



The INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

[PR/81/16-DD/145/16-DC/553/2017]

**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/81/16-DD/145/16-DC/553/2017

In the matter of:

**Shri Rohit Chhabra,
C/o Magna Opus Hospitality Pvt. Ltd.,
A-415/417, 2nd Floor, Vashi Plaza,
Sector 17, Vashi,
Navi Mumbai – 400 703**

.....Complainant

-Vs.-

**CA. Gayatri Srinivasan (M.No.100398),
102/18, Regency Estate,
Kalyan Shil Road,
Near Venkatesh Petrol Pump,
Dombivilli East,
Mumbai – 421 203**

.....Respondent

MEMBERS PRESENT:

- 1. CA. Amarjit Chopra, Government Nominee**
- 2. CA. Rajendra Kumar P, Member**
- 3. CA. Pramod Kumar Boob, 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. Gayatri Srinivasan (M.No.100398)** (hereinafter referred to as the **Respondent**) was **GUILTY** of professional misconduct falling within the meaning of Clause (10) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

Shri Rohit Chhabra, Navi Mumbai -Vs.- CA. Gayatri Srinivasan (M.No.100398), Mumbai



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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 21st February, 2020 was sent to her thereby granting an opportunity of being heard in person and/or to make oral/ written representation before the Committee on 2nd March, 2020 at Delhi/Mumbai.
3. That **CA. Gayatri Srinivasan** appeared before the Committee on 2nd March, 2020 by opting option of Video Conferencing.
4. The Committee noted that **CA. Gayatri Srinivasan** accepted her mistake and submitted that it was very unfortunate and she/ her family is suffering due to the same.
5. The Committee perused the above facts and looking into all these aspects as also the conduct of the Respondent vis-à-vis gravity of the matter 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.
6. Thus, 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 name of the Respondent i.e. **CA. Gayatri Srinivasan (M.No.100398)** be removed from the register of members for a period of 01 (one) year and further imposed fine of Rs. 25,000/- (Rupees Twenty Five thousands) which shall be payable by her within a period of 60 days from the receipt of the Order.

Sd/-
(CA. AMARJIT CHOPRA)
GOVERNMENT NOMINEE

Sd/-
(CA. RAJENDRA KUMAR P)
MEMBER

Sd/-
(CA. PRAMOD KUMAR BOOB)
MEMBER

DATE : 02/03/2020
PLACE : Delhi

Certified True Copy

Mukesh Kumar Mittal
Assistant Secretary
Disciplinary Directorate

The Institute of Chartered Accountants of India
15-A, Bhawan, J.P. Marg, New Delhi-110 002

Shri Rohit Chhabra, Navi Mumbai -Vs.- CA. Gayatri Srinivasan (M.No.100398), Mumbai

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-81/16-DD/145/16/DC/553/17]

In the matter of:

Shri Rohit Chhabra,
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102/18, Regency Estate,
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Near Venkatesh Patrol Pump,
Dombivilli East,
Mumbai – 421 203

.....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:

Respondent : CA. Gayatri Srinivasan

Counsel for the Respondent : Shri S.G. Gokhale, Advocate

Finding of the Committee

1. On the day of hearing held on 18th April, 2019, the Committee noted that the Complainant was not present. The Respondent was present along with her Counsel. The Committee noted that the Complainant's wife vide e-mail dated 15th April, 2019 informed that the Complainant cannot appear before the Committee due to his illness and accordingly, she sought adjournment of the hearing on behalf of the Complainant. The Committee after consideration of the request, decided to proceed ahead with the matter ex-parte the Complainant u/r 18(18) of the Chartered Accountants (Procedures of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. Thereafter, the Counsel for the Respondent made submissions on behalf of the Respondent. The Committee examined the Respondent. The Respondent stated that she is the Power of Attorney holder for banking transactions and carrying out all other activities. The Respondent further stated that she was not a partner of M/s. Faveo Advisory Services. The Counsel for the Respondent also stated that the entire amount of Rs.30 lac was paid to Mr. Iyer. After examination, the Counsel for Respondent made final submissions. With this, the hearing in the matter was concluded.

2. The Committee noted that the crux of the charge levelled against the Respondent was that the Respondent has received an amount of Rs.30 lakhs from the Complainant. The said amount was given against approval of a loan proposal which ultimately did not succeed. The amount was received by the Respondent and she had shared majority of the same with another person. It is the charge of the Complainant that the Respondent in connivance with her associates cheated the Complainant.

3. In absence of the Complainant, the Committee decided to peruse the submissions made by the Complainant on record. After perusal, the Committee noted that the following submissions were made by the Complainant to substantiate his charges:-

3.1 The Respondent tried to divert all her acts on her associates and projected herself as victim wherein the fact is that she herself was part of this whole act and was very much involved.

3.2 The Respondent had introduced Mr. Anand Iyer as her business associate and projected Mr. Anand Iyer to be managing their finance facilitation business. The Complainant was told that they will organize 3rd party collateral and would arrange for loan. The Complainant raised question that the Respondent claimed to be just the custodian of the funds then why did she sign the mandate for arranging the funds.

3.3 Though the Respondent had transferred money in Anand Iyer's Account but part of it was returned to her other account back and some amount was taken as cash from him. The money was paid directly to her bank account, rather she forced the Complainant to even pay the TDS amount which the Complainant had deducted on their first payment of Rs.18 lakhs, instead she kept on asking and pressuring the Complainant to give her the balance of Rs.1.80 lakhs which he transferred on 25th as she wanted the same to be adjusted in the last payment.

3.4 When the Respondent realized that the Complainant has caught them and started asking for his money to be returned, immediately they both started blaming each other for their deficiencies and individual roles.

3.5 The Respondent's submission that she asked him for getting the loan done from Mr. Anand Iyer is blatant lie. If he would have done so then he would sign the mandate with Gayatri and not with Anand Iyer itself.

3.6 All the payments have been made directly to M/s. Faveo Advisory Services which is owned by the Respondent with proper receipts and to her company accounts through Bank. The Complainant at no point was aware of their differences or not being associates till the truth came out when he asked for refund of his amount paid to them.

3.7 While signing the contract, the Respondent projected as a co-owner of M/s. Faveo Advisory Services with another person. She was never a custodian of any money received as being claimed now.

3.8 By going through the email copies attached by the Respondent in her reply herself show very clearly that it was the Complainant and Respondent who were communicating

and other were only marked as CC in the e-mails which very evidently proves the point of her being the main person.

3.9 Although the Respondent stated in her statement that she had paid to Mr. Anand Iyer an amount of Rs.22.20 lakhs but Mr. Anand Iyer submitted proof in Court that he had only got Rs.18 lakhs from the Respondent. So the Complainant questioned as to where has the balance money gone.

4. The Committee noted that the Respondent through her oral and written submissions submitted as under:-

4.1 She had introduced both the parties to each other in good faith and with good intentions. She handed over the entire amount to Mr. Anand Iyer. The fact that the loan proposal did not materialize cannot be a ground to hold her guilty. In fact, the Respondent had no role whatsoever to play in this deal except introducing the parties to each other. This act certainly does not bring disrepute to the profession.

4.2 The money received from the Complainant was passed onto Mr. Anand Iyer. The Respondent did not retain it with her. Hence, as per the Council's guidelines there was no need to maintain separate account at all.

4.3 The Respondent stated that Ms. Meenakshi Sundararaj and Mr. K. Sundarajan were partners in M/s. Faveo Advising Services and Ms. Meenakshi Sundararaj was her sister in law.

4.4 The Counsel for the Respondent stated that the Respondent was only a facilitator. There was a meeting in her office and both the Complainant and Mr. Anand Iyer were introduced somewhere in October, 2014 and a cheque of Rs.24 lakh and Rs.6 lakh in cash was given. The entire amount was given to Mr. Anand Iyer. When the Complainant did not get any positive response from Mr. Anand Iyer, the Respondent asked Mr. Anand Iyer to refund the money to the Complainant. Finally a meeting in December, 2014 was held and Mr. Anand Iyer agreed to give money by January 6, 2015. However, money was not returned and for the same, Mr. Anand Iyer is responsible.

4.5 The Counsel for the Respondent submitted that there was also an independent transaction between Mr. Anand Iyer and the Complainant. The Complainant admitted that he has given further Rs.10 lakhs to Mr. Anand Iyer. The Complainant himself produced the receipt in the court of law in a suit filed against Mr. Anand Iyer wherein Mr. Anand Iyer had fabricated the signature of the Respondent. On being enquired as to whether the Respondent has sued the Complainant, the Counsel for the Respondent stated that she would take action against Mr. Anand Iyer.

5. The Committee observed that the Respondent admitted that apart from holding COP, she was holding Power of Attorney in M/s. Faveo Advising Services, wherein her sister in law was a partner, for carrying out banking transaction and other activity of the firm. It is seen that the mandate for arranging the funds for the Complainant Company has been signed by the Respondent on behalf of M/s. Faveo Advisory Services and the Complainant on behalf of the Complainant Company. From the above, it was clear that the Complainant Company has hired the services of M/s. Faveo Advisory Services for arrangement of funds for its business.

5.1 It is also observed that the Respondent had introduced the Complainant to Shri Anand Iyer for arrangement of finance. The Complainant has given amount of Rs.24 lac through Cheque and Rs.6 Lac in cash to the Respondent who in turn passed on the said amount to Shri Anand Iyer. However, it appears that the finance could not be arranged and the amount paid by the Respondent was not refunded to him. As per mandate signed by the Respondent as authorised signatory on behalf of M/s. Faveo Advisory Services, it was the duty of the Respondent to take concrete steps to arrange to return the amount back to the Complainant but the Respondent failed to do so.

5.2 Since the Respondent failed to keep the money so received in a separate bank account and use such money for purposes for which they are intended within a reasonable time and also failed to refund the same even after asking by the client (the Complainant), the Committee is of the view that the Respondent failed to discharge her duties as required in terms of the provisions of Clause (10) of Part I of Second Schedule to the Chartered Accountants Act, 1949. Accordingly, the Committee decided to hold the

Respondent guilty of professional misconduct falling within the meaning of Clause (10) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

Conclusion

6. Thus in the considered opinion of the Committee, the Respondent is **GUILTY** of professional misconduct falling within the meaning Clause (10) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

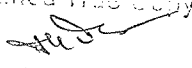
Sd/-
(CA. ATUL KUMAR GUPTA)
PRESIDING OFFICER

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

Certified True Copy

Mukesh Kumar Mittal
Assistant Secretary
Disciplinary Directorate
The Institute of Chartered Accountants
ICAI Bhawan, I.P. Marg, New Delhi