of above submissions of the Respondent, the Committee observed that the Respondent has brought on record certain working files from the software 'voyager' for proving that the content creation date was much before the date of signing of audit report of M/s. DLF Limited for F.Y. 2010-2011. The Committee further noted that the Respondent has brought on record, a list of audit team member, who performed the audit work of M/s. DLF Limited along with their roles and initials as used in respective sections of 'Voyager' software.

8.7.2 In view of above, the Committee perused the contents of affidavit of the Respondent filed on 22/12/2025, and noted:

"9. That I further state that the EQCR process was completed on 24 May 2011, prior to the date of signing of the audit report. The audit report for DLF Limited for the financial year 2010-11 was also issued on 24 May 2011, and the same was preceded by the clearance and approval of the EQCR partner."



10. I further affirm that all required audit procedures, including substantive and compliance procedures, were duly completed by the engagement team prior to the issuance of the audit report, in accordance with the applicable Standards on Auditing

11. That the EQCR partner's comments and conclusions were duly documented, either electronically through the Voyager file or in hard copy, as per the firm's audit documentation policy, and the audit documentation was finalised accordingly. No documentation was created or modified after the issuance of the auditor's report, save for administrative closure in accordance with firm policy.

12. That the EQCR partner, CA Asheesh Arjun Singh, discharged his duties in full conformity with the standards and provided his clearance only after ensuring that the audit engagement met the requirements of SA 220, SQC- 1, and the firm's internal guidance, and that no matters remained unresolved.

13. That the process undertaken demonstrates full compliance with the obligation under SA 220 to have an objective, independent review of significant audit judgments prior to the issuance of the audit report, thereby upholding audit quality and integrity.

14. That I am executing this affidavit to place on record that the audit engagement for DLF Limited for the financial year 2010-11 was conducted in accordance with applicable auditing standards, and the EQCR process was completed prior to the signing of the audit report, in line with the mandatory requirements under SA 220 and SQC-1".

8.7.3 On the basis of above facts, the Committee was of the view that the Firm has made compliance with requirements of Para 61 of SQC-1, which states that "the firm's policies and procedures should require the completion of the engagement quality control review before the report is issued". The Committee was of the considered view that the working papers related to audit had been prepared and

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reviewed before signing off date i.e. prior to signing of audit report of M/s. DLF Limited on 24/05/2011.

8.7.4 Thus, the Committee held the Respondent Not Guilty of Professional Misconduct within meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 in this allegation.

8.8 In respect of **fourth charge**, which has been explained in para 2.4 above, the Committee noted the submissions of the Respondent, wherein he has submitted that it has alleged that the Firm failed to perform required tests of controls to obtain sufficient audit evidence of operational effectiveness in detecting material misstatements during the audit of M/s. DLF Limited. The Respondent further submitted that Director (Discipline) overlooked the role of auditor's professional judgment under the Standards on Auditing. He emphasized that audit procedures are designed based on assessed risks under SA 315.

8.8.1 After above, the Respondent stated that under SA 330, tests of controls are required only when reliance is placed on controls or when substantive procedures alone are insufficient. In respect of subject audit, the Firm was of the view that substantive procedures were more appropriate and conducted detailed risk assessment and substantive testing, with related documentation maintained in Voyager software.

8.8.2 In view of submissions of the Respondent, the Committee perused the documents brought on record by the Respondent. On considering the documents on record, the Committee is of the considered view that the Firm had a 'Voyager' software which show, broad heads on which procedures were performed as part of substantive procedures after completion of risk assessment and operating expenses.

The Committee has reviewed the relevant provisions of SA 330, which provide auditors with the flexibility to design audit procedures based on their professional judgment, including the option to rely on substantive procedures without testing controls. The Respondent has demonstrated that the engagement team opted

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for substantive procedures, in line with SA 330, particularly in cases where testing controls would be inefficient or where substantive procedures alone provide sufficient audit evidence. The Respondent's submissions, supported by the documentation from the Voyager platform, demonstrate that the audit procedures were conducted in a compliant manner. The Committee finds no evidence to support the claim that the Respondent failed to comply with the standards governing tests of control.

Therefore, in absence of any contrary evidence on record, the Committee was of the view that the Respondent has complied with the requirements of para 25 of SA 330 and held the Respondent Not Guilty of Professional Misconduct within meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 in this allegation.

8.9 In view of the above findings, the Committee held the Respondent **NOT GUILTY** of Professional Misconduct within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

9. **Conclusion:**

In view of the findings stated in above paras, vis-à-vis material on record, the Committee gives its charge wise findings as under:

Charges (as per PFO)	Findings	Decision of the Committee
Para 2.1 as given above	Paras 8.5 to 8.5.5 as given above	NOT GUILTY - Clause (7) of Part I of Second Schedule
Para 2.2 as given above	Paras 8.6 to 8.6.6 as given above	NOT GUILTY - Clause (7) of Part I of Second Schedule
Para 2.3 as given above	Paras 8.7 to 8.7.4 as given above	NOT GUILTY - Clause (7) of Part I of Second Schedule

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Para 2.4 as given above	Paras 8.8 to 8.8.2 as given above	NOT GUILTY - Clause (7) of Part I of Second Schedule
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10. In view of the above observations, considering the oral and written submissions of the Respondent and material on record, the Committee held the Respondent **NOT GUILTY** of Professional Misconduct within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

Order

11. 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 passes an Order for Closure of this case against the Respondent.

Sd/-
(CA. Prasanna Kumar D)
PRESIDING OFFICER

Sd/-
(Adv. Vijay Jhalani)
GOVERNMENT NOMINEE

Sd/-
(CA. Mangesh P Kinare)
MEMBER

Sd/-
(CA. Satish Kumar Gupta)
MEMBER

DATE: 11th February 2026
PLACE: New Delhi

certified to be true copy
[Signature]
सीए. शिशिका गुप्ता / CA. NRIKA Gupta
सहायक निदेशक / Assistant Director
अनुशासनमयक निदेशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
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