



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

[PR/155/17-DD/192/16-DC/1021/19]

**ORDER UNDER SECTION 21B(3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 19(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATION OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007.**

[PR/155/17-DD/192/16-DC/1021/19]

**In the matter of:**

**CA. Shripad S Puranik,**  
M/s SSPuranik & Associates,  
Chartered Accountants,  
A/201, Udayraj CHS Ltd., Shreenagar,  
Colony Road, Goregaon West,  
**Mumbai – 400 104**

**.... Complainant**

**Versus**

**CA. Sanjay Nathalal Shah, (M.No.116251)**  
108, 1st Floor, Sujata Niketan CHS Ltd.,  
Rani Sati Road, Near Railway Station,  
Malad East,  
**MUMBAI-400 097**

**..... Respondent**

**MEMBERS PRESENT:**

1. CA. (Dr.) Debashis Mitra, Presiding Officer
2. Shri Rajeev Kher, I.A.S. (Retd.), Government Nominee
3. CA. Amarjit Chopra, Government Nominee
4. CA. Rajendra Kumar P, Member
5. CA. Babu Abraham Kallivayalil, Member

**DATE OF MEETING : 06.04.2021 (Through Physical/Video Conferencing Mode)**

1. That vide findings under Rule 18 (17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Disciplinary Committee was inter-alia of the opinion that **CA. Sanjay**

**CA. Shripad S Puranik – vs - CA. Sanjay Nathalal Shah, (M.No.116251)**



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[PR/155/17-DD/192/16-DC/1021/19]

**Nathalal Shah, (M.No.116251)** (hereinafter referred to as the **Respondent**) was **GUILTY** of professional misconduct falling under Item (8) of Part I of the First Schedule and Item (1) of Part II of Second Schedule to the Chartered Accountants Act, 1949.

2. The Committee noted that the Respondent was not present before it. In his absence the Committee decided to proceed ex-parte the Respondent.

3. The Committee noted that although in this case the Respondent accepted the audit without ensuring that pending fee of the Complainant is duly paid, but looking into the admission of the Complainant that admitted that his fees are received from the clients only due to intervention of the Respondent, the Committee decided to take lenient view.

4. Therefore, keeping in view the facts and circumstances of the case, material on record and submissions of the Respondent before it, the Committee ordered that the Respondent i.e. CA. Sanjay Nathalal Shah, (M.No.116251) be reprimanded.

sd/-  
(CA. (Dr.) DEBASHIS MITRA)  
PRESIDING OFFICER

(approved & confirmed through email)  
(SHRI RAJEEV KHER, I.A.S. RETD.)  
GOVERNMENT NOMINEE

(approved & confirmed through email)  
(CA. AMARJIT CHOPRA)  
GOVERNMENT NOMINEE

sd/-  
(CA. RAJENDRA KUMAR P)  
MEMBER

(approved & confirmed through email)  
(CA. BABU ABRAHAM KALLIVAYALIL)  
MEMBER

Certified to be true copy

  
Mukesh Kumar Mittal  
Assistant Secretary,  
Disciplinary Directorate

**CONFIDENTIAL**

**DISCIPLINARY COMMITTEE [BENCH – II (2020-2021)]**

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

**Findings 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.**

**File No. : [PR/155/16-DD/192/16-DC/1021/19]**

**In the matter of:**

**CA. Shripad S Puranik,  
M/s S S Puranik & Associates,  
Chartered Accountants,  
A/201, Udayraj CHS Ltd., Shreenagar,  
Colony Road, Goregaon West,  
Mumbai – 400 104**

**.... Complainant**

**Versus**

**CA. Sanjay Nathalal Shah, (M.No.116251)  
108, 1st Floor, Sujata Niketan CHS Ltd.,  
Rani Sati Road, Near Railway Station,  
Malad East,  
MUMBAI-400 097**

**..... Respondent**

**MEMBERS PRESENT:**

**CA. Atul Kumar Gupta, Presiding Officer  
CA. Amarjit Chopra, (Govt. Nominee)  
CA. Pramod Kumar Boob, Member**

**DATE OF FINAL HEARING : 17.11.2020 (through Video Conferencing)**

**PARTIES PRESENT : Nil**

**Charges in Brief:-**

1. In the instant matter, the charge against the Respondent was that he accepted and conducted tax audit of M/s Sejal Internal Ltd. (hereinafter to be referred to as the "Company") for F.Y. 2014-15 on 31.10.2015 despite knowing the facts that

the previous auditors had declined acceptance of audit for non-payment of fees. The Complainant also alleged that the Respondent also failed to seek NOC from the Complainant Firm. The Committee noted that accordingly the Respondent was held prime facie guilty of professional misconduct falling within the meaning Clause (8) of Part I of the First Schedule and Clause (1) of Part II of the Second Schedule of Chartered Accountant Act 1949.

**Brief facts of the Proceedings:**

2. The Committee noted that on the day of hearing i.e., on 17<sup>th</sup> November, 2020, neither complaint nor Respondent was present before it. The Committee also noted that earlier the case was adjourned at request of the Respondent on 27.10.2020. In the absence of both the parties the Committee decided to conclude the hearing ex-parte the Complainant and the Respondent.

**Findings of the Committee**

3. The Committee noted that the Respondent vide email dated 6<sup>th</sup> November, 2020 informed that the matter has been resolved between him & the Complainant and hence, he requested for cancellation of the matter pending against him. The Respondent also enclosed one unsigned letter of the Complainant marked to the Office. The Committee noted that the Office forwarded that communication from the Respondent vide an email dated 9.11.2020 to the Complainant seeking his confirmation if he wishes to withdraw the matter. In reply to the same the Complainant vide his email dated 15<sup>th</sup> November, 2020 informed that due to intervention of the Respondent he got instalment of Rs. 1.50 lacs as pending fee, He further mentioned that the Respondent ensured him about his payment of his fee. The Committee noted that the Complainant in that email nowhere mentioned about withdrawal of the case.
4. The Committee observed as regards both the charges the Respondent had neither submitted any written statement at PFO stage nor submitted any defence on Prima-facie opinion of the Director (Discipline). The Committee noted as per merits of the case it is evident that the Respondent accepted and conducted the

audit of the Company for F.Y. 2014-15 without ensuring that pending fee of previous auditor is paid. Further, there is no correspondence on record which establishes that the Respondent sought no objection from the Complainant before accepting the audit.

### Conclusion

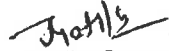
5. In terms of the reasoning discussed above and in the considered opinion of the Committee in the absence of any defence from the Respondent, it is concluded that the Respondent not only failed to communicate with previous auditor but also has accepted the appointment as Tax auditor when undisputed fees of the previous auditor i.e. the Complainant Firm was outstanding and thereby ignoring the Council Guidelines No. 1-CA (7)/02/2008 dated 8th August, 2008 in this regard. Hence, the Respondent is held guilty under the said charges for professional misconduct falling within the meaning of Item (8) of Part I of the First Schedule and Item (1) of Part II of Second Schedule to the Chartered Accountants Act, 1949.

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

(approved & confirmed through email)  
**CA. AMARJIT CHOPRA**  
(GOVERNMENT NOMINEE)

(approved & confirmed through email)  
**CA. PRAMOD KUMAR BOOB**  
(MEMBER)

Certified to be true copy



Jyotika Grover  
Assistant Secretary,  
Disciplinary Directorate

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ICAI Bhawan, Vishwas Nagar, Shahrda, Delhi-110032