

**BOARD OF DISCIPLINE (BENCH-II)**

**(Constituted under Section 21A of the Chartered Accountants Act, 1949)**

**Findings under Rule 14(9) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007**

**Mrs. Harshsita Attaluri, IPS, Head of Branch,CBI:BS;FC,Mumbai**

**vs**

**CA. Rujita Noutam Mehta(M. No. 132180),Thane**

**[PR-252/14-DD/293/2014/BOD/369/2017]**

**CORAM:**

**CA. Atul Kumar Gupta, Presiding Officer  
Shri Arun Kumar (Government Nominee)  
CA. Prasanna Kumar D, Member**

**In the matter of:**

**Mrs. Harshsita Attaluri, IPS  
Head of Branch  
CBI:BS & FC : Mumbai  
New Hind House, 02nd Floor  
Narottam Morarjee Marg, Ballard Pier  
Mumbai – 400001**

**.....Complainant**

**Versus**

**CA. Rujita Noutam Mehta  
B/1/13/03, Millennium Towers  
Sector – 9, Near Western College  
Sanpada  
NAVI MUMBAI – 400 705**

**.....Respondent**

**DATE OF FINAL HEARING: 26.06.2019**

**PLACE OF HEARING: MUMBAI**

**PARTIES PRESENT: NIL**

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## Findings:

1. The Board noted that in present case the allegation levelled is that the Respondent inspite of being employed as Credit Analyst/Member of Central Processing Cell(CPC),SBI,MCRO, Mumbai during the period 2008-2011 failed to protect the interest of the bank by recommending Rs. 25 crores loan to a bogus Company M/s Innovative Spinning & Knitting Pvt. Ltd. (ISKPL). The said borrower was not entitled for the same and the illegal finance was availed and mis-utilized by M/s ISKPL and causing wrongful loss to SBI,IFB,Worli to the tune of Rs. 31.11 crores during period 2010-12.
  
2. Since the Respondent had not submitted her written statement, the Board had asked the Director (Discipline) to provide a final opportunity to the Respondent to submit her written statement within 7 days. Accordingly a letter dated 22nd September 2017 was issued to the Respondent to submit her written statement within 7 days. However, no response was received from the Respondent even after due service of the letter seeking her written statement. The Board noted that although the Director (Discipline) prime-facie has held the Respondent not guilty, since the Respondent failed to provide the written statement, it took serious view of the conduct of the Respondent in non replying to the communication from the Institute. The Board was further of the view that looking into the gravity of the charge, the matter needs to be examined further. Accordingly, the Board did not agree with the prima facie opinion of the Director and held the Respondent guilty of "Other Misconduct" falling within the meaning of Clause (2) of Part I of the First Schedule to the Chartered Accountants Act, 1949.
  
3. The Board noted that both the parties were not present at the time of final hearing. The Board also noted that in the earlier hearing fixed on 10<sup>th</sup> April, 2019, the said matter was part heard and the Complainant on the said date requested for adjournment since he was recently associated with the case.
  
4. Looking into repetitive absence of the Complainant, the Board in this regard took reference to Rule 14 of the aforesaid Rules relating to "Procedure to be followed by the Board of Discipline" whereby as per sub rule (7) and (8) it is mentioned as under:

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*"(7) On the date of hearing, if the respondent, in spite of the service of notice, under sub rule (6) does not appear either in person or through his authorised representative the Board of Discipline may proceed ex-parte and pass such orders as may think fit or direct fresh notice to be served.*

*(8) The Board of Discipline may on such terms as they think fit and at any stage of proceedings adjourn the hearing:*

*Provided that such adjournment shall not be given more than one stage at any stage of the proceedings."*

The Board noted that similar rules are also applicable for the Complainant and hence the Board decided to take up the matter ex-parte the Complainant and the Respondent and decided to proceed on the merits of the case.

5. The Board noted that Credit Processing team of SBI recommended loan of Rs. 25 crores to M/s Innovative Spinning & Knitting Pvt. Ltd. (ISKPL). The said team was headed by Team leader and consisted of Credit Analysts. The Respondent was credit analyst and was working under Mr. Shri Balakrishna Bedekar, his team leader. The role of the Respondent was to hold discussions with applicant representatives and examine the profile. Further she was required to prepare proposal for the appropriate committee in the bank for the sanction. The Board also noted that the Respondent in previous hearing admitted that she was working on contract basis for 3 years.
6. The Board noted that the role of the Respondent as a Credit Analyst seems to be at the junior-most level whereafter it is for consideration by the Team Leader and their Sr. Officials of the Bank. The Board also noted that the Respondent has not been named as an accused or cited anywhere in the matter in the charge sheet. The Board also noted that no action on the Respondent was taken by her employer i.e. SBI. Looking into the same and also the fact there was chain of officers involved over and above, who are supposed to review the papers and other details before giving any credit to the alleged company wherein there was a fraud related to the Bank credit, the Board decided to hold the Respondent Not-guilty. ✓

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**CONCLUSION:**

7. Thus, the Board concluded that the Respondent is **NOT GUILTY** of "Other Misconduct" falling within the meaning of Clause (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949 read with section 22 of the said Act. Accordingly, in terms of the provisions of Rule 15(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules 2007, the Board passes order for closure of the case.

**Sd/-  
(ATUL KUMAR GUPTA)**

**PRESIDING OFFICER**

**Sd/-  
(ARUN KUMAR)**

**GOVERNMENT NOMINEE**

**Sd/-  
(PRASANNA KUMAR D)**

**MEMBER**

**DATE : 26.06.2019**

**PLACE : MUMBAI**

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**Certified True Copy**



**Mukesh Kumar Mittal  
Assistant Secretary  
Disciplinary Directorate**

**The Institute of Chartered Accountants of India  
ICAI Bhawan, I.P. Marg, New Delhi-110 002**