



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

[PR-251/13-DD/247/13/DC/443/16]

**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.**

In the matter of:

Shri Rakesh Kabra,
A/12, Narayan Plaza,
1st Floor, Chandivali Road,
Sakinaka,
Andheri (East),
Mumbai – 400 072

-Vs.-

CA. Raveesh Singh (M.No.044520),
68/6, Gobind Sadan
C-25 Road
Sion West
Mumbai – 400022

[PR-251/13-DD/247/13/DC/443/16]

MEMBERS PRESENT:

- 1. CA. Atul Kumar Gupta, Presiding Officer**
- 2. CA. Amarjit Chopra, Government Nominee**
- 3. CA. Rajendra Kumar P, Member**
- 4.. CA. Chandrashekhar V. Chitale, Member**

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 dated 29.05.2019, the Disciplinary Committee was inter-alia of the opinion that **CA. Raveesh Singh (M.No.044520)** (hereinafter referred to as the **Respondent**) was **GUILTY** of professional misconduct falling within the meaning of Clause (2) of Part IV of First Schedule and Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.



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2. That an action under Section 21B (3) of the Chartered Accountants Act, 1949 was contemplated against the Respondent and a communication dated 19th December, 2019 was sent to him thereby granting an opportunity of being heard in person and/or to make oral/written representation before the Committee on 07th January, 2020 at Mumbai.

3. Further, on 07th January, 2020, the Committee noted that the Respondent was not present and even there was no intimation for his presence, nor he has made any submission on the findings of the Committee holding him Guilty of professional misconduct within the meaning of Clause (2) of Part IV of First Schedule and Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

4. The Committee noted that charge against the Respondent is that he has witnessed to the share transfer deeds which was forged one.

5. The Committee noted the findings contained in Report of the Disciplinary Committee dated 29/05/2019 holding the Respondent guilty of professional misconduct, which are as under:-

5.1 *"During the hearing, it was enquired from the Respondent that since he witnessed not only the authenticity of the parties to transfer deeds but also the payment made by transferee to the transferor. The Respondent stated that under the MOU, it was agreed that the payment for such transfer will be made subsequently. It is to note down that the total amount involved in the transfer was Rs.6,10,92,000/- and when the Committee asked as to how the buyer paid this amount, then the Respondent mentioned that as per MOU, the part payment was already received by the transferor and rest of the payment i.e. Rs.4,39,17,000/- will be paid subsequently.*

5.2 *The Committee reviewed the particulars of the payment submitted on record wherein the payment starting from 10.11.2006 was shared whereas the transfer deed signed on 26.09.2009 which create doubt as to whether these payments pertains to the payment for transfer of shares as statement carries the debit and credit at various occasions. On being asked the details about payment of balance amount i.e. Rs. 4.39 crore, the Respondent could not answer and stated that*



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he is not aware and would submit the details, if available. Accordingly the Committee on 18th April, 2019 gave a time of 7 days from the date of hearing to submit final submissions and details of payments which is not mentioned in the MOU under which the properties and other things are proposed to transfer from the seller to buyer. However, it is noted that the Respondent did not submit the details and submission even after considerable time of one month. There were no documents/submissions received from the Respondent which corroborate with the findings of forensic reports and police report to negate that the Respondent has not acted diligently while giving a witness to the transfer deed because of which the Complainant and his wife suffered and accordingly disrepute to the profession.

5.3. The Committee has also gone through the provision of Clause (2) of Part IV of First Schedule which states that a member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he, "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". The Committee is of the view that act of the Respondent has brought disrepute to the profession as he witnessed to the transfer deeds without satisfying himself about payment made to the seller for transfer of shares".

6. The Committee perused the above facts and looking into all these aspects, the Committee noted that it is established fact that the Respondent has witness a forged share transfer deed without knowing details of payment. Further, he also failed to provide submissions as directed by the Committee at the time of hearing in this regard.

Based on the above findings the Respondent being held guilty of professional misconduct, the Committee is of the view that ends of justice will be met, if the punishment awarded to the Respondent is commensurate with the seriousness of the nature of misconduct.

7. Thus, keeping in view the facts and circumstances of the case, the material on record before it, the Committee ordered that the Respondent i.e. CA. Raveesh Singh (M. No. 044520)



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be reprimanded and a fine of Rs. 50,000/- (Rupees Fifty Thousand only) be also imposed upon him to be paid within 30 days of receipt of this order.

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

Sd/-
(CA. AMARJIT CHOPRA)
GOVERNMENT NOMINEE

Sd/-
(CA. RAJENDRA KUMAR P)
MEMBER

Sd/-
(CA. CHANDRASHEKHAR V. CHITALE)
MEMBER

DATE : 07/01/2020

PLACE : MUMBAI



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CONFIDENTIAL

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

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

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

Ref. No. PR-251/13-DD/247/13/DC/443/16
[DD/32/2013 merged]

In the matter of:

Shri Rakesh Kabra,
A/12, Narayan Plaza,
1st Floor, Chandivali Road,
Sakinaka,
Andheri (East),
Mumbai – 400 072

.....Complainant

-Vs.-

CA. Raveesh Singh (M.No.044520),
68/6, Gobind Sadan
C-25 Road
Sion West
Mumbai – 400022

.....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 : 18.04.2019

PLACE OF FINAL HEARING : ICAI Tower, BandraKurla Complex, Mumbai

PARTIES PRESENT:



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[PR-251/13-DD/247/13/DC/443/16]

Complainant : Shri Rakesh Kabra alongwith his assistant

Respondent : CA. Raveesh Singh

Findings of the Committee

1. On the day of hearing held on 18th April, 2019, the Committee noted that both the Complainant and the Respondent were present. They were put on oath. The Complainant explained the charges levelled against the Respondent. The Respondent pleaded not guilty to the charges and opted to defend his case. The Complainant made his contentions before the Committee and the Respondent also made his submissions. After examining the Complainant and the Respondent, the Committee directed the Respondent to submit within 7 days of hearing the final submissions and details of the mode of payment which is not mentioned in the MOU under which the properties and the other details are proposed to be transferred from the Seller to the buyer. With the said directions, the hearing in the above matter was concluded.
2. The Committee noted that the Director (Discipline) held the Respondent prima facie guilty under two charges i.e. Respondent helped in conspiracy of taking over M/s NRK Overseas (I) Ltd. (hereinafter referred to as the “**Company**”) by Shri Amit Surolia, Shri D.B. Falke and Shri P.K. Surolia by giving false affidavit, witnessing fabricated seven transfer deeds and the Respondent signed as witness on the MOU by virtue of that the above said party took the control over the Company along with the various assets thereto. The Complainant also submitted that there are the forged resignations letter and the Memorandum of Understanding (MOU) which are being used to remove the Complainant from the Company and his wife (original directors).
3. The Committee is also seized of the fact that the Complainant had filed a FIR bearing ref no.18/2013 to the police department and also a complaint to the ROC wherein the police submitted its report in the Court that the aforesaid were forged documents and the matter was transferred by the High Court to the NCLT in Delhi. The ROC had also suggested the Complainant to go to Company Law Board (CLB), then the Complainant filed a petition before the CLB wherein the CLB, Mumbai bench after hearing the parties to the



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case, directed to maintain status quo in respect of assets of the Company and shareholding as exist on that day i.e. 17.12.2012.

4. Conclusively, the main allegation before the Committee was that the Respondent has witnessed to the share transfer deeds which are forged. The Complainant and the Respondent appeared before the Committee on 18.4.2019. It was enquired from the Respondent that since he witnessed not only the authenticity of the parties to transfer deeds but also the payment made by transferee to the transferor. The Respondent stated that under the MOU, it was agreed that the payment for such transfer will be made subsequently. It is to note down that the total amount involved in the transfer was Rs.6,10,92,000/- and when the Committee asked as to how the buyer paid this amount, then the Respondent mentioned that as per MOU, the part payment was already received by the transferor and rest of the payment i.e. Rs.4,39,17,000/- will be paid subsequently.
5. The Committee reviewed the particulars of the payment submitted on record wherein the payment starting from 10.11.2006 was shared whereas the transfer deed signed on 26.09.2009 which create doubt as to whether these payments pertains to the payment for transfer of shares as statement carries the debit and credit at various occasions. On being asked the details about payment of balance amount i.e. Rs. 4.39 crore, the Respondent could not answer and stated that he is not aware and would submit the details, if available. Accordingly the Committee on 18th April, 2019 gave a time of 7 days from the date of hearing to submit final submissions and details of payments which is not mentioned in the MOU under which the properties and other things are proposed to transfer from the seller to buyer. However, it is noted that the Respondent did not submit the details and submission even after considerable time of one month. There were no documents/submissions received from the Respondent which corroborate with the findings of forensic reports and police report to negate that the Respondent has not acted diligently while giving a witness to the transfer deed because of which the Complainant and his wife suffered and accordingly disrepute to the profession.



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6. The Committee has gone through the provisions of Clause (7) of Part I of Second Schedule which states that a Chartered Accountant in practice shall be deemed to be guilty of professional misconduct, if he *“does not exercise due diligence, or is grossly negligent in the conduct of his professional duties”*. In view of above facts and reasoning, it can be stated that the misconduct of the Respondent fall within meaning of this clause as he was grossly negligent in performing his duties.

7. The Committee has also gone through the provision of Clause (2) of Part IV of First Schedule which states that a member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he, *“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”*. The Committee is of the view that act of the Respondent has brought disrepute to the profession as he witnessed to the transfer deeds without satisfying himself about payment made to the seller for transfer of shares.

Conclusion

8. Thus in the considered opinion of the Committee, the Respondent is **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.

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 : 29-05-2019

PLACE : Mumbai



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