

**CONFIDENTIAL**

**DISCIPLINARY COMMITTEE [BENCH – II (2019-2020)]**

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

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

**Ref. No. PR-56/16-DD/81/16/DC/596/17**

**In the matter of:**

**Shri Krishna Somani,**  
Authorised Signatory, M/s. Soham Securities Limited,  
Sairang Hegihs, RS No.616,  
Behind Swaminarayan Temple, Atladara,  
**Vadodara – 390 012.**

**.....Complainant**

**-Vs.-**

**CA. Mehul Vikram Doshi (M.No.103311),**  
302, 3<sup>rd</sup> Floor, Building No.6, B-Wing,  
Dhruvtara CHS, Opp. Siddhivinayak Temple,  
Pant Naagr, Ghatkopar East,  
**Mumbai – 400 075**

**.....Respondent**

**MEMBERS PRESENT:**

**CA. ATUL KUMAR GUPTA, PRESIDING OFFICER,  
SHRI RAJEEV KHER, IAS (RETD.), GOVT. NOMINEE  
CA. RAJENDRA KUMAR P, MEMBER,  
CA. CHANDRASHEKHAR VASANT CHITALE, MEMBER**

**DATE OF FINAL HEARING : 29.05.2019**

**PLACE OF FINAL HEARING : ICAI Tower, Bandra Kurla Complex, Mumbai**

**PARTIES PRESENT:**

**Complainant : Not Present**  
**Respondent : CA. Mehul V. Doshi**  
**Counsel for the Respondent : Shri S.G. Gokhale**

### **Findings of the Committee**

1. The Committee noted that first hearing fixed on 18<sup>th</sup> April, 2019 was adjourned in order to provide opportunity to the Complainant. On the day of second hearing held on 8<sup>th</sup> May, 2019, the Committee noted that the Complainant was not present. The Respondent was present along with his Counsel. The Respondent was put on oath. On being enquired from the Respondent as to whether he is aware of the charges levelled against him, the Respondent replied positively and pleaded not guilty. The Counsel for the Respondent made submissions on behalf of the Respondent. The Committee posed some questions to the Respondent. After hearing the submissions, the Committee adjourned the hearing with the following directions to the Respondent to submit the following documents:-
  - i) Copy of appointment letter whereby the Respondent was appointed as auditor for the financial year 2009-10.
  - ii) Copy of Notice of AGM held in the year 2010.
  - iii) Copy of 23B filed by the Respondent for appointment as auditor for the financial year 2009-10.
  - iv) Explanations / evidence to substantiate that why the Respondent has not done the audit for other years.
  
2. On the day of final hearing i.e. 29<sup>th</sup> May, 2019, the Committee noted that the Complainant was not present. The Respondent along with his Counsel was present. When the Committee continued the hearing from the stage as it was left in last hearing, neither the Respondent nor the Counsel for the Respondent objected to the same. The Respondent expressed his inability in submitting documents as directed by the Committee in last hearing. Thereafter, the Committee posed questions to the Respondent. After hearing the final submissions of the Respondent on the charges, the Committee decided to conclude the hearing in the above matter.
  
3. The Committee observed that the Director (Discipline) has held the Respondent prima facie guilty under Clause (2) of Part IV of First Schedule and Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949. It is noted that first charge against the Respondent was that he conducted statutory audit of the two companies i.e. (a) M/s. Sapan Chemicals Limited for the financial years 2009-10 to 2012-13 (b) M/s.

Millennium Cybertech Limited for the financial years 2009-10, 2010-11 and 2013-14, without verification of the books of accounts of the companies which were engaged in the business of long term capital gain and entry business and money laundering.

4. Before the Committee, the Respondent stated that he conducted the statutory audit only for the financial year 2009-10 for both the companies. In the alleged years, both the Companies were having turnover of only few lakhs and in the financial year ending on 31.03.2010, turnover of Sapan Chemicals Ltd and Miillenum Cybertech Limited was Rs.17,38,127/- and Rs.21,26,991/- respectively. The Respondent further mentioned that beyond 2009-10, he has not conducted the audit of these companies. The Committee perused the alleged financial statements for the aforesaid years for both the companies and found that beyond 2009-10, in the place of sign of the auditor, the word "Sd/-" was only mentioned and there was no financial statements available on record which carry alleged signatures of the Respondent. In absence of any evidence, proof of any payment made to the Respondent and keeping in view the submissions of the Respondent on oath, the Committee is of the view that it cannot hold the Respondent guilty of professional misconduct. Accordingly, the Respondent is held "Not Guilty" of professional misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.
  
5. In respect of second charge that the Respondent signed in the firm name "Mehul & Associates" whereas as per the record of ICAI, there was no firm registered with this name at that time. On being enquired, the Respondent submitted that he had applied for this name a way back in 1998 in Form no.117 and received a letter dated 9.6.1998 for the availability of the said name, subject to filing of form 18 which he could not filed and mistakenly presumed that this name was allotted to him. Since he was not in the active practice and mainly dealing in the area of housing finance, signing of this impugned audit report was an exceptional case. Later in the year 2010, when the Respondent was informed by the ICAI under some communication for the non-availability of this name, he immediately applied for another name "Mehul V. Doshi & Co." and got registered w.e.f. 2.8.2011. Thus, the discrepancy is purely accidental and unintentional on this particular point. The Committee found that though there is a lapse on the part of the Respondent but in view of the fact that he was a newly qualified Chartered Accountant in year 1998

and he accepted his mistake, the Committee decided to hold the Respondent 'Not Guilty' with respect to above charge and also decided to issue a caution letter to the Respondent to be more cautious in future.

**Conclusion**

6. Thus in the considered opinion of the Committee, the Respondent is **NOT GUILTY** of professional misconduct falling within the meaning Clause (2) of Part IV of First Schedule and Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

6.1 Accordingly, the Committee passes an Order for closure of this case under Rule 19(2) of the Chartered Accountants (Procedures of Investigations of Professional and Other Misconduct and Conduct of cases) Rules, 2007.

**Sd/-**  
**(CA. ATUL KUMAR GUPTA)**  
**PRESIDING OFFICER**

**Sd/-**  
**(SHRI RAJEEV KHER, IAS (RETD.))**  
**GOVERNMENT NOMINEE**

**Sd/-**  
**(CA. RAJENDRA KUMAR P)**  
**MEMBER**

**Sd/-**  
**(CA. CHANDRASHEKHAR VASANT CHITALE)**  
**MEMBER**

**DATE : 10.02.2020**

**PLACE : New Delhi**