



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

[PR/333/18-DD/02/19-DC/1149/19]

**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/333/18-DD/02/19-DC/1149/19]**

**In the matter of:**

**Assistant General Manager, Bank of Baroda,  
Zonal Stressed Asset Recovery Branch,  
Baroda House, 1<sup>st</sup> Floor  
V-23, Vibhuti Khand, Gomti Nagar  
LUCKNOW - 226 010**

**.... Complainant**

**-Vs-**

**CA. Ajit Kumar Jaiswal (M.No.414225),  
3/3/36, First Floor,  
Sri Sai Kripa Complex, Rakabganj,  
FAIZABAD – 224001**

**.... Respondent**

**MEMBERS PRESENT (Physically):**

- 1. CA. (Dr.) Debashis Mitra, Presiding Officer**
- 2. Mrs. Rani Nair, I.R.S. (Retd.), Government Nominee**
- 3. Shri Arun Kumar, I.A.S. (Retd.), Government Nominee**
- 4. CA. Rajendra Kumar P, Member**
- 5. CA. Cotha S Srinivas, Member**

**DATE OF MEETING : 08.04.2022 (Through Physical/ Video Conferencing Mode)**

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 19.01.2022, the Disciplinary Committee was inter-alia of the opinion that **CA. Ajit Kumar Jaiswal (M.No.414225)**, (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 and other misconduct falling within the meaning of Item (2) of Part IV of the First Schedule to the Chartered Accountant Act, 1949.

2. The Committee noted that the Respondent was present through video conferencing mode. He re-iterated his submissions vide letter dated 3<sup>rd</sup> March 2022 whereby he, inter-alia,



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submitted that Punjab National Bank account in question was not reflected in Financial Statement for Financial Year 2012-13 of M/s Kisan Mini Rice Mills as the same was personal saving account of its proprietor. He further submitted that he was not the auditor for financial year 2013-14 of M/s Kisan Mini Rice Mills.

3. The Respondent has submitted before the Committee that he was not aware of the saving bank account maintained by the Proprietor in Punjab National Bank. It is found that the Respondent has audited the books of accounts of the proprietary concern by name of M/s Kisan Mini Rice Mills for the year 2012-2013. The audit report for the said concern for F.Y. 2012-13 is dated 5<sup>th</sup> September 2013. The Respondent has issued a certificate dated 02<sup>nd</sup> November 2013. The said certificate was to enable his client to provide credit facility in Bank of Baroda i.e. the Complainant Bank. It is the Complainant's charge that they have suffered losses as they had released credit facility to the client based on the certificate issued by the Respondent. The Respondent in his certificate certifies the induction of capital of Rs 20 lakhs is cash through Punjab National Bank which in question does not appear in balance Sheet of M/s Kisan Mini Rice Mills. Thus, the Respondent facilitated his client for obtaining credit facilities through means which were not just and right.

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 CA. Ajit Kumar Jaiswal (M.No.414225), Faizabad be removed from Register of members for a period of one month along with fine of Rs 50,000/- (Rupees Fifty thousand).

Sd/-

(CA. (DR.) DEBASHIS MITRA)  
PRESIDING OFFICER

Sd/-

(MRS. RANI NAIR, I.R.S. RETD.)  
GOVERNMENT NOMINEE

Sd/-

(SHRI ARUN KUMAR, I.A.S. RETD.)  
GOVERNMENT NOMINEE

Sd/-

(CA. RAJENDRA KUMAR P)  
MEMBER

Sd/-

(CA. COTHA S SRINIVAS)  
MEMBER

Date: 01.06.2022  
Place: New Delhi

प्रमाणित सत्य प्रतिलिपि / Certified true copy

सीए. ज्योतिका ग्रोवर / CA. Jyotika Grover  
सहायक सचिव / Assistant Secretary  
अनुशासनात्मक निदेशालय / Disciplinary Directorate  
इंस्टिट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया  
The Institute of Chartered Accountants of India (M.No.414225), Faizabad  
आईसीएआई भवन, विश्वास नगर, शाहदरा, दिल्ली-110032  
ICAI Bhawan, Vishwas Nagar, Shahdra, Delhi-110032

Assistant General Manager, Bank of Baroda

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CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2021-2022)]

[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.

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LUCKNOW - 226 010

.... Complainant

-Vs-

CA. Ajit Kumar Jaiswal (M.No.414225),

3/3/36, First Floor,

Sri Sai Kripa Complex, Rakabganj,

FAIZABAD -224 001

.... Respondent

MEMBERS PRESENT AS ON 25.06.2021:

CA. (Dr.) Debashis Mitra, Presiding Officer, through Video Conferencing

Sh. Rajeev Kher, I.A.S. (Retd.), Government Nominee, through Video Conferencing

CA. Amarjit Chopra, Government Nominee, through Video Conferencing

CA. Rajendra Kumar P, Member, through Video Conferencing

CA. Babu Abraham Kallivayalil, Member, present in person

DATE OF FINAL HEARING : 25.06.2021 (through Video Conferencing)

**PARTIES PRESENT:**

Respondent : CA. Ajit Kumar Jaiswal  
(Through Video Conferencing)

Counsel for Respondent : CA. Sumit Kansal  
(Through Video Conferencing)

**CHARGES IN BRIEF:**

1. The Complainant is a Bank which has claimed unscrupulous conduct on the part of Respondent whereby the latter had issued a fake certificate to his client thereby enabling the said client to avail credit facilities from the Complainant Bank based on such fake certificate. More specifically, it is alleged that the Respondent had issued a fake certificate dated 02/11/13 accommodating M/s Kisan Mini Rice Mill ("Borrower" or "Client" of the Respondent) to avail excess credit facilities from the Complainant Bank which caused huge loss to the latter who relied upon the said certificate issued by the Respondent.

**BRIEF FACTS OF THE PROCEEDINGS:**

2. The Committee noted that the Respondent along with his Counsel CA. Sumit Kansal, Advocate was present before the Bench through Video Conferencing mode. The Committee noted that the Respondent in the previous hearing held on 14.06.2021 was directed to submit certain documents. The Committee noted that the same were submitted by the Respondent. The Committee began the proceedings in the matter by posing certain questions to the Respondent to which his Counsel attended and submitted his defense. The Committee after consideration of the same decided to conclude the hearing.

**FINDINGS OF THE COMMITTEE:**

3. The Committee on perusal of certificate dated 02.11.2013 issued by the Respondent noted that the Respondent had certified that a sum of Rs. 20.01 Lacs received as Unsecured Loan from friends and Rs. 20.00 Lacs has been inducted as a Capital in the Firm during the period from 01.04.2013 to 02.11.2013. The Committee noted from the Balance Sheet as on 31.03.2014

that there has been no addition in capital during the year. Therefore, figure mentioned by the Respondent in certificate raises suspicion of its authenticity with respect to infusion of Rs. 20.00 Lacs in Capital.

4. The Respondent mentioned that he was auditor for previous year ending on 31.03.2013, whereas for the year ending on 31.03.2014 audit was conducted by another Chartered Accountant. The Committee observed from further papers submitted by the Respondent that he had provided reconciliation of Rs. 20.00 Lacs introduced as Capital. The Committee noted that all the transactions were made in cash. To prove authenticity of the same the Respondent submitted bank statements of Punjab National Bank wherein such transactions were duly reflecting.
5. The Committee on perusal on bank statement noted that PNB A/c through which capital money was introduced was not at all appearing in the Balance Sheet of M/s Kisan Mini Rice Mill (Borrower of Complainant Bank) for the year ending 31.03.2013 signed by the Respondent himself. Further the Committee noted that the Respondent admitted that the said account is personal saving account of the proprietor of the Firm.
6. The Respondent in this regard took plea that he was not shown bank statement of PNB account at the time of signing Balance Sheet for the year ending on 31.03.2013. The Committee specifically noted the contradiction in the conduct of Respondent that deposit of Rs 20 lakhs could not be established by the latter, as on one hand he claimed that this Bank account was not shown to him at the time of signing of Balance Sheet for the year ending 31.3.2013 while on the other hand when he signed the certificate, he took cognizance of the said bank statement. This act of the Respondent proves clear lack of due diligence while issuing the certificate.

**CONCLUSION:**

7. Keeping in view the facts and circumstances of the case, material on record and submissions of the Respondent before it, the Committee held him

**GUILTY** of professional misconduct falling within the meaning of Item (7) of Part I of the Second Schedule and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

sd/-  
**(CA. (Dr.) Debashis Mitra)**  
**PRESIDING OFFICER**

(approved & confirmed through email)  
**(SHRI RAJEEV KHER, I.A.S. RETD.)**  
**GOVERNMENT NOMINEE**

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

(approved & confirmed through email)  
**(CA. RAJENDRA KUMAR P)**  
**MEMBER**

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

**Date : 19.1.2022**  
**Place : New Delhi**

*Jyotika*  
**प्रमाणित सत्य प्रतिलिपि / Certified true copy**

सीए. ज्योतिका ग्रोवर / **CA. Jyotika Grover**  
सहायक सचिव / **Assistant Secretary**  
अनुशासनिक विदेशालय / **Disciplinary Directorate**  
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