

**भारत सरकार / Government of India**  
**राष्ट्रीय वित्तीय रिपोर्टिंग प्राधिकरण / National Financial Reporting Authority**  
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**7<sup>th</sup> – 8<sup>th</sup> Floor, Hindustan Times House,**  
**Kasturba Gandhi Marg, New Delhi**

**Order No- 65/2023**

**Date: 20<sup>th</sup> Dec, 2023**

**Order**

**In the matter of M/s SMMP & Company and CA Shyam Malpani u/s 132 (4) (c) of the Companies Act, 2013.**

1. This order disposes of the Show Cause Notice ('SCN' hereafter) dated 23.05.2023 and addendum dated 25.08.2023 to the said SCN issued to M/s SMMP & Company, Chartered Accountants, Firm No: 120438W ('Firm' hereafter), an audit firm registered with the Institute of Chartered Accountants of India ('ICAI' hereafter), and CA Shyam Malpani ICAI Membership No- 034171 ('CA' or 'EP' hereafter), who is member of ICAI and who has signed the Independent Auditor's Reports and the Financial Statements of S. Kumars Nationwide Limited ('SKNL' hereafter) for the period April 2013 to September 2014 ('Financial Year 2013-14' hereinafter). (The EP and the Firm are collectively called 'Auditors' hereafter).
2. This Order is divided into the following sections:
  - A. Executive Summary
  - B. Introduction & Background
  - C. Issue of jurisdiction and procedures
  - D. Major lapses in the Audit and Charges in the SCN
  - E. Finding on the Articles of Charges of Professional Misconduct by CA Shyam Malpani
  - F. Penalty & Sanctions

**A. EXECUTIVE SUMMARY**

3. Central Economic Intelligence Bureau ('CEIB' hereafter), Ministry of Finance, Government of India vide letter dated 09-09-2022 shared information about irregularities committed by the SKNL and its Auditors. After preliminary examination, NFRA Suo motu initiated investigations into the professional conduct of the statutory auditors of SKNL under Section 132(4) of the Companies Act 2013 ('CA 2013' hereafter). SKNL was a listed company during relevant period hence comes under NFRA domain. A Show Cause Notice was issued to M/s SMMP & Company and CA Shyam Malpani.
4. NFRA's investigations inter alia disclosed that CA Shyam Malpani - the SKNL's Auditor for the FY 2013-14 failed to meet the relevant requirements of the Standards on Auditing ('SA' hereafter); provisions of the Companies Act 2013 and the Companies Act 1956. He also demonstrated serious lapses and absence of due diligence. One of the lapses was that he accepted the Audit Engagement of SKNL for FY 2013-14 despite owning the shares of SKNL through a company

which was wholly owned by him and his family members and thereby violated applicable Laws and Standards relating to conflict of interest and independence. Further, he had issued Qualified Audit Opinions on Standalone Financial Statements ('SFS' hereafter) and Consolidated Financial Statements ('CFS' hereafter) with eleven (SFS) and fifteen (CFS) qualifications respectively despite the fact that the nature and effect of qualifications in the Independent Auditor's Reports were material and pervasive to the financial statements. As per the Standard on Auditing (SA) 705, if effects of qualifications in the Independent Auditor's Reports are material and pervasive, the Auditor is required to give either Adverse Opinion or Disclaimer of Opinion. Mere qualified opinion would not suffice in such cases. Thus, the Qualified Opinions issued by the Auditor were in non-conformity with SA 705.

5. Based on the proceedings under section 132 (4) of the Companies Act 2013 and after giving the Auditors opportunity to present their case, NFRA has found CA Shyam Malpani, the Engagement Partner, guilty of professional misconduct. In light of the judgment of the Hon'ble National Company Law Appellate Tribunal (NCLAT) dated 01.12.2023, we have limited the monetary penalty to ₹5 Lakh only since the violations relate to the period April 2013 to September 2014. Therefore, we impose through this Order a monetary penalty of Rupees Five Lakh on CA Shyam Malpani and also debar him for Five years from being appointed as an auditor or internal auditor or from undertaking any audit in respect of financial statements or internal audit of the functions and activities of any company or body corporate. These sanctions will take effect after a period of 30 days from issuance of this Order.

## **B. INTRODUCTION & BACKGROUND**

6. National Financial Reporting Authority ('NFRA' hereafter) is a statutory authority set up under section 132 of the Companies Act 2013 ('CA 2013' hereafter) to monitor implementation and enforce compliance of the auditing and accounting standards and to oversee the quality of service of the professions associated with ensuring compliance with such standards. NFRA is empowered under section 132 (4) of the CA 2013 to investigate for the prescribed classes of companies<sup>1</sup>, the professional or other misconduct and impose penalty for proven professional or other misconduct of the individual Chartered Accountants or firms of Chartered Accountants.
7. The Statutory Auditor, whether an individual Chartered Accountants or a firm of Chartered Accountants, is appointed by the members of companies as per the provision of section 139 of the CA 2013. The Statutory Auditors, including the Engagement Partners ('EPs' hereafter) and the Engagement Team that conduct the Audit are bound by the duties and responsibilities prescribed in the CA 2013, the rules made thereunder, the Standards on Auditing ('SA' hereafter), including the Standards on Quality Control ('SQC' hereafter) and the Code of Ethics. Violation of these constitutes professional or other misconduct, and is punishable with penalty prescribed under section 132 (4) (c) of the CA 2013.

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<sup>1</sup> As defined in Rule 3 of the NFRA Rules 2018.

8. NFRA suo motu started action under section 132(4) of the CA 2013, after examining the information received from CEIB vide their letter dated 09.09.2022. This information and other information subsequently collected from IDBI Bank show the following major lapses and irregularities in the financial statements of SKNL for the FY 2013-14 to 2017-18:
  - a) Financial interest of the Auditor in SKNL;
  - b) Writing off of receivables worth Rs 1044 crores<sup>2</sup>;
  - c) Revaluation of Stock at a loss of Rs 678 crores;
  - d) Sale of Stock returned at a loss of Rs 1619 crores to the same non-operating parties;
  - e) Potential linkage of non-operating parties with real estate business of promoters' relatives;
  - f) Adjustment of Advance for capital assets of Rs 546 crores against trade payables;
  - g) Impairment of investment of Rs 515 crores mostly in overseas companies;
  - h) Repayment of loan of Rs 14 crores to potentially connected parties; and
  - i) Non-routing of sale proceeds of Rs 25 crores through SKNL's bank account.
9. SKNL being a listed company comes under the jurisdiction of NFRA in terms of Rule 3 of NFRA Rules 2018. It was engaged in textile business during relevant period.
10. M/s Shyam Malpani & Associates was the Statutory Auditor of SKNL for Financial Year 2013-14 (April 2013 to September 2014). CA Shyam Malpani was the proprietor of this firm and signed the Independent Auditor's Reports and Financials Statements. Subsequently, *"from May 2016, the practice and business of this firm was taken over by M/s SMMP & Company"*,<sup>3</sup> a partnership firm in which CA Shyam Malpani is a partner.
11. NFRA, vide its letter dated 03.11.2022 called upon the auditor (CA Shyam Malpani and M/s SMMP & Company) to submit the Audit files from FY 2013-14 to 2017-18. They did not submit the audit files despite several reminders and instead sought extension of time on multiple occasions citing one reason or the other such as they were travelling out of Mumbai, they were preoccupied due to domestic & medical related issues; matter being more than 7 years old, and they had not conducted an audit of SKNL after the year 2013-14 etc. On 06.12.2022, they raised legal & procedural issues and requested NFRA to drop the proceedings against them. On 03.01.2023, NFRA again asked them to submit the Audit File within 15 days. On 17.01.2023, the Auditors again sought 15 days' time citing fairness of justice. On 18.01.2023, Advocate of the Auditors intimated that they had filed a WP in the Hon'ble High Court, Mumbai, hence no action be taken in this matter. On 03.02.2023, NFRA again asked the Auditors to submit Audit File for FY 2013-14, as there was no stay from Mumbai High Court on NFRA's proceedings. Yet the auditors did not submit the audit file. In these circumstances, based on examination of the materials on record including annual financial statement of the company, NFRA issued a Show Cause Notice ('SCN' hereafter) on 23.05.2023 under section 132(4) of the Act, to the Auditors charging them for the following professional misconduct:
  - a) Expression of opinion on financial statements of a business or enterprise in which the auditor has a substantial interest. This charge of misconduct was against CA Shyam Malpani.

<sup>2</sup> Amounts have been rounded off to nearest Rs in crores in this Order.

<sup>3</sup> As per reply submitted by CA Shyam Malpani.

- b) Failure to exercise due diligence and being grossly negligent in the conduct of professional duties. This charge of misconduct was against M/s SMMP & Company & CA Shyam Malpani - Proprietor of M/s Shyam Malpani & Associates.
- c) Failure to supply the information called for, and non-compliance with the information requisition of NFRA. This charge of misconduct was against M/s SMMP & Company and CA Shyam Malpani.

**12.** The Hon'ble High Court of Bombay disposed of the above Writ Petition (WP no. 1399 of 2023 filed by the Auditors) on 13.06.2023 and directed NFRA to hear the petitioners and decide whether it has jurisdiction to act in respect of matters that preceded its establishment and allowed NFRA to pass a combined order on jurisdiction and merits, in case it holds that it has jurisdiction in the matter. Accordingly, NFRA extended the time period for submission of reply to SCN till 26.07.2023. On the issue of jurisdiction, as directed by the Hon'ble High Court, NFRA heard the Auditors and their counsel on 11.07.2023. They also gave their written submissions. During personal hearing and in the written submission, besides arguing on the jurisdiction issue, the Auditors also contended that as they were not required to maintain audit file after seven years' mandatory period and they did not submit the Audit File.

**12.1** After going through the Auditor's arguments/submission on jurisdiction issue, the Executive Body of NFRA came to the conclusion that it had jurisdiction in the matter and therefore decided to continue the proceedings and asked the Auditors to submit the Audit File within 10 days. The Auditors were also asked vide letter dated 25.07.2023 to provide inter alia following information relating to their appointment as statutory auditor of SKNL as NFRA noticed some discrepancies.

- A copy of the appointment letter issued by SKNL to the Auditors after AGM dated 13.07.2015.
- A copy of acceptance letter issued by the Auditors to SKNL to accept appointment as statutory auditor of SKNL.

These two documents were expected to be available with the Auditors.

**12.2** Instead of providing these two documents to us, the Auditors on 01.08.2023, in turn sought these documents from NFRA:

- (a) Copy of appointment letter issued by SKNL to the Auditors;
- (b) Copy of appointment acceptance letter issued by the Auditors to SKNL;
- (c) Annual report of SKNL for relevant period; and
- (d) Audit Report including CARO Report issued by the Auditors to the members of SKNL;

This request of the Auditors was unusual as these documents are expected to be available with them being statutory auditors. Yet we went ahead and provided to the Auditor the Annual Report of SKNL containing Audit Report and CARO report.

**12.3** So far as the Audit File was concerned, the Auditors did not submit it. It was not very clear from their reply whether they had the audit file. Therefore, on 04.08.2023, we asked them to provide an affidavit about availability of the Audit File and in case it had been destroyed, then

the date of destruction of the file was to be provided. On 16.08.2023, the Auditors submitted a consolidated reply to SCN dated 23.05.2023 along with an affidavit by CA Shyam Malpani stating that he neither had the Audit File nor had the exact date of destruction of the Audit File.

**12.4** Since the Auditors did not submit the Audit File, we analysed the Audit Reports and Financial Statements available with us and observed that CA Shyam Malpani had given qualified audit report with eleven (11) qualifications on Standalone Financial Statements (SFS) and fifteen (15) qualifications on Consolidated Financial Statements (CFS), and the effect of these qualifications was material and pervasive as it covered substantial proportion of sales, purchases, trade receivables, trade payables, inventories, provisions, interest on loans, share capital etc. Therefore, the appropriate Audit Opinions in such a case would either be an Adverse Opinion or the Disclaimer of Opinion. Therefore, on 25.08.2023, one more charge was added to the SCN regarding non-compliance with SA 705 as Audit Opinions expressed by the Auditors were found to be not appropriate.

**12.5** For natural justice, an opportunity of personal hearing was also accorded to the Auditors on 15.09.2023. On 31.08.2023, the Auditors requested for rescheduling the personal hearing either on 21 or 22 September, 2023, which was acceded to and the personal hearing was rescheduled for 21.09.2023. The personal hearing was attended by CA Shyam Malpani along with his legal counsels during which they reiterated their written submission and sought time to file an additional reply, which was allowed up to 30.09.2023. The Auditors submitted additional reply on 30.09.2023.

**12.6** Accordingly, this Order is based on the examination of the records, charges in the SCN, and submissions of the Auditors.

### **C. Issues of Jurisdiction and Procedures**

- 13.** The Hon'ble High Court, Mumbai vide para no. 2 to 4 and 10 of order dated 13.06.2023 in WP no 1399 of 2023 asked NFRA to first decide its jurisdiction and observed as under:-

*"2. Before us are presented in some of the Petitions the argument that the NFRA has no 'jurisdiction' to act in respect of matters that preceded its establishment. One of the Petitions says as its principal prayer that NFRA should be directed to decide the jurisdictional challenge as a preliminary issue and should allow the Petitioners before us legal representation because jurisdiction is a technical legal argument.*

*3. On instructions, Mr. Singh, learned ASG states that there is no difficulty in allowing legal representation. He states that the Authority will decide all issues, including jurisdiction.*

*4. It appears to us logical that the issue of jurisdiction will be decided first because if the NFRA ultimately holds that it does not have jurisdiction, then obviously further decisions will be neither permissible nor necessary. If the NFRA on the other hand holds that it has jurisdiction, then it cannot be expected to stop at that. It must then proceed to decide all other issues and return final findings.*

*10. We clarify that we do not expect the order on jurisdiction to be passed first unless the Authority finds in favour of the present Petitioners in which case it will be the only order to be passed”.*

It may be mentioned here that SLPs were filed against the above order of the Hon’ble High Court Bombay by other petitioners in the tagged cases, which were dismissed by Hon’ble Supreme Court vide its Order dated 10.07.2023.

14. The Auditors in their submissions contended that they had accepted the appointment as Joint Statutory Auditor of SKNL on 06.08.2013 whereas NFRA was constituted on 01.10.2018 and section 132(4) of the CA 2013 came into effect on 24.10.2018. Therefore, NFRA does not have any retrospective powers to investigate this case.
15. We have carefully gone through the replies submitted by the Auditors. At the outset it is stated that the Statutory Audit of a company under the Companies Act, 2013 must be conducted in accordance with that law. The Accounting Standards and Standards on Auditing have been defined in the Companies Act, 2013. Accounting Standards are prescribed by the Central Government under Section 133 of the Companies Act, 2013. Section 143(9) of the Act mandates an auditor to comply with the auditing standards. Auditing Standards are those prescribed by the Central Government under Section 143(10) of the Companies Act, 2013. The Proviso to Section 143(10) states that until the Auditing Standards are prescribed by the Central Government, the Auditing Standards issued by the ICAI will be deemed to be the Auditing Standards under this sub-section.
16. Section 132 of the Companies Act, 2013 that establishes the National Financial Reporting Authority (NFRA) defines its functions and powers. Section 132(4) vests NFRA with the power to investigate into the Professional or Other Misconduct committed by any member or firm of Chartered Accountants, registered under the Chartered Accountants Act, 1949.
17. The Explanation to Section 132(4) further states that for the purposes of this sub-section “professional or other misconduct’ shall have the same meaning as assigned under Section 22 of the Chartered Accountants Act, 1949, according to which the expression “professional or other misconduct” shall be deemed to include any act or omission provided in any of the Schedules. A combined reading of this Section and the First and Second Schedule thereof implies that non-compliance with Auditing Standards by a Chartered Accountant or a Firm of Chartered Accountants would constitute professional or other misconduct. Further, the Standards on Auditing (SAs) or Auditing Standards have been in existence and compliance with those by the Auditors was mandatory as per the prevailing laws even prior to NFRA’s establishment.
18. The notification of establishment of NFRA does not in any way alter the liability of the Statutory Auditor to fully comply with the law and/or standards expected of a professional. NFRA's authority to monitor and enforce compliance with the accounting and auditing standards is only with reference to such standards as were established by law prevailing at the relevant time and were fully binding on statutory auditors. All the Standards on Auditing are a part of the law and are required to be mandatorily complied with from the date of their respective applicability, while

conducting statutory audits. Hence, no new obligation is created on the EP by creation of NFRA as these standards were required to be mandatorily followed by the EP even prior to NFRA's establishment. Section 132(4) designates NFRA as the forum for determination of professional misconduct. The setting up of a new forum i.e. NFRA does not impose any new duties or obligations on Auditors. NFRA only evaluates their professional work in accordance with the Standards on Auditing and statutory requirements prevailing at the time of the audit. Therefore, there is no bar on NFRA's jurisdiction over the cases of professional or other misconduct committed prior to establishment of NFRA.

19. Section 132(4) of the Companies Act gives exclusive jurisdiction to NFRA in matters of professional or other misconduct. Hence, all cases that fall within the jurisdiction of NFRA will be excluded from the jurisdiction of other bodies. Additionally, Rule 10(3) of the NFRA Rules, 2018, states that on the commencement of the said rules, the action in respect of cases of professional or other misconduct against auditors of companies referred to in Rule 3 shall be initiated by Authority and no other institute or body shall initiate any such proceedings against such auditors. Thus, NFRA has exclusive jurisdiction in matters of professional or other misconduct. It could not have been the intent of the legislature to leave a regulatory gap in respect of professional or other misconduct committed prior to the establishment of NFRA. Any subsequent law which enables an authority to investigate into the acts which fell into the category of professional and other misconduct as per the law prevailing at the time when the act was committed cannot be said to be retrospective. Therefore, NFRA has jurisdiction of investigation into misconduct committed in the past as well. Thus, the challenge to the jurisdiction of NFRA with respect to misconduct committed prior to 2018 does not stand.
20. It is also a well settled law that retrospective applicability can either be expressly provided for or can be inferred by necessary implication from the language employed. The Hon'ble Supreme Court in the case of *Zille Singh v. State of Haryana*, (2004) 8 SCC 1 at Para 15, held, "*It is not necessary that an express provision be made to make a statute retrospective and the presumption against retrospectivity may be rebutted by necessary implication especially in a case where the new law is made to cure an acknowledged evil for the benefit of the community as a whole (ibid., p. 440). This can be achieved by express enactment or by necessary implication from the language employed. If it is a necessary implication from the language employed that the legislature intended a particular section to have a retrospective operation, the courts will give it such an operation. In the absence of a retrospective operation having been expressly given, the courts may be called upon to construe the provisions and answer the question whether the legislature had sufficiently expressed that intention giving the statute retrospectivity. Four factors are suggested as relevant: (1) general scope and purview of the statute; (in) the remedy sought to be applied; (ii) the former state of the law, and (iv) what it was the legislature contemplated. (p. 388).*"
21. A plain reading of the relevant provisions would show that Section 132(4)(a) confers upon the NFRA the power to investigate into the matters of professional or other misconduct committed by any member or firm of Chartered Accountants registered under the Chartered Accountants Act, 1949 in such manner as may be prescribed. The proviso to Section 132(4)(a) creates a bar on any other institute to initiate or continue any proceedings where the NFRA has initiated an

investigation under this Section. This clearly implies that even for matters of professional or other misconduct committed prior to the coming into force of Section 132(4), NFRA can initiate an investigation, which would disentitle any other institute such as the ICAI from continuing their proceedings in such matters of misconduct. The expression “such matters of misconduct” would clearly mean misconduct which has been committed prior to 24.10.2018 i.e. the date of coming into force of Section 132(4) and qua which proceedings were already underway by the ICAI and with effect from 24.10.2018, the said proceeding would be in the exclusive domain of NFRA.

22. Further, Section 132(4)(a) itself speaks of “*matters of professional or other misconduct committed by any member or firm of chartered accountants, registered under the Chartered Accountants Act, 1949*” (Emphasis supplied). So obviously, the Authority has jurisdiction over misconduct committed in the past.
23. Further, any presumption against retrospective applicability would arise when a vested right is sought to be impaired. The explanation to Section 132(4) would clearly reveal that the subject matter of investigation and penalty under this provision is “professional or other misconduct” having the same meaning assigned under Section 22 of the Chartered Accountants Act, 1949. No Chartered Accountant can claim to have a vested right to commit professional or other misconduct, which was already prohibited and subject to disciplinary action albeit under a different regulatory statute, namely, the Chartered Accountants Act, 1949. In view of the above, we are of the considered view that NFRA has jurisdiction in this matter.
24. The Hon’ble National Company Law Appellate Tribunal (NCLAT) vide Order dated 01.12.2023<sup>4</sup>, has also decided that NFRA has retrospective jurisdiction and concluded that:
 

*“Thus, after taking into consideration the background for forming NFRA, the judgment of the Apex Court, proven scams, need to restore shaken confidence of public and investors at large and prevent any adverse impact on Indian economy, we hold that NFRA has clear and required retrospective jurisdiction over the alleged offences by delinquent Chartered Accountants for period prior to formation of NFRA or prior to coming into effect relevant portion of Section 132 of Companies Act, 2013.”*
25. **The Auditor has contended that the action u/s 132(4) is time barred.** The Auditors relied on para A23 of SA 230 and para 83 of SQC 1, to state that they are under no legal or statutory obligation to retain the Audit File relating to the audit of SKNL beyond seven years from the date of the Audit Report. The Auditors cited the case of Wholesale Trading Services P. Ltd vs. The Institute of Chartered Accountants and Ors [(2020) 158 SCL 144].
26. We have carefully considered the above submissions of the Auditors. We note that there is no legal provision prescribing a certain time period, within which NFRA is required to initiate action against an erring auditor. The case of Wholesale Trading Services P. Ltd vs The Institute of Chartered Accountants and Ors cited by the Auditor is not relevant to the present case due to following reasons :

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<sup>4</sup> Order in the matter of Comp. App. (AT) No. 68, 87, 90 & 91 of 2023, Judgment dated 01.12.2023.

- The above case pertains to Rule 12 of Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules 2007, which empowers Director ICAI to refuse to entertain a complaint made after more than seven years from the date of alleged misconduct, if Director ICAI is satisfied that there would be difficulty in securing evidence. We note that there is no blanket provision in the above rules that no complaint shall be entertained after seven years; and there is also no such provision in the case of proceeding before NFRA under the CA, 2013. Moreover, in the present case, the evidence is otherwise available to support charges against the Auditors. Therefore, the case of Wholesale Trading is not applicable.
- Moreover, in the case of Wholesale Trading the High Court had held that the complainant, being a private individual, had no cause of action, whereas in the present case public interest is involved.

27. Regarding the issue of procedure raised by the auditors, the required process under Section 132 of the Act has been followed, as the SCN has been issued after recording reasons and suo motu recognition of the apparent misconduct by the Auditor. Multiple opportunities for hearing and for submissions have been afforded to the Auditors in compliance with the principles of natural justice. The Auditors have fully availed these opportunities by presenting their submissions in writing as well as making oral submissions by themselves along with their legal counsel.
28. The EP averred through an affidavit dated 16.08.2023 that he does not have the audit file in respect of audit of SKNL for FY 2013-14 and mandatory period of seven years for retention of the audit file has already lapsed. We find that the period of 7 years lapsed on 15.10.2022. The NFRA letter calling for the Audit File was sent 19 days after a lapse of 7 years. Therefore, we would not like to pursue the issue of non-submission of the audit file any further.

#### **D. Major Lapses in the Audit and Charges in the SCN**

Replies of the auditor to the charges in the SCN are examined and discussed in the following paragraphs.

##### **I. Acting as statutory auditor of SKNL while holding or controlling shares of SKNL in violation of section 141 of the Companies Act 2013 & section 226(3)(e) of the Companies Act 1956 resulting in failure to maintain independence of auditor (This charge is against CA Shyam Malpani only)**

29. CA Shyam Malpani was charged with violation of section 141(3) of the Companies Act, 2013; violation of section 226(3)(e) of the Companies Act 1956; and violation of the principle of independence as required under Standards on Quality Control 1 (SQC 1)<sup>5</sup> and SA 220. M/s Shyam Malpani & Associates was the Statutory Auditor of SKNL from 01.04.2013 to 30.09.2014 and CA Shyam Malpani was the Proprietor of this firm. An entity named Nabeela Finvest Private Ltd ('NFPL' hereafter) was holding 4,76,474 equity shares of SKNL as on 31-03-2013 and CA Shyam Malpani and his wife were directors of NFPL. The entire equity capital of NFPL worth

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<sup>5</sup> SQC 1 - 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements' (SQC 1) and SA 220 - 'Quality Control for an Audit of Financial Statements'.

Rs One lakh was owned by the EP, his wife and his two sons. As per the Ministry of Corporate Affairs' master data<sup>6</sup>, the postal address and email address of NFPL are the same as that of the EP. This indicates that the EP has a financial interest in SKNL through NFPL. As such, he was not eligible for appointment as statutory auditor of SKNL.

**30.** The EP's replies are summarized hereunder:

- a) He accepted the appointment of statutory auditor of SKNL on 06.08.2013 and started the audit activity after getting a no-objection certificate dated 11.08.2015 from previous auditor.
- b) His appointment as auditor of SKNL is covered under section 226 of the Companies Act 1956 (CA 1956) and he did not violate CA 1956 as he did not have voting rights in SKNL.
- c) The grounds for ineligibility of appointment as an Auditor were substantially and significantly widened in the Companies Act, 2013 (CA 2013), which came into effect from 01.04.2014.
- d) His appointment as auditor of SKNL was governed by CA 1956 and not by CA 2013, and the provisions of section 141(3)(d) of the CA 2013 have not been violated as he himself did not have any shares/securities/interest in SKNL.
- e) His qualified report stands as an unequivocal affirmation of the auditor's independence.
- f) In a similar case of CA Narayan Balkrishan Toshniwal, ICAI vide Order dated 7th December 2022, held that it has been explicitly specified in the Code of Ethics published by ICAI that substantial interest would be deemed to exist only if a member has a stake in the equity in business entity exceeding 20% and exonerated the auditor from the charge of professional misconduct falling within the meaning of Item (4) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.
- g) The EP and his relatives hold shares in NFPL, which in turn holds only 0.16% of total shareholding of SKNL, which is not substantial being less than 20% of total shareholding of SKNL.

**31.** First of all, we do not agree with the contention of the EP that he was governed by CA 1956 and not the CA 2013. The following are the facts related to his appointment as an EP.

- (i) His appointment was approved in the AGM of SKNL held on 13.07.2015;
- (ii) He obtained no-objection certificate from the previous auditor on 11.08.2015; and
- (iii) The EP started the said audit activity after 11.08.2015.

**32.** In view of the above, the EP's appointment as the Statutory Auditor of SKNL for the period April 2013 to September 2014 comes under the ambit of the CA 2013, which became effective from 01.04.2014. The period of audit also covers April 2014 to September 2014, when the CA 2013 was in force. Therefore we are of the view that the CA 2013 will be applicable. Now let us look at the relevant section of the CA 2013 **Section 141(3)(d)(i) of the Companies Act 2013** says:

*"The following persons shall not be eligible for appointment as an auditor of a company, namely:*

- (a) ...;
- (b) ...;

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<sup>6</sup> Downloaded on 20.09.2023.

- (c) ...;
- (d) a person who, or his relative or partner
- (i) is holding any security of or interest in the company or its subsidiary, or of its holding or associate company or a subsidiary of such holding company:  
Provided that the relative may hold security or interest in the company of face value not exceeding one thousand rupees or such sum as may be prescribed;
- (ii) ...; or
- (iii) ...;
- (e) ...;
- (f) ...;
- (g) ...;
- (h) ...;
- (i) .. ”.

In this case, the EP and his relatives were having interest in the company by holding 476474 equity shares of SKNL through their family owned company NFPL, which had same address as that of the EP. In NFPL, the EP, his wife and two sons have equal shareholding i.e., 25% each. The EP performed audit of SKNL while having interest in the company and therefore violated **Section 141(3)(d)(i) of the Companies Act 2013**.

33. Further, for the sake of argument, even if we accept the contention of EP that he is governed by CA 1956, the relevant Section 226(3)(e) of the CA 1956 too disqualifies a person from being appointed as an auditor of a company if he holds security of the company. Security has further been defined as an instrument with voting rights. The EP and his family had voting rights by virtue of holding 476,474 equity shares of SKNL through NFPL. Since there is nothing in wording of the Section 226(3)(e) of the CA 1956 which restricts itself to only direct holding of securities, the only inescapable conclusion that can be drawn is that he owned the securities of the auditee company through NFPL and thereby ran afoul of the Section 226(3)(e) of the CA 1956 as well.
34. Further, by holding equity shares of the auditee company- SKNL, CA Shyam Malpani has compromised his independence. It is fundamental for an auditor to maintain his independence as has been provided in SQC 1, SAs and the Code of Ethics mentioned below:

**Para 18 of SQC 1** states, “*The firm should establish policies and procedures designed to provide it with reasonable assurance that the firm, its personnel and, where applicable, others subject to independence requirements (including experts contracted by the firm and network firm personnel), maintain independence where required by the Code*”. (Emphasis supplied)

**Para 11 of SA 220** states, “*The engagement partner shall form a conclusion on compliance with independence requirements that apply to the audit engagement. ....*”. (Emphasis supplied)

**Para 290.8 of the Code of Ethics,<sup>7</sup>** defines **Independence of mind** as “*The state of mind that permits the expression of a conclusion without being affected by influences that compromise*

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<sup>7</sup> The Code of Ethics is issued by ICAI.

*professional judgment, allowing an individual to act with integrity, and exercise objectivity and professional skepticism”.*

**Para 290.8 of the Code of Ethics defines Independence of appearance as** *“The avoidance of facts and circumstances that are so significant that a reasonable and informed third party, having knowledge of all relevant information, including safeguards applied, would reasonably conclude a firm’s, or a member of the assurance team’s, integrity, objectivity or professional skepticism had been compromised”.*

35. Further, the para 290.105 of the Code of Ethics states that *“If a member of the assurance team, or his relative has a **direct financial interest**, or a material **indirect financial interest**, in the assurance client, the self-interest threat created would be so significant the only safeguards available to eliminate the threat or reduce it to an acceptable level would be to:*
- (a) Dispose of the direct financial interest prior to the individual becoming a member of the assurance team;*
  - (b) Dispose of the indirect financial interest in total or dispose of a sufficient amount of it so that the remaining interest is no longer material prior to the individual becoming a member of the assurance team; or*
  - (c) Remove the member of the assurance team from the assurance engagement*

**The clause (n) of the Definitions in the Code of Ethics defines Financial Interest as** *“An interest in an equity or other security, debenture, loan or other debt instrument of an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest”.*

**The clause (n) of the Definitions in the Code of Ethics defines Direct Financial Interest as** *“Owned directly by and under the control of an individual or entity (including those managed on a discretionary basis by others)”.*

**Para 290.104 of the Code of Ethics states inter alia that** *“In evaluating the significance of any threat to independence, it is important to consider the degree of control or influence that can be exercised over the intermediary, the financial interest held, or its investment strategy. When control exists, the financial interest should be considered direct.”*

In the instant case, CA Shyam Malpani was holding equity shares of the auditee company (SKNL) through a family owned private company, thus he had the control over the ownership of equity shares of SKNL; and in turn had direct financial interest in the Auditee company - SKNL. Therefore, in terms of para 290.105 of the Code of Ethics quoted above, he was required to either dispose of direct financial interest in SKNL or to resign as auditor of SKNL. The EP did not take any of the above actions as neither shares of SKNL held by NFPL were disposed of, nor did he resign as the statutory auditor of SKNL.

36. An Auditor’s Independence from the auditee safeguards the Auditor’s ability to form an audit opinion without being affected by influences that might compromise that opinion. Independence enhances the Auditor’s ability to act with integrity, to be objective and to maintain an attitude of professional skepticism. The auditor should not only perform his audit with independent mind but he should also be seen to be independent and free from any potential conflict of interest.

Independence with no conflict of interest is necessary for ensuring transparency, trust, and credibility of the audit process. The EP in this case issued the Audit Report to the members of SKNL and at the same time he himself was owning and/or controlling shares of SKNL through his family owned company NFPL, which impaired or had the potential to impact his independence as statutory auditor of SKNL. Therefore we find that the EP has violated SQC 1, SA 220 and the Code of Ethics.

37. In his reply dated 16.08.2023, the EP has relied on the case of CA Narayan Balkrishan Toshniwal, before ICAI, wherein a plea was taken by the Respondent that his personal holding was merely 0.12% of the total shareholding of the company and his holding through his family was 0.64% of the total shareholding of the company, therefore, he was not in position to influence the management. However, this contention was not accepted by the Disciplinary Committee of ICAI which held that the CA did not meet the mandatory requirement of Independence and reprimanded the CA and imposed a fine. Therefore, the case cited does not support EP's contention.
38. In view of the above, the charge of professional misconduct of "*not exercising due diligence in the conduct of his professional duties*" on this account is proved.

**II. Non-compliance with para 7 to 9 of Standard on Auditing (SA) 705 "Modifications to the Opinion in the Independent Auditor's Report" while expressing opinion in Independent Auditor's Report dated 06.10.2015 - Standalone Financial Statements (SFS) and Independent Auditor's Report dated 15.10.2015 - Consolidated Financial Statements (CFS)**

39. After the EP filed an affidavit to the effect that he does not have the Audit File, the Financial Statements and Independent Auditor's Reports were analysed by NFRA to assess the appropriateness of the Audit Opinions expressed by the EP in the Independent Auditor's Reports. It was prime facie observed that CA Shyam Malpani did not comply with SA 705 as he had given qualified audit reports with eleven qualifications on SFS and fifteen qualifications on CFS. The qualification can be given only if the effect of such qualification is material but not pervasive. However, a perusal of the qualifications in the Audit Reports and the information available in the Financial Statements of SKNL for relevant period indicates that the effect of qualifications in the Audit Reports was material and pervasive as it covered substantial portion of sales, purchases, trade receivables, trade payables, inventories, provisions, interest on loans, share capital etc. Therefore, the appropriate Audit Opinions in such a case would either be Adverse Opinions or the Disclaimer of Opinions. The Qualified Audit Opinions were not appropriate in this case. Therefore, vide letter dated 25.08.2023, the EP was charged for noncompliance with SA 705.
40. In response to the letter dated 25.08.2023, the main contentions of the EP are as follows:
  - a) He does not have any documents relating to the audit of SKNL for FY 2013-14, therefore he is unable to offer a response to this charge.
  - b) The evaluation of financial statements and annual report of SKNL at a later date, when more information is available, is hindsight bias. He referred the Judicial Pronouncement of Bombay High Court in case of Tri-Sure India Ltd. vs A.F. Ferguson And Co. And Others dated 24 October 1985.

- c) “Besides, under the paragraph A1 of SA-705, the criteria determined which effects the type of opinions expressed is his own judgement and, again, it is reiterated that judgement is very subjective and can differ from person to person and it is based on the Respondent’s own judgement that the type of opinion was expressed at the relevant time.” (sic)
- d) Utilizing comprehensive professional judgment, and meticulously weighing the materiality of these qualifications, the EP arrived at the decision to offer qualified opinions rather than entirely disclaiming the financial statements.

41. We have considered the reply of the EP. For better appreciation of the matter, it is important to evaluate the nature, materiality and pervasiveness of the qualifications in the Audit Reports. Out of 11 (SFS) and 15 (CFS) qualifications, Qualification no. 1 and 4 (both SFS & CFS) are discussed below:

- A) The first qualification pertains to (i) non-availability of adequate supporting documentation and internal control system to substantiate transactions of ‘Fabric Sales’ of Rs 5133 crores, ‘Sales Return’ of Rs 1411 crores and ‘Purchase’ of Rs 4180 crores (all in SFS) and ‘Sales’ of Rs 6867 crores, ‘Sales Returns’ of Rs 2355 crores, ‘Purchases’ of Rs 6384 crores, & ‘Purchases Returns’ of Rs 206 crores (all in CFS); and (ii) for SFS and CFS both, its impact on the Statement of Profit and Loss, Cash Flow Statement, Trade Receivable, Trade Payable and Inventories.

The fourth qualification (both in SFS & CFS) pertains to understatement of loss of SKNL and other current liability due to non-accounting of interest of Rs 721 crores (SFS) and Rs 981 crores (CFS) on loans classified by lenders as Non-Performing Assets.

- B) In order to bring home the materiality and pervasiveness of these items mentioned in the above-mentioned qualifications, the qualified amounts and their relative percentage are mentioned in the Table 1 below:

**Table-1**

**Rs in crores**

| Sr No. | Particulars                                                                                                | Amount in qualified opinion and its relative percentage |                                   |
|--------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------|
|        |                                                                                                            | STANDALONE FINANCIAL STATEMENTS                         | CONSOLIDATED FINANCIAL STATEMENTS |
| 1      | <b>Sales</b>                                                                                               | 5133                                                    | 6867                              |
|        | Less: Sales Return                                                                                         | 1411                                                    | 2355                              |
|        | Net sales                                                                                                  | 3722                                                    | 4512                              |
|        | Percentage of sales amount qualified to total sales of Rs 3727 crores (SFS) & Rs 5014 crores (CFS)         | <b>99.87%</b>                                           | <b>89.98%</b>                     |
| 2      | <b>Purchase</b>                                                                                            | 4180                                                    | 6384                              |
|        | Less: Purchase Return                                                                                      | No qualification                                        | 206                               |
|        | Net Purchase                                                                                               | 4180                                                    | 6179                              |
|        | Percentage of purchases amount qualified to total purchases of Rs 4225 crores (SFS) & Rs 6357 crores (CFS) | <b>98.91%</b>                                           | <b>97.19%</b>                     |

|     |                                                                                                                                            |               |               |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 3   | Trade Receivable                                                                                                                           | 1831          | 2883          |
|     | Percentage of Trade receivable to balance sheet size of Rs 3344 crores (SFS) & Rs 5549 crores (CFS)                                        | <b>54.76%</b> | <b>51.95%</b> |
| 4   | Inventories                                                                                                                                | 552           | 1371          |
|     | Percentage of Inventories to balance sheet size of Rs 3344 crores (SFS) & Rs 5549 crores (CFS)                                             | <b>16.51%</b> | <b>24.71%</b> |
| 5   | Trade Payable                                                                                                                              | 166           | 571           |
|     | Percentage of Trade Payable to balance sheet size of Rs 3344 crores (SFS) & Rs 5549 crores (CFS)                                           | <b>4.95%</b>  | <b>10.29%</b> |
| 6   | Non provision of interest on NPA loans                                                                                                     | 721           | 981           |
| 6 A | Percentage of Non provision of interest on NPA loans to balance sheet size of Rs 3344 crores (SFS) & Rs 5549 crores (CFS). (for liability) | <b>21.57%</b> | <b>17.68%</b> |
| 6 B | Percentage of Non provision of interest on NPA loans to loss of Rs.1858 crores (SFS) & Rs.3653 crores (CFS). (for expenses)                | <b>38.82%</b> | <b>26.85%</b> |

- C) It can be observed from Table-1 above that the collective effect of the six items included in the first and fourth qualifications was material and pervasive as it not only represents substantial proportion of the Financial Statements but also affects other major components of the financial statements (SFS and CFS both). In addition to this, it is observed from the Standalone Financial Statements of SKNL that its net worth of Rs 1171.29 crores on 31.03.2013 was eroded during the period under audit and became Negative Rs (784.23 crores) as on 30.09.2014. Similarly, in Consolidated Financial Statements, its net worth of Rs 2507.55 crores on 31.03.2013 was eroded during the period under audit and became Negative Rs (756.06 crores) as on 30.09.2014. This in itself was also an important parameter to evaluate the Going Concern assumption of SKNL.
- D) In addition, the auditor provided a qualification pertaining to going concern. The EP has only made reference to the following facts: (i) SKNL's default in payment of dues to banks, financial institutions, debenture holders, body corporates and trade payables; (ii) legal cases filed by some of the lenders, suppliers and service providers; (iii) ongoing discussion with consortium of lenders for scheme of restructuring of loans and criticality of approval of this scheme on the going concern of SKNL. The EP has not examined the effects of these facts on SKNL's going-concern assumption.
- E) In addition to above, the EP had given qualified opinion on following matters:-
- Non-inclusion of financial statements of **14 out of 20** overseas subsidiaries in the CFS, in view of liquidation of these subsidiaries and consequential inability of auditor to ascertain its financial impact on the loss, assets and liabilities of CFS.
  - Inclusion of unaudited financial statements of seven subsidiaries as approved by the Board of Directors of respective companies, out of which two subsidiaries' financial statements were for the period ending 30.06.2014 and five subsidiaries' financial statements were for the period ending 31.03.2014. These financial statements reflected total assets of Rs 349 crores, total revenue of Rs 246 crores and cash inflow of Rs 15 crores.

The information with respect to disclosures to be made in the Notes to Financial Statements as required under various statutes/Accounting Standards in relation to these subsidiaries were not available (CFS).

- iii) Inability to verify and comment on the existence, valuation and recoverability of assets, accurate quantification and reporting of liabilities, accuracy and correctness of income and expenditures of Rs 32 crores, Rs 166 crores, Rs 1 crore and Rs 17 crores in respect of Assets, Liabilities, Income and Expenditures respectively (CFS).
- iv) Sale of pledged shares of promoters worth Rs 127.59 crores (both SFS & CFS) by lender Banks.
- v) Non provision in respect of long term investment of Rs 178.88 crores in foreign step down subsidiary (both SFS & CFS) and Goodwill of Rs 119.29 crores (CFS), which went into financial reconstruction and consequential impact on investment and loss of SKNL.
- vi) Non confirmation of balances of banks/financial institutions of Rs 2316.82 crores in SFS and Rs 3961.21 crores in CFS; and Rs 0.28 crore current account balances in CFS.
- vii) Adjustment of outstanding balances of trade payables with trade receivables (both SFS & CFS).
- viii) Write down of inventories and impairment of fixed assets was not done and its impact is not quantifiable as physical verification of inventories lying with third parties and some of the fixed assets was not conducted; and valuation of fixed assets was not done (both SFS & CFS).
- ix) Non recognition of liability arising out of sale of pledged shares of promoters and other shareholders by the banks for recovery of their dues (both SFS & CFS).
- x) Non redemption of preference shares of Rs 3.72 lacs on due date (both SFS & CFS).
- xi) Inclusion of journal entries on the Cash Flow Statement (both SFS & CFS).
- xii) Understatement of loss of the group and Trade Payable by Rs 0.73 crore due to non-provision of Royalty expenses and Technical fees (CFS).

42. From our discussions in para 41 above, it is clear that impact of the qualifications in the Audit Reports were all material and pervasive and thereby affected other major components of the financial statements (SFS and CFS both). The facts of the case detailed above clearly indicate that the qualified audit opinions on SFS and CFS were not appropriate and thus, the EP violated SA 705, thus proving the charge of EP's gross negligence and lack of exercise of due diligence in the conduct of his professional duties.

#### **E. FINDINGS ON ARTICLES OF CHARGES OF PROFESSIONAL MISCONDUCT BY CA SHYAM MALPANI**

43. As discussed in section -D above, it is clear that CA Shyam Malpani had violated the Companies Act 1956, the Companies Act 2013, SQC1, SA 220 and SA 705 by performing this audit despite having serious conflict of interest and in not giving appropriate audit opinions. We therefore

conclude that CA Shyam Malpani has committed Professional Misconduct as defined under Section 132 (4) of the Companies Act 2013 in terms of section 22 of the Chartered Accountants Act 1949 (CA Act). As per the clause 7 of Part I of the Second Schedule of the CA Act, an EP is guilty of professional misconduct if he “*did not exercise due diligence and was grossly negligent in the conduct of his professional duties*”. It has been established that CA Shyam Malpani accepted the appointment as auditor of SKNL despite having ownership interest in the shares of the auditee company i.e. SKNL and failed to form audit opinions in accordance with the SA 705, as explained in Section – D above. Since the EP compromised his independence and failed to recognize and report the pervasiveness of the deficiencies of the financial statements, his conduct undoubtedly falls into the category of lack of due diligence and gross negligence. Therefore, we hold that the charge of professional misconduct on the part of the EP on this account is proved.

44. Internationally also, similar cases of Auditor’s conflict of interest with the auditee company has been viewed seriously. The US Audit regulator – Public Company Accounting Oversight Board (PCAOB)- in the matter of Warren Averett, LLC<sup>8</sup> has observed that “ *Rule 2-01(b) of the Commission’s Regulation S-X provides that an accountant is not independent of an audit client if, at any point during the audit and professional engagement period, “the accountant is not, or a reasonable investor with knowledge of all relevant facts and circumstances would conclude that the accountant is not, capable of exercising objective and impartial judgment on all issues encompassed within the accountant’s engagement.” In applying this standard, it is appropriate to “look in the first instance to whether a relationship or the provision of a service: creates a mutual or conflicting interest between the accountant and the audit client.”* In this case, PCAOB imposed a penalty of \$ 2,00,000 on the Auditor besides advising the Auditor to review independence policies.

## F. PENALTY & SANCTIONS

45. Section 132(4)(c) of the Companies Act 2013 provides that National Financial Reporting Authority shall, where professional or other misconduct is proved, have the power to make order for—
  - (A) imposing penalty of— (I) not less than one lakh rupees, but which may extend to five times of the fees received, in case of individuals; and (II) not less than ten lakh rupees, but which may extend to ten times of the fees received, in case of firms;
  - (B) debarring the member or the firm from—(I) being appointed as an auditor or internal auditor or undertaking any audit in respect of financial statements or internal audit of the functions and activities of any company or body corporate; or (II) performing any valuation as provided under section 247, for a minimum period of six months or such higher period not exceeding ten years as may be determined by the National Financial Reporting Authority.
46. CA Shyam Malpani was asked on 03.11.2022 to provide information about details of fees received from SKNL and its related parties; total revenue earned by his firm and by him; details of related parties of SKNL etc. He replied that he does not have any records relating to the audit of SKNL for FY 2013-14. He has chosen not to give any details of fees received by him during the

<sup>8</sup> PCAOB Release No. 105-2023-022 August 29, 2023.

year. However, we note from the Standalone Financial Statements of SKNL for FY 2013-14 that the audit fees of SKNL for FY 2013-14 was Rs 47.88 lakhs only.

47. In this case the audit done by the EP related to SKNL which was a large public listed company and involved interest of large number of shareholders and other stake holders such as banks, creditors etc. It is critical that the auditor and the EP performed their job with due diligence to give assurance to the investors and stakeholders on true and fairness of the financial statements and thereby protect public interest. Any default on this account impacts and jeopardizes the larger public interest which needs to be considered while determining the quantum of punishment.
48. The professional misconduct has been detailed and proven on various counts in the body of this Order. Considering the nature and seriousness of violations and principles of proportionality, we, in the exercise of powers under Section 132 (4) (c) of the Companies Act, 2013, order the sanctions detailed below. In light of the judgment of the Hon'ble National Company Law Appellate Tribunal (NCLAT) dated 01.12.2023,<sup>9</sup> we have limited the monetary penalty to ₹5 Lakh only since the violations relate to the period April 2013 to September 2014. We impose of a monetary penalty of **Rupees Five Lakh** upon CA Shyam Malpani. In addition, CA Shyam Malpani is debarred for a period of **Five years** from being appointed as an auditor or internal auditor or from undertaking any audit in respect of financial statements or internal audit of the functions and activities of any company or body corporate.
49. This Order will be effective after 30 days from the date of its issue.

-sdf

(Dr Ajay Bhushan Prasad Pandey)  
Chairperson

sdf

(Dr Praveen Kumar Tiwari)  
Full-Time Member

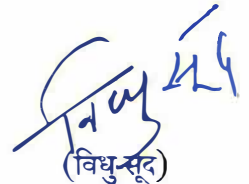
sdf

(Smita Jhingran)  
Full-Time Member

एनएफआर के कार्यकारी निकाय द्वारा जारी करने के लिए अधिकृत,

Date: 20.12.2023

Place: New Delhi

  
(विधुसूद)

सचिव, एनएफआर

सचिव / Secretary  
राष्ट्रीय वित्तीय रिपोर्टिंग प्राधिकरण  
National Financial Reporting Authority  
नई दिल्ली / New Delhi

<sup>9</sup> Order in the matter of Comp. App. (AT) No. 68, 87, 90 & 91 of 2023, Judgment dated 01.12.2023, page 92, that states regarding retrospective jurisdiction of NFRA, that "We also take into consideration the fact that neither any new misconduct has been created in law, which NFRA can investigate and levy penalty, if required nor NFRA can levy penalty greater than the quantum of penalty envisaged under the Chartered Accountants Act, 1949."

To

(1) M/s. SMMP & Company,  
Firm Registration No.120438W,  
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297-299 DR Cawasji Hormasji Street,  
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(2) CA Shyam Malpani,  
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Copy To: -

- (i) Secretary, Ministry of Corporate Affairs, Government of India, New Delhi.
- (ii) Securities and Exchange Board of India, Mumbai.
- (iii) Central Economic Intelligence Bureau, Ministry of Finance, Government of India, New Delhi.
- (iv) Secretary, Institute of Chartered Accountants of India, New Delhi.
- (v) Om Prakash Agrawal, Liquidator - S. Kumars Nationwide Limited, Registration Number: IBBI/IPA-001/IP-P00201/2017-18/10444.
- (vi) IT-Team, NFRA for uploading the order on the website of NFRA.

