

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2026-2027)]

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

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

File No: [PR/351/2021/DD/375/2021 and PR/426/2021(Clubbed)/DC/1630/2022]

In the matter of:

Sh. Jasvantlal P Upadhyay, Sh. Girishchandra D. Trivedi and

Sh. Chandulal C Pandya

A-403, 404, Kent Enclave, Kalpana Chawla Chowk,

Haridasnagar, Borivali West,

Mumbai – 400092

..... Complainant

Versus

CA. Aalok Sunilkumar Mehta (M. No. 141219)

Proprietor, M/s Aalok S Mehta & Associates, Chartered Accountants

7/2, Triveni Apartments, B/H, Picnic House,

Kankaria Mani Nagar,

Ahmedabad (Gujarat) – 380008

..... Respondent

MEMBERS PRESENT:

CA. Prasanna Kumar D, President, ICAI, Presiding Officer (In person)

CMA Chandra Wadhwa, Government Nominee (In person)

CA. Mahesh Shah, Government Nominee (In person)

CA. Satish Kumar Gupta, Council Member (In person)

CA. Hans Raj Chugh, Council Member (In person)

DATE OF FINAL HEARING : 27th March 2026

DATE OF DECISION TAKEN : 25th July 2026

DATE OF PRONOUNCEMENT OF DECISION : 29th August 2026

PARTIES PRESENT:

Respondent : CA. Aalok Sunilkumar Mehta (Through VC)

AR of Complainant (Sh. Chandulal C Pandya) : CA. Mehul Shanti Trivedi

(Through VC – from ICAI Mumbai)

Witness : Mr. Prafull D. Upadhyay (Through VC – from ICAI Mumbai)



1. **Background of the Case:**

- 1.1. The Complainants were the ex-office bearers / trustees of '**Shree Trilokinath Vishnu Mandir Trust**' (hereinafter referred to as 'Trust') and new office bearers / trustees of the Trust were appointed for a term of five years i.e., from Year 2021 to 2025 on 01.01.2021. It is also stated that the Respondent had been auditing the accounts of the Trust for last several years (10 years). However, as stated, while issuing his audit report on the audited accounts of the Trust for FY 2020-21, the Respondent had reported certain observations in his audit report which allegedly had created a loss of goodwill and heated the sentimental, emotional, and spiritual wellbeing of the Complainants' Samaj.

2. **Charges in brief:**

- 2.1. The Complainants have stated that the Respondent had been auditing the accounts of the Trust for last 10 years and during this time, the Respondent had never bothered to interfere in the internal matters of the trust and had always worked independently. It was also stated that the Complainants had a very pleasant experience with Respondent's working style and were also satisfied with Respondent's professional services. However, it was alleged that during the conduct of audit in respect of FY 2020-21, the Complainants had seen very surprising changes in the Respondent's professional behaviour after the appointment of few politically influential trustees in the trust. The Complainants alleged that the audit of the trust for FY 2020-21 was not only conducted on a complete biased manner, but the reports were also issued erroneously in the name of deceased trustee and comments in the audit report were such that it had created a loss of goodwill and reputation of their esteemed trust. Moreover, it had heated the sentimental, emotional, and spiritual wellbeing of Complainants' Samaj. The Complainants alleged that there might be some commercial benefit either in form of cash or kind which might have been awarded to the Respondent to write prejudicial and biased audit report against few people.

It also alleged that Schedule-7 forming part of audited financial statements of the Trust for FY 2020-21 showing Advances in the name of Mr. Prafullbhai D Upadhyay (who was one of the ex-trustees) for Rs. 2,25,000/- was incorrect and did not have any basis for such advances.

- 2.2. Further to above, it is also alleged that inspite of having full knowledge of the demise of Late Gunvant B. Trivedi who passed away on 29.04.2021, the Respondent had purposely ignored the fact and had issued his audit report in the name of Late Gunvant B. Trivedi on 28.07.2021. It observed that along with issuing his audit report, the Respondent has also issued / filed Schedule IX-C which is required to be filed under the provisions of Rule 32 of The Bombay

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Public Trusts Rules 1951, and in the said Schedule IX-C, the Respondent has given the name of 'Shri Gunvantbhai B' as the name of Trustee to whom the audit report had been submitted.

3. **The relevant issues discussed in the Prima Facie Opinion dated 17th August 2022 formulated by the Director (Discipline) in the matter, in brief, are given below:**

- 3.1 On perusal of various submissions and documents available on record, as regards allegation contained in Points 2.1 above, it was observed that the main allegation of the Complainants was regarding Schedule-7 of audited financial statements of the Trust for FY 2020-21 wherein certain advances had been shown against the name of some ex-trustees and ex-office bearers of the Trust specifically against Mr. Prafull D. Upadhyay, which as per the Complainants were not correct. The said allegation was also in respect of Point (k) of Audit Report of the Respondent issued in respect of FY 2020-21 wherein the Respondent had reported that no resolution had been passed in respect of certain expenses incurred by certain ex-trustee and ex-members of the Trust which again as per the Complainants was allegedly biased reporting and thus, was not correct. In this regard, it was firstly noted that an amount of Rs. 3,31,575/- had been shown as 'Advance for Covid-19 Activities' in the audited balance sheet of the Trust for FY 2020-21 out of which Rs. 2,25,000/- had been shown against the name of Mr. Prafull D. Upadhyay.
- 3.2 Looking to various submissions and documents on record in respect of instant allegation and also in view of the aforementioned reporting done by the Respondent in his audit report and details of Schedule-7 given in audited financial statements of the Trust, the following points had been observed:
- i. In Point (k) of the audit report, at one point of time, the Respondent had reported that certain advances related to Covid-19 help to the society were given to some of the trustees but without passing any resolution in this regard. However, at another point of time, the Respondent had also reported that during the audit procedure, he got confirmation from various trustees regarding approval of Covid-19 expenses incurred by the trustees with their consent and they had also confirmed that the Trust had reimbursed actual expenses incurred in December 2020 with their consent. Thus, the reporting done by the Respondent in his Audit Report, itself looks contradictory and questionable.
 - ii. In his Written Statement, the Respondent had mainly emphasized that Mr. Prafull D Upadhyay had withdrawn the sum of Rs. 2,25,000/- in cash in his personal name from the

cashbox of trust. However, nothing in respect of such cash withdrawal had been reported in his audit report which appear to had been shown under Schedule 7 - 'Advance for Covid-19 activities'. In this regard, on perusal of English translated copy of Trust Deed provided by the Respondent at Rule 8(5) stage, it was noted that as per Clause 18 of the said deed, expenditures of more than Rs. 5000/- had to be paid by cheques. Thus, it was very surprising that though the Respondent had stated that Mr. Prafull D Upadhyay had withdrawn the sum of Rs. 2,25,000/- in cash in relation to Covid-19 expenses, but in case the said submission was true, then it was really incomprehensive as to how and why the same had not been reported in his audit report by the Respondent for FY 2020-21 despite there being clear violation of Clause 18 of the trust deed.

- iii. It was also noted that along with his Written Statement, the Respondent had provided the copy of cash voucher dated 23.12.2020 which was originally in vernacular (Gujarati) language. In this regard, it was further noted that though the English translation of certain documents including the said voucher was called for from the Respondent, but he could not provide the same in respect of all documents. Therefore, the English translation of the said voucher along with certain other documents were got done by this Directorate with the assistance of Ahmedabad office of ICAI. On perusal of original voucher dated 23.12.2020 in vernacular language and its English translated copy, it was noted that the amount of Rs. 2,25,000/- had been stated to be given to some 'Rajesh bhai' through the said voucher. Further, on comparing the signatures with naked eye, it appeared that the signatures on the said voucher did not match in any manner with the signatures of Mr. Prafull D Upadhyay as available on record. It was also noted that the said voucher had been signed as 'for Mr. Prafull D Upadhyay' from which it was again evident that the said voucher had not been signed by him. Thus, in view of the above, it was not ascertainable that how the Respondent relied on the said cash voucher and had mentioned that Rs. 2,25,000/- had been withdrawn by Mr. Prafull D Upadhyay only.
- iv. Further, on perusal of English translated copy of Management Representation Letter (MRL) dated 16.07.2021 as being brought on record by the Respondent at Rule 8(5) stage, it was noted that in the said MRL, it was stated that there were serious accounting and financial misrepresentation and lacunas wherein expenses were incurred, and cash withdrawals were made by old trustees and secretary against the rules of Trust constitution and Trust deed. It was further stated therein that no invoices in the name of Trust or any other proper supporting vouchers were available with the Trust. In view of the said submission wherein even the new management of the Trust had stated that no invoices / vouchers were available with the Trust in respect of alleged expenses incurred and cash withdrawals

made, the reliance of the Respondent on the cash voucher of Rs. 2,25,000/- on which the signatures of Mr. Prafull D Upadhyay was not evident, creates a doubt on the conduct of audit of the Respondent. From the said MRL, it was also coming out that the current management / trustees had indirectly informed the Respondent about certain fraud being done by old trustees. In such scenario, if any such fraud had really happened and if the Respondent had sufficient evidence in relation to said fraud, then it was again very incomprehensible that instead of specifically reporting about the said fraud in his Audit Report, the Respondent simply reported it as unapproved advances / expenses done by some of the old trustees and thus, had given unmodified opinion / clean audit report.

- v. It was also noted that in his Written Statement, the Respondent had stated that Mr. Prafull D Upadhyay had withdrawn the sum of Rs. 2,25,000/- in cash from the cashbox of the trust. In this regard, in the absence of sufficient information available on record, it was not ascertainable whether the Respondent was physically present at the time when the alleged cash withdrawal was made by Mr. Prafull D Upadhyay. In the absence of any specific submission of the Respondent available on record in this regard, it appears that he was not physically present there. In such case, the Respondent had also not provided any statement(s) of other trustees / office members relying upon which he concluded that the cash withdrawal of Rs. 2,25,000/- was made by Mr. Prafull D Upadhyay from cashbox of the trust.

- 3.3 It was also noted that along with their Rejoinder, the Complainants had provided the copy of order dated 14.02.2022 of Assistant Charity Commissioner wherein the complaint had been filed by Sh. Jagdishbhai B Joshi i.e., the new trustee / office bearer against Sh. Prafull D Upadhyay, Sh. Chandubhai C. Pandya, and Sh. Girishbhai D Trivedi i.e., against the old trustees / office-bearers. On perusal of said order, it appears that the matter / allegations made therein against the old trustees were mostly similar to the instant matter wherein alleged reporting had been done by the Respondent against them. In this regard, it was pertinent to mention the last / concluded paragraph of the said order as under:

*"According to above looking at all facts, regarding application of applicant - Shri Jagdishbhai B. Joshi, no more remained to be done by this office. **Disputes arise regarding appointment of Trustees for year 2021-2025, to bring pressure and illegally to obtain the gain and to defame Trust, with idea of taking revenge and out of grudge with earlier Trustees this application is filed. Prima Facie all payments made by cheques. Therefore, no more remained to be done by this office. Therefore, application of applicant Shri Jagdishbhai B.***

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Joshi is closed by this office and to intimate - accordingly to the applicant." (emphasis added)

- 3.4 Thus, it was noted that the afore-mentioned complaint made by new trustee before Assistant Charity Commissioner against the old trustees was closed while mentioning that in order to create pressure and illegally obtaining the gain and to defame Trust, with idea of taking revenge and out of grudge with earlier Trustees, the said application was filed while prima facie all payments were made by cheques. Therefore, the said order also indirectly raises a doubt on the alleged reporting of the Respondent done in his Audit Report.
- 3.5 The Complainants had also provided the English translated copy of the letter dated NIL which had been addressed to the Respondent mentioning that most trustees had approved the alleged social welfare related expenses done during Year 2020. The said letter had also been supported with 15 letters signed by various other trustees wherein in most of the letters, it was mentioned that all expenses incurred between April 2019 to October 2020 were approved by all members.
- 3.6 In view of the reasoning given above, it was noted that the Respondent had failed to provide sufficient documentary evidence(s) which could prove his bonafide or which can even support his own submissions made in his Written Statement. Further, no sufficient documentary evidence(s) or audit working papers had been provided by the Respondent in support of alleged reporting done by him in his Audit Report and alleged advances disclosed in the audited financial statements of the Trust for FY 2020-21. In this regard, it was also noted that in his Written Statement, the Respondent had himself mentioned that there were some internal disputes among new and old trustees which means he was already aware of the disputes existing among the trustees. Therefore, it was viewed that the Respondent should have been more careful in the circumstances and should have exercised required due diligence before reporting the alleged observation in his audit report which should have also been supported with his audit working papers. Keeping in view of the above facts, it also appeared that the Respondent, while reporting the alleged observation in his Audit Report, had not acted independently and merely relied on the information provided by the new trustees which was not expected from a Chartered Accountant in practice. Accordingly, it was viewed that the Respondent is **GUILTY** of Professional and 'Other' Misconduct falling within the meaning of Clause (7) of Part-I of Second Schedule and Clause (2) of Part-IV of First Schedule to the Chartered Accountants Act, 1949.

- 3.7 With respect to the allegation contained in Point 2.2 above, regarding intentionally issuing the audit report in the name of Late Gunvant B. Trivedi who passed away on 29.04.2021 i.e., prior to the date of issuing the audit report as stated in Point 9.1.3 above, from the Schedule IX-C which had been filed by the Respondent as required under the provisions of Rule 32 of The Bombay Public Trusts Rules 1951, it was noted that while giving the name, address and phone number of Trustees to whom the audit report had been submitted, the Respondent had mentioned the name of 'Shri Gunvantbhai B.'.
- 3.8 In view of the Rule of The Bombay Public Trusts Rules 1951, it was noted that the said Rule mandates the Auditor of the Trust to forward a copy of the statement in Schedule IXC to the concerned trustee who is further liable to remit the contribution payable in advance to the Deputy or Assistant Charity Commissioner. However, in the instant matter, it was very surprising that being already aware of the death of the concerned trustee i.e., Shri Gunvantbhai B, the Respondent had mentioned his name in Schedule IX-C as the Trustee to whom his Audit Report had been submitted. Therefore, it was viewed that Respondent was casual in his approach while performing his professional duties. Accordingly, the Respondent was held prima facie **GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949 in respect of instant allegation.
- 3.9 Accordingly, the Director (Discipline) in his Prima Facie Opinion dated 17th August 2022 opined that the Respondent was held **GUILTY** of Professional and Other Misconduct falling within the meaning of Clause (7) of Part-I of Second Schedule and Clause (2) of Part-IV of First Schedule to the Chartered Accountants Act, 1949. The said Clauses 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:

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

Clause (2) of Part IV of First Schedule:

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

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(2) in the opinion of the Council, brings disrepute to the profession or the Institute as a result of his action whether or not related to his professional work.”

3.10 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 19th September 2022. The Committee on consideration of the same, concurred with the reasons given against the charges and thus, agreed with the Prima Facie Opinion of the Director (Discipline) that the Respondent is **GUILTY** of Professional and Other Misconduct falling within the meaning of Clause (7) of Part-I of Second Schedule and Clause (2) of Part-IV of First 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. Dates of Written Submissions/ Pleadings by the Parties:

4.1 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 Complaint in Form 'I' filed by the Complainant	19 th November, 2021
2.	Date of Written Statement filed by the Respondent	Dated Nil
3.	Date of Rejoinder filed by the Complainant	25 th January, 2022
4.	Date of Prima Facie Opinion formed by Director (Discipline)	17 th August, 2022
5.	Written Submissions filed by the Respondent after PFO	06 th October, 2023
6.	Rejoinder filed by the Complainant after PFO	04 th December, 2022 01 st January, 2023
7.	Submissions filed by the Witness after PFO	26 th March, 2026

5. Written Submissions filed by the Respondent:

5.1 The Respondent, vide letter dated 06th October, 2023, had inter alia, made the following submissions which are given as under:-

- i. That the respondent submits that the present inquiry is frivolous, baseless and without merit, and that mandatory procedure prescribed under the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 has not been followed, causing serious prejudice to the respondent.
- ii. That despite repeated requests, neither the prima facie opinion nor the documents relied upon by the Directorate were ever supplied to the respondent as required under Rules 14 and 18, thereby violating principles of natural justice and depriving the respondent of an effective opportunity to file a detailed defence.
- iii. That the respondent came to know about the proceedings through WhatsApp in January 2023 and immediately informed the Directorate through email that he reserved his right to file a detailed reply upon receipt of the relevant documents, however no such documents were served, and the respondent was directly summoned to appear before the authority.
- iv. That the respondent appeared before the authority along with his advocate, pleaded not guilty and raised the issue of non-supply of documents before the inquiry officer, however no effective steps were taken and even thereafter the next date of hearing was not communicated for several months.
- v. That the respondent submits that the present complaint is motivated and has been filed by outgoing trustees of Shri Trilokinath Vishnu Mandir Trust against whom criminal proceedings and recovery actions are pending in relation to alleged embezzlement and misuse of Trust funds.
- vi. That the respondent is a practicing Chartered Accountant carrying on professional practice under the name Aalok S. Mehta & Associates for the last 12 years and has been auditing the Trust for nearly a decade without any prior allegation or complaint of misconduct.
- vii. That the allegations against the respondent pertain to the audit report for financial year 2020–21, wherein the respondent merely reported discrepancies noticed during audit, including advances taken by trustees without resolutions or supporting documents, in discharge of his professional duties as auditor.
- viii. That the respondent submits that he acted independently, professionally and strictly in accordance with accounting standards and auditing obligations and had no personal interest whatsoever in the dispute between outgoing and incoming trustees of the Trust.
- ix. That the complainants had allegedly attempted to pressurize and threaten the respondent not to conduct or file the audit report and had also unsuccessfully approached the Joint Charity Commissioner seeking stoppage of the audit proceedings.

- x. That the respondent further submits that the complainants have suppressed material facts from the authority, including criminal cases, forensic findings and recovery orders passed against them by competent authorities in relation to the affairs of the Trust.
- xi. That reliance has been placed upon judgments of the Hon'ble Supreme Court including Aligarh Muslim University v. Mansoor Ali Khan, Escorts Farms Ltd. v. Commissioner, Kumaon Division, Nainital, U.P. and Krishnalal Chawla and others v. State of U.P. and another to emphasize that principles of natural justice must be followed and frivolous litigation ought to be discouraged at the threshold.
- xii. That the respondent therefore prays that the preliminary objections be decided first and such further reliefs as deemed fit in the interest of justice be granted.

6. Rejoinder filed by the Complainant:

6.1 The Complainant, vide letter dated 04th December 2022, had inter alia, made the submissions which are given as under –

- i. That the Complainant has alleged that the individuals who signed the FY 2020–21 audit report namely Pramod Pandya, Jagdish Joshi and Mukesh Trivedi were not authorized trustees, as their names were allegedly neither recorded nor approved in the Trust Register or by the majority of trustees, and that the Respondent failed to verify their authority before acting upon the same.
- ii. That it is further alleged that the appointment of the statutory auditor vide resolution dated 21 June 2021, purportedly based on the meeting held on 20 June 2021, was itself executed by the said allegedly unauthorized trustees, thereby raising serious concerns regarding the legality and validity of the appointment and requiring independent verification.
- iii. That the Complainant has questioned the very foundation and validity of the audit process on account of the aforesaid irregularities and has requested that the audit for FY 2020–21 be cancelled and conducted afresh through an auditor appointed by the Institute. It is further alleged that no Annual General Meeting approving the FY 2020–21 financial statements has yet taken place and the Respondent failed to report the same to the trustees or competent authorities.
- iv. That the Complainant has also pointed out an alleged discrepancy wherein the cash book dated 23 December 2020 does not reflect any cash movement of Rs. 2,25,000, whereas the audit report records the said amount as an advance in the name of Praful Upadhyay without any proper basis or supporting justification.
- v. That the allegations made by the auditor regarding bills being issued in the name of Praful Upadhyay have also been disputed on the ground that several bills are actually issued in the

name of Shri Trilokinath Vishnu Mandir, thereby raising questions regarding the auditor's understanding, verification process and professional conduct. It is further questioned why the auditor failed to independently verify the supplier transactions through confirmations despite having details of the concerned suppliers, indicating alleged lack of due diligence.

- vi. That it is further alleged that while the financial statements disclose Covid-19 donations on the income side, the corresponding expenditure has not been properly reflected, thereby allegedly resulting in misrepresentation of accounts and creating confusion amongst devotees and stakeholders of the Trust.

6.2 The Complainant, vide letter dated 01st January 2023, had inter alia, made the submissions which are given as under –

- i. That the Complainant submitted that the financial statements for FY 2021–22 were audited and signed by Shri Aalok Mehta despite the audit and the auditor's role in relation to FY 2020–21.
- ii. That the FY 2021–22 financial statements were allegedly circulated to the entire management with only the auditor's signature and without signatures of office bearers, which according to the Complainant reflects a casual approach on the part of the auditor.
- iii. That it is alleged that the audit report for FY 2021–22 does not mention or provide any status regarding the remarks and issues relating to FY 2020–21.
- iv. That the auditor stated in point (g) of the audit report that no property or funds of the Trust were applied for any purpose other than the objects of the Trust, whereas according to the Complainant legal expenses amounting to Rs. 3,89,000/- were incurred and debited to the Income and Expenditure Account, which are alleged to be outside the objectives of the Trust. It is further alleged that considering the materiality of the amount, the auditor ought to have provided detailed explanation regarding the nature and purpose of such legal expenses.
- v. That the Complainant has further alleged that despite the auditor stating in point (j) of the report that there was no alienation of immovable property contrary to Section 36, certain allegedly unauthorized trustees allotted immovable property to a tenant on a non-revocable basis on 12 March 2022 before the Hon'ble Civil Court at Bhiloda, thereby allegedly contradicting the auditor's observations.
- vi. That it is alleged that Schedule IX-C of the audit report is addressed to Shri Pramod Pandya, who allegedly described himself as Chairman, at his residential address, thereby raising questions regarding the correctness and validity of the addressee details. It is further alleged that the report incorrectly mentions "Dena Bank" instead of "Bank of Baroda" despite the merger, and that the report was not even properly dated by the auditor.

- vii. That it has been questioned how the audit for FY 2021–22 was conducted when the Annual General Meeting for approval of FY 2020–21 financial statements had allegedly not taken place, thereby putting the validity of the appointment of the statutory auditor itself under doubt. It is further alleged that the auditor failed to report or communicate such fact either to the trustees or to the concerned regulatory authorities despite being aware of the same.
- viii. That the Complainant has alleged that in Schedule 3 relating to TDS Receivable for FY 2021–22, the details were merged without providing breakup information as was available in the previous year, thereby allegedly affecting transparency and disclosure.
- ix. That it is further alleged that in Schedule 7 relating to “Advances for Covid-19 Activities”, vendors or suppliers of food items were shown as trustees, including Ms. Premilaben G. Trivedi, which according to the Complainant is improper and misleading.
- x. That the Complainant has also alleged that Schedule 1 relating to immovable properties failed to reflect the alleged allocation or transfer of rights to certain tenants despite such transaction being material in nature and requiring disclosure in the accounts.
- xi. That it is further alleged that Schedule 7 relating to “Advances for Covid-19 Activity” reflected substantially similar information in FY 2021 and FY 2022, and that the auditor failed to make necessary accounting entries or adjustments to properly address and clear the accounting treatment of the same.
- xii. That the Complainant has expressed loss of faith in the conduct of the audit and the methods adopted by the auditor, alleging that the audit reports are biased and erroneous, and has requested the disciplinary committee to impose strict punishment upon the auditor for the alleged misconduct.
- xiii. That the Complainant has further requested the Institute to appoint an independent panel auditor for conducting a re-audit of FY 2021 and FY 2022 in order to provide a true and fair view of the financial affairs and conduct of the Trust.

6.3 The Witness, Mr. Praful Upadhyay, vide email dated 26th March 2026, had inter alia, made the submissions which are given as under –

- i. That the audits for FY 2022, FY 2023, FY 2024 and FY 2025 were conducted by Shri Aalok Mehta in the same manner as previous years without carrying out detailed verification, checking or maintaining proper audit working papers and documentation.
- ii. That major expenses such as legal and advocate fees were not properly reported or qualified by the auditor despite being material events in the history of the Trust.
- iii. That Shri Aalok Mehta failed to conduct physical verification of gold and silver ornaments belonging to the Trust, resulting in alleged under-reporting of such sensitive trust assets and causing serious concern amongst members of the Trust.

- iv. That reduction in immovable property, particularly residential rooms allegedly allotted wrongfully to tenants by trustees, was not disclosed or reported in the audit report by the auditor.
- v. That the auditor failed to exercise due care in verifying whether the financial statements were signed by the trustees, and that Shri Aalok Mehta had signed the financial statements alone. It is further alleged that financial statements for certain years were not submitted before the Charity Commissioner in accordance with the bye-laws of the Trust.
- vi. That it is submitted that none of the financial statements presented in the Annual General Meetings of the Trust were approved by members of the Trust and in certain instances no AGM was conducted nor minutes recorded by the trustees. It is alleged that despite being aware of these facts, Shri Aalok Mehta failed to report the same in the financial statements, thereby allegedly keeping both the members of the Trust and the regulatory authorities including the Charity Commissioner of Gujarat uninformed.
- vii. That the auditor taken a prudent and clear stand regarding the reporting of amounts of Rs. 2,25,000/- and Rs. 36,000/- as loans along with proper notes and explanations, the legal disputes between members of the Trust would not have escalated, resulting in legal expenses of approximately Rs. 35 lakhs as reflected in the audited financial statements of the Trust.
- viii. That despite clear directions issued by the Hon'ble Charity Commissioner requiring trustees to refund unauthorized legal expenses from the Trust bank account within 15 days and to immediately stop further legal expense payments, the auditor failed to ensure proper reporting of the same in the financial statements, which according to the Complainant amounts to gross negligence.
- ix. That a Special Audit Report circulated on a WhatsApp forum of the Shri Trivedi Mewada Brahman Samaj, allegedly prepared by another Chartered Accountant firm, wherein disturbing financial irregularities were noted. It is alleged that despite such findings, Shri Aalok Mehta failed to report or comment upon the same in any of the financial statements, thereby reflecting a careless and casual approach towards serious financial matters.
- x. That audited accounts for all years were produced before the Assistant Charity Commissioner, Aravalli Modasa without being placed before or approved in valid Annual General Meetings and that the accounts and minutes for various years were rejected by majority members in allegedly irregular AGMs. It is further stated that the managing committee for the period 2021–2025 still continues on the PTR records of the Trust.
- xi. That Shri Trilokinath Bhagvan Temple is a temple of more than 1000 years old and holds immense religious, historical and community importance for thousands of pilgrims and members of the community. It is further stated that the trustee board changed from 1 January 2026 and concerns have been raised regarding recovery of the alleged financial losses and irregularities.

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- xii. That the all records available with them and obtained through regulatory sources have been annexed for the information, consideration and record of the authority.

7. Brief facts of the Proceedings:

7.1 Details of the hearing(s) fixed and held/ adjourned in the said matter are given as under—

S. No.	Date of Meeting(s)	Status
1.	09 th June, 2023	Oath taken by Complainant(s) and Respondent.
2.	27 th March, 2026	Hearing Concluded & Finding Reserved.
3.	25 th July 2026	Decision Taken.

7.2 On the day of first hearing held on 09th June 2023, the Committee noted that the Respondent and his counsel Mr. M G Yagnik, Advocate was present through ICAI Bhawan, New Delhi. The Committee further noted that Complainant(s) Mr. Jasvantlal P Upadhyay, Mr. Girish Chandra D. Trivedi were present through Video Conferencing Mode, however Mr. Chandulal C Pandya was present at the BKC office of the ICAI at Mumbai. The Committee also noted that Mr. Praful Upadhyay was also present at the BKC office of the ICAI at Mumbai. Apart from him, Mr. Prashant P Thakkar, Advocate, Mr. Mehul S. Trivedi, Advocate, and Mr. Vivek Thakar, Advocate, were also present at the BKC office of the ICAI at Mumbai.

On enquiring from Mr. Praful Upadhyay about his presence, he mentioned that he is of the same Society as of the other Complainants and that he is a Complainant in another case against the same Respondent. Mr. Prashant P Thakkar, Advocate; Mr. Mehul S. Trivedi, Advocate; and Mr. Vivek Thakar, Advocate informed the Committee that they are the authorised representatives of the Complainant(s).

The Committee looking into the same asked the parties to withdraw for some time. The Office informed the Committee that the complaint filed by Mr. Praful Upadhyay is already clubbed with the case filed by other Complainants, and as per the proviso of Rule 5(4) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, in cases where the new complaint is clubbed with the previous complaint under this sub-rule, only the First Complainant would be the Complainant for the purpose of the investigation under these Rules. The Committee noted that the communication in this regard has already been issued to Mr. Praful Upadhyay.

Thereafter, the Committee resumed the meeting and directed Mr. Praful Upadhyay to withdraw from the hearing. The Committee accordingly called the Respondent and the Complainants of the present case only. The Committee noted that there was some connectivity issue with one

of the Complainants, Mr. Girishchandra D. Trivedi. Accordingly, the Committee decided to continue with the remaining Complainants.

Both the Complainant(s) and the Respondent were administered on Oath. Thereafter, the Committee enquired from the Respondent as to whether he was aware of the charges against him and whether he pleads guilty. The charges as contained in prima facie opinion were also 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.

Thereafter, looking into the fact that this was the first hearing, the Committee decided to adjourn the hearing to a future date. The Committee also directed that Mr. Praful Upadhyay be called as witness in the next hearing.

7.3 On the day of hearing held on 27th March 2026, the Committee noted that AR of Complainant, Respondent and Witness were present through VC and appeared before it.

Thereafter, the Committee noted that the case was part heard and the Respondent and Complainant(s) were already on oath. The Committee enquired from the Respondent that since the composition of the Committee had changed subsequent to the last hearing held on 09.06.2023 in this case, whether he wished to have a de-novo hearing by taking all submissions/representations already on record or may continue from the stage it was last heard. The Respondent submitted that the proceedings in the instant matter(s) be continued from the stage these were last heard.

As regards the first allegation pertaining to the reporting of advances and cash withdrawals from the Trust's accounts during the COVID-19 period, the Respondent, inter alia, stated that trustee(s) withdrew Rs. 2.25 lakh in cash, which he classified as advances in the Trust's books due to the lack of supporting documents in the Trust's name. He clarified that the expenses were recorded as advances to Trustee(s). The Complainant countered that the Trust Deed prohibited cash withdrawals exceeding Rs. 5,000/- and the audit report did not mention Rs. 2.25 lakh cash withdrawal, suggesting it was an afterthought. The Complainant further stated that 13 trustees had confirmed the expenses, disputing the Respondent's claim of six confirmations.

As regards the second allegation relating to submission of the audit report to a deceased Trustee, as indicated in Schedule IX-C, the Respondent denied delivering the report to the deceased Trustee, asserting that he submitted it to the Trust office and Trustee Board. The Respondent argued that the Report was pre-filled and signed by him but not addressed to the deceased Trustee. The Committee noted the submissions of the parties and the witness.

Based on the documents and material available on record and after considering the oral and written submissions made by both the parties, the Committee concluded the hearing in the matter and judgment was reserved.

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7.4. At the meeting held on 25th July 2026, the Committee noted that the subject case was heard by it at length in the presence of the Respondent and Complainant, and the hearing was concluded at its meeting held on 27th March 2026 and the Findings was reserved. The Committee further considered the material on record including submissions of the parties. The Committee deliberated in detail on the said case and took decision on the conduct of the Respondent.

8. **Findings of the Committee:**

The Committee noted the background of the case as well as oral and written submissions made by the Respondent, documents / material on record and gives its findings as under: -

- 8.1 Before dealing with merits of the case, the Committee noted that the Respondent raised preliminary objections regarding Rule 14 and 18 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.
- 8.2 The Respondent stated that despite repeated requests, neither the prima facie opinion nor the documents relied upon by the Directorate were ever supplied to the respondent as required under Rules 14 and 18, thereby violating principles of natural justice and depriving the Respondent of an effective opportunity to file a detailed defence. On examination, it is observed that objections are related to Rule 18 of Chartered Accountants Rules, 2007 and are dealt accordingly.
- 8.3 The Committee noted that Rule 18 '***Procedure to be followed by the Committee***' as contained in the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 states as under: -

"18. Procedure to be followed by the Committee.

(1) —

(2) *If the Committee decides to proceed further under clause (b) of sub-rule (2) of rule 9 or if it receives a reference from Board of Discipline under clause (b) of sub-rule (3) of rule 9, it shall expeditiously cause to deliver to the respondent and the complainant, a copy each of the following, -*

(a) *prima facie opinion formed by the Director, and*

(b) particulars or documents relied upon by the Director, if any, during the course of formulation of prima facie opinion."

In respect of above objection raised by Respondent, from the material available on records, the Committee noted that the contention of the Respondent that prima facie opinion and the documents relied upon by the Directorate were not supplied to the Respondent is incorrect as all the documents including PFO and other documents has been made available to the Respondent through speed post as on 17th November 2022.

8.4. In view of the above, the Committee concluded that the proceedings in the present case were conducted in accordance with the provisions of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. The Committee concluded that the requirements of Rule 18 were duly complied with, and the matter was proceeded with and adequate opportunity of being heard was afforded to the parties. In the absence of any prejudice caused to the Respondent's defence, the procedural objection does not vitiate the proceedings Accordingly, the Committee found no substance in the procedural objections raised by the Respondent and proceeded to consider the matter on merits.

8.5. With regard to charge as mentioned in para 2.1 as above, the Committee noted that the charge against the Respondent relate to his conduct of audit of the Trust for FY 2020-21. It is alleged that the audit for FY 2020-21 was conducted in a biased manner and the audit report was issued erroneously in the name of a deceased trustee, thereby causing loss of goodwill and reputation to the Trust and adversely affecting the sentiments of the concerned Samaj.

8.6. The Committee further noted the allegation that Schedule-7 forming part of the audited financial statements of the Trust for FY 2020-21 reflected advances in the name of Mr. Prafullbhai D. Upadhyay amounting to Rs. 2,25,000/-, which, as per the Complainants, was incorrect and lacked any supporting basis.

8.7. The Committee observed that the Respondent was auditor of the Trust for a considerable period of time and during the relevant year, there existed disputes between two groups of trustees. The Respondent has stated that certain amounts were withdrawn and claimed as reimbursement of expenses, however, according to him, the supporting documents were not in the name of the Trust and therefore, approval of the Trustee Board was not required. It is further observed that the Respondent classified the said amount as Advance to trustees and disclosed the same in the audited financial statements of the Trust and highlighted in Point (k) of the Audit Report which states as under:

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"Schedule-7

ADVANCES

	31/3/2021
Chandubhai C Pandya	4400.00
Premilaben G Trivedi C/o Girishbhai Trivedi	42125.00
Prafulbhai D Upadhyay	225000.00
Sanjari Kirana Stores	60050.00

	331575.00 (emphasis added)

Point (k) of Audit Report

"Trust balance sheet showing that trustees given advances to some of the trustees wherein there is no resolution for such advance at the time of taking the advance. The trustees of the trust changed.

On primary verification, we only get to know that it is related to reimbursement against COVID-19 help to the society. There is no resolution passed for such reimbursement till date and on record it is just written as per resolution that "Trust has given Grocery kit to needy people during the lockdown time". According to the trustees, they have donated 133 kits, but the amount taken as reimbursement by trustees was not approved by all the trustees in any resolution passed in any meeting held before or after the expenses incurred. During the audit procedure, we get confirmation from various trustees regarding approval of Covid 19 expenses incurred by the trustees with their consent and they also have confirmed that trust had reimbursed actual expenses incurred in December 2020 with their consent. As per our view, it is a disagreement matter between new and old trustee's board.

We have verified all available documents provided to us on this matter from all the trustees as well as trust. We are also in receipt of resolution passed by the trustees for signing of Financial Statement by three authorized trustees." (emphasis added)

- 8.8. Regarding classification of Rs. 2,25,000 as advances, the Committee noted that the Respondent in his submission submitted that the invoices provided for the alleged Covid-19 expenses were in the personal name of the trustees, rather than in the name of the Trust. The Respondent stated that in the absence of proper authorization and supporting documentation in the name of Trust, he classified Rs. 2,25,000 as a "loan/advance" instead of an "expenditure," and accordingly, he acted in due diligence to protect the Trust's interest. The

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Respondent also submitted that the Trust has filed a criminal chargesheet and a case in the Sessions Court against the previous trustees for these very activities.

- 8.9. The Committee noted that the Respondent, in his defense, submitted that he has been the auditor of the trust since 2013 and that the period in question was marked by internal disputes among trustees and a change in the Board. He clarified that the cash withdrawals in question were made by trustees and supported by vouchers and signatures, but the supporting invoices were in the personal names of Trustees rather than in the name of the Trust.
- 8.10. In view of the above, the Committee noted that the Respondent's classification of the disputed amount as advances to Trustees was based on the documentary evidence available to him at the time of audit, specifically the lack of Trust-authorized supporting documents and the existence of internal disputes among trustees. The Respondent's disclosure in the Notes to Accounts demonstrates transparency and adherence to professional standards of reporting. The difference in classification of the transaction, in the presence of conflicting claims and absence of undisputed documentary evidence, cannot be construed as professional misconduct.
- 8.11. The Committee also took cognizance of the fact that the Respondent's actions were not shown to be motivated by malafide intent, nor was there evidence of personal gain or deliberate misrepresentation. The disputes regarding the classification of expenses and advances are, in the Committee's view, matters of professional judgment exercised in good faith, especially in the context of conflicting claims and incomplete documentation arising from internal disputes within the Trust.
- 8.12. Accordingly, the Respondent held **NOT GUILTY** of Professional and 'Other' Misconduct falling within the meaning of Clause (7) of Part-I of Second Schedule and Clause (2) of Part-IV of First Schedule to the Chartered Accountants Act, 1949 in respect of instant charge.
- 8.13. With respect to the **second charge** regarding intentionally issuing the audit report in the name of Late Gunvant B. Trivedi who passed away on 29.04.2021 i.e., prior to the date of issuing the audit report, from the Schedule IX-C which had been filed by the Respondent as required under the provisions of Rule 32 of The Bombay Public Trusts Rules 1951, it was noted that while giving the name, address and phone number of Trustees to whom the audit report had been submitted, the Respondent had mentioned the name of 'Shri Gunvantbhai B'.

- 8.14. In respect of this charge, the Respondent submitted that Schedule IX-C was a pre-printed/pre-filled form. While the deceased's name appeared in the proforma section for the "trustee to whom the report is delivered," the Respondent stated that he signed the Form as it was provided to him in that pre-printed state. The Respondent submitted that he did not issue any audit report to a deceased Trustee and his professional duty was to the Trust Board, and he delivered the report to the Trust Office and via email to the Trust Manager, rather than to any specific individual.
- 8.15. The Committee noted that there is no evidence suggesting the Respondent intentionally used the deceased's name to deceive any party or to gain a personal advantage. The Committee also noted that the Respondent has consistently maintained that his role was limited to auditing based on the records produced before him and he had no involvement in internal disputes of the Trust. Accepting the submissions of the Respondent, the Committee held the Respondent **NOT GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949 in respect of instant charge.
- 8.16. Accordingly, the Committee held the Respondent **NOT GUILTY** of Professional and 'Other' Misconduct falling within the meaning of Clause (7) of Part-I of Second Schedule and Clause (2) of Part-IV of First Schedule to the Chartered Accountants Act, 1949.

9. **Conclusion:**

- 9.1 In view of the findings stated in the 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 above.	Para 8.5 to. 8.12 as Above	NOT GUILTY Clause (7) of Part-I of Second Schedule and Clause (2) of Part-IV of First Schedule
Para 2.2 as above.	Para 8.13 to. 8.15 as Above	NOT GUILTY Clause (7) of Part-I of Second Schedule

10. In view of the above observations, considering the material on record including verbal and written submissions of the parties, the Committee held the Respondent **NOT GUILTY** of Professional and 'Other' Misconduct falling within the Clause (7) of Part-I of Second Schedule and Clause (2) of Part-IV of First Schedule to the Chartered Accountants Act, 1949.

11. **Order**

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/-
(CMA CHANDRA WADHWA)
GOVERNMENT NOMINEE

Sd/-
(CA. MAHESH SHAH)
GOVERNMENT NOMINEE

Sd/-
(CA. SATISH KUMAR GUPTA)
MEMBER

Sd/-
(CA. HANS RAJ CHUGH)
MEMBER

DATE: 29.08.2026

PLACE: Noida

सत्यमेव जयते / Certified to be True Copy
मेनू गुप्ता / Menu Gupta
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनिक निदेशालय / Disciplinary Directorate
भारतीय सार्वजनिक लेखाकार संस्थान
The Institute of Chartered Accountants of India
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