



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

PR/235/15/DD/259/2015/BOD/388/2017

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.

[PR/235/15/DD/259/2015/BOD/388/2017]

In the matter of:

Shri Rajiv Chopra,  
Assistant General Manager  
Bank of Baroda  
SS Tower, Partap Chowk,  
Industrial Area B Ludhiana - 141001

.....Complainant

Versus

CA. Harinder Pal Singh (M. No. 094409)  
41/9 Atam Nagar  
Ludhiana -141003

.....Respondent

MEMBERS PRESENT:

CA. Prasanna Kumar D., Presiding Officer (physically at ICAI Bhawan, I P Marg, New Delhi)  
Ms. Dolly Chakrabarty (IAAS, Retd.), Government Nominee (through video conferencing)  
CA. (Dr.) Raj Chawla, Member (through video conferencing)

Date of Final Hearing: 24<sup>th</sup> May, 2022(Physical/ Video Conferencing)

1. The Board of Discipline vide its Report dated 11<sup>th</sup> February 2022 held that CA. Harinder Pal Singh (M. No. 094409) is Guilty of Professional Misconduct falling within the meaning of Item (11) of Part I of First Schedule to the Chartered Accountants Act 1949 on account of the following observations:

(a) The Respondent filed an Application Form with the Complainant Bank on behalf of the firm namely M/s GRD Impex wherein under column no. 7, relating to the details of proprietor, the name and address of the Respondent had been written and the same was signed by the Respondent on 11<sup>th</sup> March, 2014 in the capacity of the proprietor of the said firm. In the Annexure-I to the said Application Form, the name of the Respondent had been given as the owner of the said firm which was engaged in the

~~Trading business. The year of establishment of the said firm had been mentioned as 2008.~~

(b) The Complainant Bank had written a letter dated 12<sup>th</sup> August, 2015 addressed to the Respondent as Proprietor of the said firm. The Respondent was carrying out the said



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

PR/235/15/DD/259/2015/BOD/388/2017

business along with his practice as a Chartered Accountant which is evident from the Tax Audit Report dated 15<sup>th</sup> September, 2013 signed by him in respect of a firm namely M/s Matharoo Udyog (India) for the year ending as on 31<sup>st</sup> March, 2013.

- (c) The Board observed from the membership file of the Respondent that he had not sent any intimation to ICAI at any point of time regarding his engagement in the said business.
- (d) The Respondent categorically accepted his guilt at the time of hearing before the Board and also in his written submissions.
2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against CA. Harinder Pal Singh and communication dated 17<sup>th</sup> May, 2022 was addressed to him thereby granting him an opportunity of being heard in person and/or to make written representation before the Board on 24<sup>th</sup> May, 2022.
3. CA. Harinder Pal Singh appeared before the Board on 24<sup>th</sup> May, 2022 through video conferencing and made his oral representation thereat.
4. CA. Harinder Pal Singh in his oral representation reiterated the submissions which were made earlier by him before the Board at the time of enquiry. He reaffirmed that he never used the firm for any business intention and no other business activities were done after that. It was his careless mistake and he should have dejected himself from these types of acts. His intention was not to carry on the business but to help the Branch Manager. He further requested the Board to take a lenient view in the matter.
5. The Board has carefully gone through the facts of the case along with the oral representation of the Respondent.
6. Thus, upon consideration of the facts and circumstances of the case, material on record, and keeping in view the oral representation of CA. Harinder Pal Singh before it, the Board decided to Reprimand CA. Harinder Pal Singh (M. No. 094409).

Sd/-

CA. Prasanna Kumar D.  
(Presiding Officer)

DATE: 24<sup>th</sup> June, 2022

Sd/-

Ms. Dolly Chakrabarty (IAAS, retd.)  
सही प्रतिलिपि होने के लिए प्रमाणित /  
Certified to be true copy  
(Government Nominee)

*(Signature)*  
अरुण कुमार / Arun Kumar  
कार्यकारी अधिकारी / Executive Officer  
अनुशासनसैनिक विदेशालय / Disciplinary Directorate  
इस्टिड्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया  
The Institute of Chartered Accountants of India  
आईसीएआई भवन, विश्वास नगर, शाहदरा, दिल्ली-110022  
ICAI Bhawan, Vishwas Nagar, Shahdara, Delhi-110022

Sd/-

CA. (Dr.) Raj Chawla  
(Member)

CONFIDENTIAL

**BOARD OF DISCIPLINE**  
**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/235/15/DD/259/2015/BOD/388/2017]**

**CORAM (attended through VC):**

**CA. Prasanna Kumar D., Presiding Officer**  
**Mrs. Rani Nair (IRS, Retd.), Government Nominee**  
**CA. Satish Kumar Gupta, Member**

**In the matter of:**

**Shri Rajiv Chopra**  
**Assistant General Manager**  
**Bank of Baroda**  
**SS Tower, Partap Chowk,**  
**Industrial Area B**  
**Ludhiana - 141001**

.....Complainant

**Versus**

**CA. Harinder Pal Singh (M. No. 094409)**  
**41/9 Atam Nagar**  
**Ludhiana -141003**

.....Respondent

**DATE OF FINAL HEARING : 23<sup>rd</sup> July, 2021**  
**PLACE OF HEARING : Delhi/Through video conferencing**

**PARTIES PRESENT (through video conferencing):**

**Respondent : CA. Harinder Pal Singh**

**FINDINGS:**

**Charge alleged:**

1. The charge against the Respondent is that he was engaged in other business / occupation other than the profession of Chartered Accountancy unless permitted by the Council so to engage.

00

**Brief of proceedings held:**

2. At the time of hearing held on 23<sup>rd</sup> July 2021, the Respondent was present before the Board through video conferencing, was put on oath and he confirmed that he has read and understood the contents of the modalities and protocols of e-hearing and follow them. Neither any representative of the Complainant bank was present before the Board nor was there any intimation as regards their non-appearance. Thus, the Board decided to proceed ahead with the hearing in the case. Thereafter, on being asked by the Board as to whether the Respondent is aware of charges against him, he replied in affirmative and on being asked by the Board as to whether he pleaded guilty in respect of the charges alleged against him, he accepted his mistake and made his detailed submissions before the Board. The Respondent was examined by the Board. On consideration of the submissions and documents on record, the Board concluded the hearing in the case with the direction to the office to send the copy of the further written submissions of the Respondent dated 23<sup>rd</sup> July 2021 to the Complainant Bank to submit their comments thereon, if any within 3 days of the receipt of the same. Thus, the decision on the conduct of the Respondent was kept reserved by the Board. Thereafter, at its meeting held on 31<sup>st</sup> August, 2021, the Board noted that no response of the Complainant bank on the further written submissions of the Respondent had been received. Thus, on a careful consideration of the documents and submissions on record, the Board decided to call the following documents/information so as to effectively decide on the conduct of the Respondent:

**From the Respondent-**

- (a) Documentary evidences to substantiate the declaration made in the Application Form submitted to the Complainant bank as regard the date of establishment of the Business of M/s GRD Impex as 2008.
- (b) Loan statement of account of M/s GRD Impex from release of loan upto 1 year to ascertain utilisation of loan.
- (c) Financial Statement of M/s GRD Impex for two years after release of loan by the Complainant bank.

**From the Complainant Bank -**

- (a) Copy of all the documents submitted by CA. Harinder Pal Singh alongwith the Application Form dated 11<sup>th</sup> March 2014 filed for availing credit facilities for the proprietorship firm M/s GRD Impex.
- (b) Loan Sanction Letter
- (c) Financial Statements of M/s GRD Impex of Previous Years submitted along with Loan Application.

Accordingly, a communication was addressed to the Respondent as well as the Complainant Bank for providing the aforesaid documents. However, neither any reply was received from the Respondent nor from the Complainant Bank. Thereafter, on consideration of the documents and submissions on record, the Board at its meeting held on 11<sup>th</sup> February 2022 decided on the conduct of the Respondent.

**Brief of the submissions of the Respondent:**

3. The Respondent in his defence, inter-alia, submitted as under:

- 3.1 The Respondent is doing his practice since 1998. He has been used in this case just to help out the Branch Manager Mr. Bains and Mr. Parveen Nayyar AGM SME Head of Bank of Baroda, Industrial Area B, Ludhiana. One of the customer

of Bank of Baroda, Partap Nagar Industrial Area Branch, Ludhiana M/s Darshan Industrial Corporation Prop. Sh Munish Singla account was introduced by the Respondent and the SME Head Sh Parveen Nayyar (AGM) sanctioned the loan of Rs 2.50 Crores vide sanction letter number SME:ADV:2012-13:439 dated 14.03.2013. The unit was under financed as the client was asking for CC limit of Rs 5.00 crores but on the assurance of Sh. Parveen Nayyar AGM SME Head and Mr. Bains (AGM) Branch Manager of Industrial Area, Ludhiana that the limit will be enhanced in the IInd quarter of the year 2013-14 i.e in Sept 2013, the customer M/s Darshan Industrial Corporation accepted the sanction of credit facility of Rs 250 lakhs under compelling circumstances. In Sept 2013, party approached the Branch Manager Mr. Bains (AGM) and Mr. Parveen Nayyar (AGM) SME Head to enhance the limits which they refused. As the unit was already under financed it came into liquidity crunch and was not able to even serve the interest and was declared Irregular. The AGM of SME Head Mr. Parveen Nayyar and Branch Manager Mr. Bains were afraid of that account might slip into NPA category on 31.03.2014. So, they called the Respondent as the account was introduced by him to avoid the QUICK MORTALITY of the account. He showed his concern that if the account is slipped into Quick Mortality and is declared NPA, the Branch Manager who was about to retire will face serious problem and might be denied retirement Benefits. This was their plan and the Respondent fell into their trap. They told the Respondent to show a firm in his name and the bank will give finance of Rs 40 lakhs on the extension of charge of Equitable Property in the name of Smt. Rekha Rani which was already mortgaged in the case of M/s Darshan Industrial Corporation. The amount financed in Respondent's hypothetical firm was utilized in the account of M/s Darshan Indl Corp. The entries were transferred from his account to M/s Darshan Industrial Corporation, so that the interest portion should be served and account should not fall into the category of NPA. The entries were made from his account to M/s Darshan Industrial Corporation and M/s AR Bolt, its sister concern account just to show the regularity of the account. They also promised the Respondent that after the close of year 31.03.2014 they will enhance the CC limit of M/s Darshan Industrial Corporation and will adjust the limit sanctioned to GRD Impex (Rs 40 lakhs).

- 3.2 The Respondent never used the firm for any business intention and no other business activities were done after that. In the year 2014, Mr. Bains Branch Manager, AGM retired from his services and Mr. Parveen Nayyar was transferred to other State on routine transfer.
- 3.3 This was Respondent's careless mistake and he has learnt a lesson as well. He should have dejected himself from these types of acts. His intention was not to carry on the business but to help the Branch Manager.

#### Observation of the Board:

4. The Board noted that the Respondent filed an Application Form with the Complainant Bank on behalf of the firm namely M/s GRD Impex wherein under column no. 7, relating to the details of proprietor, the name and address of the Respondent had been written and the same was signed by the Respondent on 11<sup>th</sup> March, 2014 in the capacity of the proprietor of the said firm. In the Annexure-I to the said Application Form, the name of the Respondent had been given as the owner of the said firm which was engaged in the Trading business. The Board also noted that the year of establishment of the said firm had

been mentioned as 2008. The Board also noted that the Complainant Bank had written a letter dated 12<sup>th</sup> August, 2015 addressed to the Respondent as Proprietor of the said firm. Further, it was observed that he was carrying out the said business along with his practice as a Chartered Accountant which is evident from the Tax Audit Report dated 15<sup>th</sup> September, 2013 signed by him in respect of a firm namely M/s Matharoo Udyog (India) for the year ending as on 31<sup>st</sup> March, 2013.

5. The Board also observed that as per the Code of Ethics, a Chartered Accountant in Practice shall not engage in any business or occupation other than the profession of accountancy, except with the permission granted in accordance with a resolution of the Council. In this regard, relevant extracts of Code of Ethics, 2009 is as follows:-

*"190A. Chartered Accountant in practice not to engage in any other business or occupation A Chartered Accountant in practice shall not engage in any business or occupation other than the profession of accountancy, except with the permission granted in accordance with a resolution of the Council."*

The Board also observed from the membership file of the Respondent that he had not sent any intimation to ICAI at any point of time regarding his engagement in the said business. Also, the Respondent categorically accepted his guilt at the time of hearing before the Board and also in his written submissions. The Board was also not appreciative of the conduct of the Respondent in having allowed himself to be used in the manner explained in his submissions. Accordingly, the Board decided to hold the Respondent Guilty of Professional Misconduct falling within the meaning of Item (11) of Part I of the First Schedule to the Chartered Accountants Act, 1949 in respect of the charge alleged.

**CONCLUSION:**

6. Thus, the Board of Discipline, in view of the above, is of the considered view that the Respondent is Guilty of Professional Misconduct falling within the meaning of Item (11) of Part I of First Schedule to the Chartered Accountants Act 1949.

Sd/-

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

**DATE: 11<sup>th</sup> February, 2022**

प्रमाणित सत्य प्रतिलिपि / Certified true copy

*Prasanna*  
आर एस श्रीवास्तव / R. S. Srivastava  
सहायक सचिव / Assistant Secretary  
अनुशासनात्मक निदेशालय / Disciplinary Directorate  
इंस्टिट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया  
The Institute of Chartered Accountants of India  
आईसीएआई भवन, विकास नगर, शाहदरा, दिल्ली-110032  
ICAI Bhawan, Vashwas Nagar, Shahdra, Delhi-110032