



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

[PR/60/19-DD/90/19-DC/1326/20]

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/60/19-DD/90/19-DC/1326/20]

In the matter of:

Shri Vinayak Bardolia,
31, Shantiniketan Society,
Sumul Dairy Road,
Surat- 395 008

--- Complainant

-Vs-

CA. Nitin Madhusudanji Mantri (M.No.132470),
404, Kautilya Takshashila Complex,
S. No. 5, Hissa No. 2, Near Vision School,
Mumbai Pune Bengaluru Highway, Narhe,
Pune- 411 041

---- Respondent

MEMBERS PRESENT:

1. CA. (Dr.) Debashis Mitra, Presiding Officer
2. CA. Amarjit Chopra, Government Nominee
3. CA. Babu Abraham Kallivayalil, Member
4. CA. Rajendra Kumar P, Member

DATE OF MEETING : 27.05.2021 (Through Video Conferencing)

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 11.02.2021, the Disciplinary Committee was inter-alia of the opinion that **CA. Nitin Madhusudanji Mantri (M.No.132470)** (hereinafter referred to as the **Respondent**) was **GUILTY** of professional misconduct falling within the meaning of Item (7) of Part I of the Second Schedule of Chartered Accountant Act 1949.

2. The Committee noted that the Respondent was present before the Bench through Video Conferencing mode from his place and took oath as to the fact that he would speak only the truth and gave self-declaration as to he was being alone in the room from where he was appearing and



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was not recording the proceedings of the Committee. The Respondent accepted the finding of the Committee and admitted the professional misconduct on his part. He, however, requested the Committee to consider his case mercifully and take a lenient view.

3. The Committee was of considered view that there was a lapse to which no harm or loss was caused to anyone. Moreover, considering the Respondent request to take a lenient view, the Committee is of the opinion that the ends of justice shall be met if adequate punishment is granted to him.

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 name of the Respondent i.e. CA. Nitin Madhusudanji Mantri (M.No.132470) be removed for a period of 01 (One)Month.

sdl-
(CA. (Dr.) DEBASHIS MITRA)
PRESIDING OFFICER

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

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

sdl-
(CA. RAJENDRA KUMAR P)
MEMBER

Certified to be true copy
Jyotika
Jyotika Grover
Assistant Secretary,
Disciplinary Directorate
The Institute of Chartered Accountants of India,
ICAI Bhawan, Vishwas Nagar, Shahdra, Delhi-110032

CONFIDENTIAL

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

[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.

File No. : [PR/60/19-DD/90/19-DC/1326/20]

In the matter of:

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404, Kautilya Takshashila Complex,
S. No. 5, Hissa No. 2, Near Vision School,
Mumbai Pune Bengaluru Highway, Narhe,
Pune- 411 041

--- Respondent

MEMBERS PRESENT:

CA. Atul Kumar Gupta, Presiding Officer
Shri Rajeev Kher, I.A.S. Retd. (Govt. Nominee)
CA. Amarjit Chopra, (Govt. Nominee)
CA. Rajendra Kumar P, Member

DATE OF FINAL HEARING : 11.09.2020

PLACE OF FINAL HEARING : ICAI Bhawan, Delhi

PARTIES PRESENT :

Complainant : Shri Vinayak Bardolia
Counsel for the Complainant : Shri Dhiren R. Dave
Respondent : CA. Nitin Madhusudanji Mantri
Counsel for the Respondent : CA. Sharad Vaze

Charges in Brief:-

1. In the instant matter, the Complainant alleged that the Respondent along with his relatives paid Rs 43 Lakhs to M/s Rudrapriya Fabrics Private Limited (hereinafter referred to as "**the Company**") against a loan transaction, while, on the other hand, the Company in collusion with the Respondent allotted him & his relatives the shares in the said Company amounting to Rs 50 Lakhs. Moreover, allegedly, the Respondent neither checked the relevant documents in relation with share allotment nor did he check the actual receipt of money in the company. The Respondent, on the other hand, denied the charges against him and chose to defend his case.

Brief facts of the Proceedings:

2. The Committee noted that on the day of hearing i.e., on 11th of September, 2020, from the side of the Complainant, he himself was present along with his Counsel Shri Dhiren R. Dave, while on the other hand, the Respondent - CA. Nitin Madhusudanji Mantri was also present to defend his case along with his Counsel - CA. Sharad Vasude. Both the parties along with their Counsels were present through video conferencing mode and all of them gave self-declaration that they were alone in the room from where they were appearing/attending the hearing and that they were not recording the proceedings of the Committee. The Committee heard the Complainant and the Respondent.

Findings of the Committee

3. The Committee heard the Complainant and his allegations against the Respondent. It is on record that shares of Rs.50 lakhs were allotted to the Complainant. This claim of the Complainant that he has paid only Rs.43 lakhs and did not pay Rs.7 lakhs. The Complainant submitted before the Bench that when he has not paid the balance of Rs. 7 lakhs, how the share worth Rs.50 lakhs be allotted to him. The Complainant also submits that amount of Rs.43 lakhs he has paid is only as unsecured loan and not towards share capital. The Complainant alleges that the Respondent is hand in glove with the Company and

with his connivance documents have been filed before the relevant authority by the Company.

- 3.1 The Committee wanted the Complainant to submit any document that would prove his claim that the amount of Rs.43 lakhs given by him to the Company was only towards loan and not towards share capital. The Complainant was silent and could not produce any evidence before the Committee to prove his claim. The Committee records its strong displeasure that the Complainant is relying on mere oral statement and is not able to prove his claim without proper documentary evidence. The Committee views the Complainant with the needle of suspicion but as there is no power available under the Act to the Committee to proceed against the Complainant, the Committee can only record its helplessness as far as the Complainant is concerned. In short, the conduct of the Complainant is not beyond doubt.
- 3.2 The Committee enquired from the Complainant that if he was aggrieved with the action of the Company on allotting shares to him & his relatives against their loan transaction then why did he chose to pay another instalment of Rs 7 Lakhs to the company in November, 2014 and even accepted Directorship in the same company. To this the Complainant submitted that he was not informed about the fact that shares had been allotted to him against his payment of Rs 43 Lakhs. Moreover, he denied any consent in accepting the Directorship in the said company.
- 3.3 The Respondent is a member of ICAI and thus the Committee enquired from him what were the relevant records that he took connivance of with respect to the issue of share capital. The Respondent's Counsel stated that his client checked Board Resolution and such other documents. The Committee noted that the Respondent could not verified with relevant documentary evidences like scrutiny of shareholders' Register, inflow of money equivalent to the amount of share capital issued or any other document in this regard to substantiate if this was a transaction for issue of capital only.

- 3.4 The Committee after hearing the Complainant and the Respondent, records that though the Complainant could not substantiate his claim, the Respondent also did not employ proper due diligence. The Respondent's work and action is cause of worry. The Respondent has submitted before the Committee that he has not verified documents like bank statement for receipt of money, shareholders register, minutes etc. which are primarily required for the purpose of certification. The Respondent has submitted that he has relied upon only Board resolution for the purpose of certification and nothing more. As a chartered accountant, the Respondent should have employed due diligence and conducted an in-depth enquiry on the matter related to allotment of shares worth Rs.50 lakhs for which a sum of Rs.43 lakhs only was received by the company.

Conclusion

4. In terms of the reasoning discussed above and in the considered opinion of the Committee, it concluded that the Respondent i.e. **CA. Nitin Madhusudanji Mantri (M.No.132470)** is guilty of Professional Misconduct falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

sd/-

(CA. ATUL KUMAR GUPTA)
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

DATE: 11TH FEBRUARY, 2021

PLACE: DELHI

Certified to be true copy


Jyotika Grover
Assistant Secretary,
Disciplinary Directorate

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