



The Institute of Cost Accountants of India

Board of Discipline u/s 21A of The Cost Accountants Act, 1959

Final order number: ICMAI/BOD/2026/23

Complaint number	Com-21/CA(131)/2024
In the matter of	CMA V.B. Modi (M/499921) [Complainant] Vs. Balwinder & Associates (FRN/000201) [Respondent]
Date of Hearing	As per records and order sheet
Date of order	31 st March, 2026

CORAM:

1	Shri P.K. Pujari, IAS (Retd)	Presiding Officer
2	CMA (Dr.) Ashish Thatte	Member

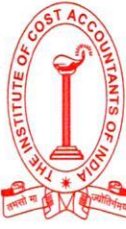
PRESENT

1	CMA(Dr) Hemant Kumar Sindhwani	Director (Discipline)
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Brief of the Case:-

1. The Disciplinary Directorate is in receipt of a complaint in Form I dated 19th March, 2024 in triplicate together with the prescribed complaint fee of Rs 2950/- (inclusive of GST) from CMA V.B. Modi (hereinafter referred to as the "complainant"), bearing membership no. 49992 against Balwinder & Associates (hereinafter referred to as the "respondent") bearing FRN 000201, containing certain allegations against the respondent falling under various provisions of the Cost Accountants Act, 1959.
2. The complaint consists of four 4 pages, accompanied by annexure. The Form I is reproduced below in verbatim:





FORM I

(See sub-rule (1) of Rule 3)

1	Name of the Complainant (with membership number, if member of the Institute)	V. B. Modi & Associates, Firm registration no. 004861, CMA Vaishali Modi (Membership no. 49992)
2	Name of the member/firm against whom complaint is being made (with membership number/registration number of the firm, if known)	Balwinder & Associates (Reg. no. 000201)
3	Latest address of the Complainant for communication	V B Modi & Associates, Cost Accountants, Behind Ayush Hospital, Besides Azad Complex, N.H. 48, Vapi – 396191 Gujarat
4	Last available professional address of the member or the firm against whom the complaint is made	Balwinder & Associates, Cost Accountants, F-125, Phase VIII-B, Industrial Area, Sector 74, Mohali, CHANDIGARH - 160071
5	Particulars of allegation(s) serially numbered together with corresponding clause/part of the relevant Schedules or Particulars of allegations serially numbered together with clause/part of the relevant schedules under which the alleged acts of commission or omission or both would fall	Code of Ethics of ICMAI : Chapter – 5, First Schedule Part I Clause (8) 1. Accepting appointment as Cost Auditor of Sarla Performance Fibers Ltd. Without first communicating with the retiring Cost auditor M/s. V. B. Modi & Associates – Code of Ethics Chapter – 5, First Schedule Part I Clause (8) 2. M/s. Balwinder & Associates have accepted appointment as Cost auditor where the company (Sarla Performance fibers ltd) has not paid the un-disputed audit fees as communicated to M/s. Balwinder & Associates under email dated Feb 6, 2024 attached. Clause 8 para 3. 4 3. There is no valid reason for a change of auditor, still M/s, Balwinder & Associates accepted the appointment without prior communication to the retiring auditor, Clause 8 para 5 of Code of Ethics 4. Balwinder & Associates is guilty of not ascertaining from the company that the appropriate procedure in the matter of appointment has been faithfully followed. Sec. 224 and 225 of the Companies Act, 1956
6	Particulars of evidence(s) adduced in support of allegations made	1. Relevant pages 55 & 57 of Annual report of Sarla Performance ltd for 2022-23 2. Email from VB Modi dtd. 6/2/2024
7	Names of the person who have knowledge of the facts of the case	Vaishali B Modi, CFO of Sarla Performance fibers ltd. , Balwinder & Associates

Date : 19/03/2024 at Vapi

V. B. Modi
 Signature of Complainant

Verification

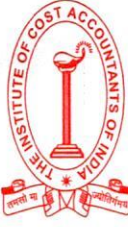
I, CMA Vaishali Modi, proprietor of V B Modi & Associates, the complainant, do hereby declare that what is stated above is true to the best of my information and belief.
 Verified today the 19th day of March, 2024 at Vapi.

V. B. Modi
 Signature of Complainant

DD No. 214125 of Industrial Bank
 dt. 20/3/24 for Rs. 2950
 attached.



3. The above complaint was scrutinized and was registered in terms of Rule 5 of the Cost and Works Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 and the same was proceeded with in the manner as



- prescribed in Chapter III of the Rules and was registered by the Disciplinary Directorate by giving a unique number, **Complaint No. Com-21/CA(131)/2024**.
4. The complaint was forwarded to the Respondent vide letter No. G/DD/Com-CA(131)/(FRN 000201)/1/04/2024 dated 3rd April, 2024 followed by reminder dated 24th July, 2025, calling upon the Respondent to submit a written statement in terms of Rule 8(3) of The Rules, 2007 within 21 days from the date of service of the letter under reference.
 5. The Respondent submitted his Written Statement of defense dated 31st July, 2025 (running into 12 pages including annexures), denying the allegations and inter-alia submitted that
 - a) Communication had been made to the previous auditor vide letter dated 6th March, 2024 through Registered Post no RP246112278IN dated 7th March, 2024;
 - b) In the absence of any response to the said communication, the Respondent chose to withdraw from the assignment, though not legally obligated to do so;
 - c) The auditee company had discharged the outstanding audit fees on 26th February, 2024, prior to the filing of the complaint;
 - d) Accordingly, the allegations were unfounded.
 6. The defence submission dated 31st July, 2025 was forwarded to the complainant under the cover of letter No. G/DD/Com-CA(131)/C-02/04 dated 19th September, 2025 followed by reminder dated 13th January 2026 for forwarding his rejoinder in terms of sub-rule (4) of Rule 8 of the Cost and Works Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.
 7. The Complainant, vide letter dated 19th January, 2026, submitted his Rejoinder stating that the issue of non-payment had been resolved and the Respondent has withdrawn from the assignment and requested The complaint is being withdrawn in good faith, as the matter has been amicably settled. The Rejoinder is reproduced below verbatim:

Quote

Dear Sir,

Sub: Complaint dated 19th March, 2024 against CMA Balwinder & Associates (FRN/000201)

Ref: G/DD/Com-CA(131)/C-03/05/281 dated 13.01.2026

In this connection we would like to submit as under:

- 1) The complaint is of 2024 and was for a specific issues arising at that time.



ICMAI THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

भारतीय लागत लेखाकार संस्थान
Statutory Body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

Headquarters:
CMA Bhawan, 3 Institutional Area,
Lodhi Road, New Delhi-110003

Phone : +91-11-24622156-57-58

Website : www.icmai.in

2) The issue of Non-payment by the Company is resolved as we received the payment, though delayed.

3) The firm of Balwinder & Associates had withdrawn their appointment from the Company

In view of above we feel it is not worthwhile proceeding further in the matter. In good faith and the fact that CMA Balwinder is our own member, we hereby withdraw the complaint.

Thank you for attending to our grievance.

Yours faithfully.

CMA Vaishali Modi

(M/49992)

Unquote

8. Comments and findings of the Disciplinary Directorate

- a) The principal allegation in the complaint is that the Respondent accepted appointment as Cost Auditor without prior communication with the previous Cost Auditor (the Complainant), and accepted the assignment despite non-payment of undisputed audit fees.
- b) The Respondent, in his Written Statement, has submitted that communication was made to the previous auditor and in the absence of any response to the said communication, the Respondent chose to withdraw from the assignment, though not legally obligated to do so. He further submitted that the outstanding audit fees were discharged by the Auditee Company on 26th February, 2024, prior to filing of the complaint.
- c) The Complainant, in the Rejoinder, has acknowledged that the dispute relating to non-payment of fees has been resolved and has withdrawn the complaint.
- d) Upon perusal of the complaint, Written Statement of Defense, and Rejoinder, it appears that the complaint was filed in relation to a specific issue of non-payment of fees, which stood resolved subsequently. Thus, the complainant requested to withdraw the complaint.





- e) It is noted that, in terms of Rule 6 of the Cost and Works Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, where the Director (Discipline) has not yet formed prima facie opinion, the
- f) Board may, without examining the merits of the matter, permit the informant to withdraw the complaint.
- g) Since no prima facie opinion was framed by the Director (Discipline) as the matter was under investigation, and in view of the withdrawal of the complaint, the matter is covered under Rule 6 of the Rules.

9. **Findings and Order of Board of Discipline**

- a) The Board has considered the material on record, including the complaint, Written Statement of defense, Rejoinder, and the findings of the Disciplinary Directorate.
- b) The Board notes that the dispute between the parties has been amicably resolved and the Complainant has withdrawn the complaint.
- c) The Board further notes that no prima facie opinion has been formed by the Director (Discipline) in the present matter.
- d) In view of the above, and in exercise of its powers under Rule 6 of the Cost and Works Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Board orders closure of the proceedings without examining the merits of the allegations
- e) The matter is accordingly disposed of.

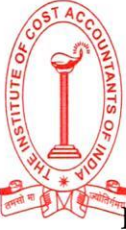
Ashish Thatte
CMA (Dr.) Ashish Thatte,
(Member)



P.K. Pujari
Shri P.K. Pujari, IAS (Retd)
(Presiding Officer)

Place: New Delhi

Date: 31st March 2026



ICMAI

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

भारतीय लागत लेखाकार संस्थान

Statutory Body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

Distribution under Rule 15(3) of the Rule

- 1) Director(Discipline), Institute of Cost Accountant of India
- 2) Complainant, CMA V.B. Modi (M/499921)
- 3) Respondent, Balwinder & Associates (FRN/000201)

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