



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

[PR-238/15/DD/262/15/BOD/358/2017]

ORDER UNDER SECTION 21A(3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 15(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007.

In the matter of:-

Shri R. Hariharan, Chief Manager, Bank of Baroda, Lallgudi

.....Complainant

-Vs-

CA. C.R. Raamachandrran (M.No.203305), Tiruchirapalli

.....Respondent

[PR-238/15/DD/262/15/BOD/358/2017]

MEMBERS PRESENT(through video conferencing):

CA. Prasanna kumar D., Presiding Officer

Mrs. Rani Nair, (IRS, RETD.), Government Nominee

CA. Durgesh Kumar Kabra, Member

Date of final hearing: 27<sup>th</sup> October, 2020

1. The Board of Discipline vide Report dated 30<sup>th</sup> January, 2020 was of the opinion that CA. C.R. Raamachandrran (M.No.203305) is guilty of "Other Misconduct" falling within the meaning of Clause (2) of Part-IV of the First Schedule of the Chartered Accountants Act, 1949 read with section 22 of the said Act.
2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against CA. C.R. Raamachandrran and communication dated 9<sup>th</sup> October, 2020 was addressed to him thereby granting him an opportunity of being heard in person and/or to make written representation before the Board on 27<sup>th</sup> October, 2020.
3. CA. C.R. Raamachandrran appeared before the Board through video conferencing and made his oral representation.
4. The Board has carefully gone through the facts of the case and also the representation of CA. C.R. Raamachandrran noting his request to take a lenient view in the matter. As per the findings of the Board as contained in its report, CA. C.R. Raamachandrran had introduced the accounts of the borrowers who were neither known to him nor were his relatives whose returns had also been filed by him with constant agricultural income, reflected transactions with the Respondent or his wife and repaying those loans on being classified as NPA shows clear nexus between CA. C.R. Raamachandrran and the borrowers with the intention of fetching loans which later on turned into NPAs, thereby causing wrongful financial loss to the Complainant Bank. It also clearly reflected that CA. C.R. Raamachandrran had abused his professional acumen for undesirable purposes and such an act on the part of the Respondent is unbecoming of a chartered accountant and thus, it has already been conclusively proved that CA. C.R. Raamachandrran is Guilty of Other Misconduct falling within



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the meaning of Clause (2) of Part IV of the First Schedule of the Chartered Accountants Act, 1949 read with Section 22 of the said Act.

7. Upon consideration of the facts of the case, the consequent misconduct of **CA. C.R. Raamachandrran** and keeping in view his representation before it, the Board decided to Reprimand **CA. C.R. Raamchandrran (M.No.203305)** and also imposed a fine of **Rs. 15,000/- (Rs. Fifteen thousand only)** upon him payable within a period of 60 days from the date of receipt of the Order.

*YB*

Sd/-

**CA. PRASANNA KUMAR D.**  
**(PRESIDING OFFICER)**

Certified to be true copy  
*Prasanna*  
**CA. Harleen Bhalla**  
Assistant Secretary,  
Disciplinary Directorate  
The Institute of Chartered Accountants of India,  
ICAI Bhawan, Vishwas Nagar, Shahdara, Delhi-110032

BOARD OF DISCIPLINE(BENCH I)

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

File No. : PR-238/15/DD/262/15/BOD/358/2017

CORAM:

CA. Sushil Kumar Goyal, Presiding Officer  
Smt. Rani Nair(IRS,retd.), Government Nominee

In the matter of:

Shri R. Hariharan,  
Chief Manager, Bank of Baroda

Lalgudi Branch No. 6,  
91, Main Road, Trichy Dist.

Lallgudi – 621601

.....Complainant

-Vs-

CA. C.R. Raamachandrran (M.No.203305)

6, Pandamangalam

Agraharam Road,

Woraiyur,

Tiruchirapalli – 620002

.....Respondent

DATE OF FINAL HEARING

:

22<sup>nd</sup> October, 2019

PLACE OF HEARING

:

Chennai

PARTIES PRESENT:

Counsel for the Complainant

:

Ms. Kalpana Mani, Advocate

Respondent

:

CA. C.R. Raamachandrran

Counsel for the Respondent

:

CA. R. G. Rajan

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FINDINGS:

1. The Board noted the allegations leveled against the Respondent as under:-

- (a) He posed as Mr. V.R. Ramachandran and affixed his seal and signed the returns of the borrowers with various names with seals thereby misrepresenting himself in various documents in respect of those borrowers.
- (b) Certain borrowers were introduced to the Complainant bank by the Respondent out of which some accounts later on became NPAs. Many payments into the above accounts during the period 2013-14 and 2014-15 were effected from the account of Mrs. A Selvi who is the wife of the Respondent. It has also been alleged that in the account of Mrs. Rajeshwari (one of such borrower), on 17.11.2012, 10.11.2012 and 28.02.2013, the account has been debited on account of withdrawals by the Respondent to the tune of Rs. 12.00 Lacs.
- (c) A letter dated 21.10.2014 has been submitted by the Respondent to bank undertaking to pay all the loans in installments in various dates which shows clear nexus between the Respondent and the borrowers introduced by him to the Complainant bank. It has also been alleged that in one loan standing in the name of Mr. Chelliah, the Respondent has given his own property as security and he has also stood as guarantor in the above accounts standing in the name of Mr. Chelliah and M/s Esha Paper Crafts.
- (d) Mr. Shivashanmugam, the brother of the Respondent (claimed by the Respondent) was also given loan under the name and style of Mr. V Shivashanmugam. On the same basis, the bank perused the KYC documents submitted by the Respondent. In the PAN copy which is submitted it is posed as Rathinam Muthaliyar Ramachandran and whose PAN no. is AAFPR9547J.
- (e) In the returns filed for 3 years for each of the above borrowers either the agricultural income or the rental income has been shown as a constant income throughout various years. It has been alleged that though rental income can be constant, agricultural income cannot be claimed to be constant considering the nature of the income and which clearly shows that the returns are fabricated. It has also been alleged that the returns filed for three years for each borrower were on the same date.

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2. The Board noted that the prima facie view of the Director(Discipline) was as under:

*"the crux of the allegation in the instant case are that the Respondent had a malafide in introducing accounts of borrowers who were known to him or were his relatives and he is the person behind the accounts becoming NPAs. If one were to assume that there was a malafide intention on the part of the Respondent to defraud the Bank by introducing borrowers of dubious nature with an intent to turn their accounts into NPAs at the later stage, he would not have taken risks of pledging his own property as a guarantee or offered to settle the due of the borrowers from his own account. Introduction of borrower's account of persons known to the Respondent cannot be misconduct if at a later stage if the accounts turned NPAs due to some reasons or the other. There does not appear evidence to establish the nexus between the borrowers and the Respondent, but for their being persons known to him as clients or some relatives."*

However, the (erstwhile) Board was of the view that the role of the Respondent in introducing the accounts of the borrowers who were either known to him or relatives whose returns had also been filed by him with constant agricultural income, reflected transactions with the Respondent or his wife and subsequently became NPA, needs to be examined. Accordingly, the Board did not agree with the prima facie view of the Director(Discipline) in respect of the charge pointed out at (b),(c) and (e) above and referred the case for enquiry in respect of the said charges.

3. The Board noted that at the time of hearing held on 22<sup>nd</sup> October, 2019 at Chennai, the Representative of the Complainant bank and the Respondent along with his Counsel were present before it and made their detailed submissions before the Board. The Respondent was thereafter examined by the Board. On consideration of the submissions and the documents on record, the Board concluded the hearing in the case with the direction to the Respondent to file his personal Income Tax return and the Financial Statements for the period under question and the Complainant bank to file his submissions, if any, within 2 weeks. Thereafter, the Board at its meeting held on 6<sup>th</sup> January 2020 noted that an email dated 03.12.2019 (enclosing therewith a letter dated 03.12.2019) has been received from the Complainant Bank stating therein that its higher authorities do not intend to proceed further in the above mentioned complaint case against the Respondent. Thus, they wished to withdraw the complaint made by them against **CA. C.R. Ramachandrran, Tiruchirapalli**. The Board took into view the provisions of Rule 6 which provides as under:-

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*"Rule 6. Withdrawal of information – The Director, on receipt of a letter of withdrawal of a complaint by the complainant, shall place the same before the Board of Discipline or the Committee, as the case may be, and the Board of Discipline or Committee, as the case may be, may, if it is of the view that the circumstances so warrant, permit the withdrawal, at any stage, including before or after registration of the complaint.*

*Provided that in case the Director has not yet formed his prima facie opinion on such a complaint, he shall place the same before the Board of Discipline, and the Board of Discipline may, if it is of the view that the circumstances so warrant, permit the withdrawal."*

Keeping in view the same and the facts of the case, the Board did not allow withdrawal in the matter and on the basis of the submissions and documents on record took a decision on the misconduct of the Respondent.

4. The Board noted the following submissions of the Respondent:

(a) there is no outstanding loan amount in case of Mr. Chelliah (04/305) and Mrs. A. Rajeswari (04/304).

(b) in respect of M/s. Easha Paper Crafts (05/757) the Respondent was only a guarantor for the loan and in respect of Mrs. Kavitha (06/3394) he had only prepared and submitted a return of income and there was no relation between them other than auditor client relationship.

(c) The Respondent, referring to a letter dated 15.10.2019 from the Complainant Bank, also submitted that most of the loan accounts under question have been settled and closed.

5. The Board also noted the following submission of the Complainant bank:

(a) Out of 6 Loan Accounts mentioned in the complaint, 5 accounts have been settled. The other account Ms. Kavitha, was sanctioned Home Loan on 25.07.2011 with limit of Rs.36 lacs. The present balance in the account is Rs.35.35 lacs. The facility is secured by adequate collateral security. Now the borrower Ms. Kavitha has approached the Bank for compromise settlement and negotiations are going on. The said account is also expected to be closed soon.

6. The Board further noted that the manner in which the Respondent had written to the Complainant Bank regarding settlement of loan accounts, it appeared that he had a direct/indirect interest in those accounts.

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7. The Board viewed that the role of the Respondent in introducing the accounts of the borrowers who were either known to him or were his relatives whose returns had also been filed by him with constant agricultural income, reflected transactions with the Respondent or his wife and repaying those loans on being classified as NPA shows clear nexus between the Respondent and the borrowers with the intention of fetching loans which later on turned into NPAs, thereby causing wrongful financial loss to the Complainant Bank. It also clearly reflected that the Respondent had abused his professional acumen for undesirable purposes and such an act on the part of the Respondent is unbecoming of a chartered accountant.

8. The Board was also of the view that the fact that the accounts had been settled subsequently does not mitigate the misconduct on the part of the Respondent.

CONCLUSION:

9. Thus, in conclusion, in the considered opinion of the Board, the Respondent is held **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.

Sd/-  
CA. SUSHIL KUMAR GOYAL  
(PRESIDING OFFICER)

Sd/-  
MRS. RANI NAIR (IRS, Retd.)  
(GOVERNMENT NOMINEE)

DATE: 30<sup>th</sup> JANUARY, 2020  
PLACE: NEW DELHI

Certified Copy  
*[Signature]*  
Assistant Secretary  
Disciplinary Directorate  
Institute of Chartered Accountants of India  
101 Bhaawan, I.P. Marg, New Delhi-110 002

