



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

[PR/G/45/2019/DD/272/2019/BOD/751/2024]

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:

Ms. Hena Kumar Sukhna, IRS

Assistant Director of Income Tax (Inv.), Mohali
4th Floor, Central Revenue Building, Sector-17E,
Chandigarh.....

Complainant

Versus

CA. Surinder Kumar (M. No. 070405)

Partner, M/s. Kansai Singla & Associates (FRN. 003897N)
Flat No. 102, Tower 9, Orchid Petals,
Gurugram.....

Respondent

[PR/G/45/2019/DD/272/2019/BOD/751/2024]

MEMBERS PRESENT (THROUGH VIDEO CONFERENCE):

CA. Rajendra Kumar P, Presiding Officer

Ms. Dolly Chakrabarty (IAAS, retd.), Government Nominee

CA. Priti Savla, Member

Date of hearing and passing of Order: 30th December 2025

1. The Board of Discipline vide its findings dated 08th December 2025 was of the view that CA. Surinder Kumar (M.No.070405) is **GUILTY** of Professional Misconduct falling within the meaning of Items (4) and (11) of Part-I of the First Schedule to the Chartered Accountants Act, 1949.
2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against CA. Surinder Kumar (M. No. 070405) and communication dated 19th December 2025 was addressed to him thereby granting him an opportunity of being heard on 30th December 2025 which was exercised by him by being present through video conferencing. He confirmed receipt of the findings of the Board and requested the Board to take a sympathetic view on the case and promised not to repeat it.
3. Accordingly, after due deliberation and having regard to the nature and gravity of the consequent misconduct, as well as the representation made by the CA. Surinder Kumar (M. No. 070405), the Board hereby resolves to **remove the name of CA. Surinder Kumar (M.No.070405) from the Register of Members for a period of one (1) month.**

Sd/-

CA. Rajendra Kumar P

(Presiding Officer) / Certified to be True Copy

Sd/-

दिव्यनाथ तिवारी /Bishwa Nath Tiwari
S-07 कार्यालयी अधिकारी /Executive Officer
अनुशासनाधारक विदेशालय /Disciplinary Directorate
भारतीय संस्कार संस्थान
 The Institute of Chartered Accountants of India
एस.एस.आर. भवन सी-1, सेक्टर-1, नोएडा-201301 (गुरु)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

Sq / -

CA. Priti Savla
(Member)

BOARD OF DISCIPLINE

(Constituted under Section 21A of the Chartered Accountants Act 1949)

**FINDINGS OF THE BOARD OF DISCIPLINE 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/G/45/2019/DD/272/2019/BOD/751/2024****CORAM: (PRESENT IN PERSON):**

CA. Rajendra Kumar P, Presiding Officer
Ms. Dolly Chakrabarty, Government Nominee
CA. Priti Savla, Member

IN THE MATTER OF:

Ms. Hena Kumar Sukhna, IRS
Assistant Director of Income Tax (Inv.), Mohali
 4th Floor, Central Revenue Building, Sector-17E
Chandigarh.....Complainant

Versus

CA. Surinder Kumar (M. No. 070405)
 Partner, M/s. Kansal Singla & Associates (FRN. 003897N)
 Flat No. 102, Tower 9, Orchid Petals
Gurugram.....Respondent

Date of Final Hearing : 27th October 2025
Place of Final Hearing : ICAI Bhawan, New Delhi

PARTIES PRESENT (IN PERSON):

Respondent : CA. Surinder Kumar
Counsel for the Respondent : CA. Tirloki Nath Singla

FINDINGS:**BACKGROUND OF THE CASE:**

1. The instant case finds its roots in the Punjab Sand Mining Auctions Scam wherein persons behind Rana Group of Companies were named as key players involved in securing three sand mines by way of Benami transaction through three benamidars, namely Shri Ajitpal Singh, Shri Kulwinder Paul Singh & Shri Amit Bahadur. The Complainant has stated that the Govt. of Punjab in the year 2017-18 has introduced a new policy of progressive bidding for the auction of sand mines which were allotted to aforesaid three benamidars

bid amount being Rs. 26.50 Crores, Rs. 9.21 Crores & Rs. 23.41 Crores respectively against which Rs. 13.34 Crores, Rs. 4.61 Crores and Rs. 11.79 Crores respectively were paid to the mining department towards first instalment of H-1 bid amount. The Complainant has reported that, upon perusal & analysis of the ITR profiles of these three benamidars, it was revealed that their earnings were too low to make successful bidding of such a high magnitude. It is reported that the payment of earnest money for these bids was made from the personal bank account of one Mr. Sahil Singla, who is another partner of the same firm in which the Respondent was also a partner, namely M/s Kansal Singla & Associates (FRN. 003897N) is alleged to have played a key role in the whole gamut of benami transactions & fund flows entered between various shell companies, partnership & proprietorship firms for arranging funds for the procurement of the aforesaid three sand mines. Respondent is also alleged to be a part of the above conspiracy by way of arranging funds for the auction of these three mines and was also alleged to be a partner in various partnership firms formed to give a color to the benami transaction, so that it looks like a genuine one.

CHARGES ALLEGED:

2. Accepting or agreeing to accept any part of the profit of professional work of a person who is not a member of the Institute i.e., Violation of item (3) of the Part I of the First Schedule to the Chartered Accountants Act, 1949.
3. Entering into partnership with any person other than a Chartered Accountant in practice i.e., Violation of item (4) of the Part I of the First Schedule to the Chartered Accountants Act, 1949.
4. Engaging in any business or occupation other than the profession of Chartered Accountant i.e., Violation of item (11) of the Part I of the First Schedule to the Chartered Accountants Act, 1949.
5. Accepting appointment as auditor of a Company without first ascertaining whether the requirement of Section 225 of Companies Act 1956 have been duly complied with i.e., Violation of item (9) of the Part I of the First Schedule to the Chartered Accountants Act, 1949.
6. Charging or offering to charge or accept fees based on percentage of profit contingent upon finding i.e., Violation of item (10) of the Part I of the First Schedule to the Chartered Accountants Act, 1949.

BRIEF OF PROCEEDINGS HELD:

7. The details of the hearings fixed and held in the said matter are given as below:

| S. No. | Date of Hearing | Status of hearing |
|---------------|-------------------------------|--------------------------------------------|
| 1. | 19 th August 2025 | Adjourned at the request of the Respondent |
| 2. | 27 th October 2025 | Matter Heard and Concluded. |

BRIEF SUBMISSIONS OF THE RESPONDENT:

8. The Respondent vide letter dated 26th September 2025, submitted that the complaint in this matter was originally filed by the DDIT (Inv.) on 16.01.2019 without the mandatory authorization from an officer not below the rank of Joint Secretary, as required under Rule 3 (2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. The Disciplinary Directorate accordingly

sought proper authorization on multiple occasions through letters dated 14.03.2019, 10.06.2019, and 05.09.2019 but no valid authorization was ever submitted within the prescribed time. Despite clear procedural defects, the Directorate entertained a fresh complaint dated 22.08.2019, contrary to Rule 5, which mandates closure of defective complaints if not rectified.

9. The Respondent further submitted that the second complaint, which was eventually sent to the Respondent on 21.11.2019, was incomplete and defective. It contained several blank pages, lacked any specific allegation against the Respondent and merely reproduced provisions of the Chartered Accountants Act. In violation of Rule 5, this new complaint was treated as a fresh one rather than being merged with the original and the DDIT (Inv.) who filed it was considered the complainant instead of the initial one. The Respondent, however, submitted a detailed reply on 13.01.2020 requesting missing documents and clarifications from the Directorate.
10. It is further submitted that despite repeated directions from the Disciplinary Directorate to the Complainant on 20.01.2020, 16.03.2020, 11.08.2020, and 09.11.2020, the DDIT (Inv.) failed to provide the required documents or rejoinder. Nevertheless, without obtaining these materials or considering the Respondent's requests, the matter is proceeded to hold a Prima Facie Opinion on 04.07.2024 that the Respondent was guilty under Items (4) and (11) of Part I and Item (2) of Part IV of the First Schedule. This was done in complete disregard of the principles of natural justice and without affording a fair opportunity of defence.
11. Regarding the charge under Item (4), the Respondent submits that he had only intended to start a mining business through partnership firms and was prepared to surrender his Certificate of Practice once operations commenced. However, the business never started, and no bank accounts were even opened. Hence, the Respondent's conduct cannot be treated as engaging in another business. The partnership deeds merely appointed working partners to handle operational activities and the Respondent acted under a bona fide belief that surrendering the COP prematurely was unnecessary. As regards Item (11), the Respondent reiterates that he was never engaged in any other business or occupation, as the partnership firms never commenced their operations. Mere signing of partnership deeds cannot amount to engaging in business and therefore, no violation of this clause arises.
12. In respect of Item (2) of Part IV, the Respondent submits that no show-cause notice was ever issued for this charge and holding the Respondent guilty without an opportunity to explain, is against the fundamental principle of Audi Alteram Partem. The Complainant's reference to alleged antedating of partnership deeds and benami transactions is unfounded and unsupported by any evidence. The matter is already sub judice before the Appellate Tribunal under the Prohibition of Benami Prohibition Transaction Act (PBPT) at Delhi. Therefore, the complaint being unauthorized, procedurally defective, and lacking evidentiary support, deserves to be dismissed in the interest of justice.

OBSERVATIONS OF THE BOARD:

13. In the present case, the Board has carefully considered the prima facie opinion of the Director (Discipline), the written and oral submissions made by the Respondent and his Counsel, and the documents placed on record. The Board noted that the instant matter arises from a complaint filed by the Office of the Principal Director of Income Tax (Investigation), Chandigarh, alleging that the Respondent, a Chartered Accountant in practice, was involved in financial and partnership arrangements connected to the Punjab Sand Mining Auction Scam. It was alleged that through these arrangements, the

Respondent had committed professional and other misconduct under various provisions of the Chartered Accountants Act, 1949, and the Schedules thereto.

14. The Board noted that out of the five allegations originally levelled against the Respondent, the Director (Discipline) while forming his *Prima Facie* Opinion dated 4th July 2024, exonerated the Respondent for violation of Items (3), Item (9) and Item (10) for the reasons as contained in the said PFO and accepted & concurred by the Board of Discipline in its 324th meeting held on 25th September 2024, therefore, the Board has confined its inquiry limited to the charge under Item (4) of Part-I of the First Schedule and the charge under Item (11) of Part-I of the First Schedule as well as Item (2) of Part-IV of the First Schedule to the Chartered Accountants Act, 1949.
15. On examination of the records, it is noted that the Respondent, while holding a full time Certificate of Practice and performing attestation functions, became a partner in three firms M/s Rajbir Enterprises, M/s Rajbir Enterprises, Mohali and M/s New Rajbir Enterprises on 10th June 2017. The partnership deeds of these firms clearly mention the object of carrying on mining and related activities and the Respondent was allotted a profit-sharing ratio of 3%.
16. The Board also noted that the Respondent has contended that no business activity ever took place, no bank accounts were opened, and no mining license was granted. He further stated that he was under a bona fide belief that if the mining license had been allotted, he would have surrendered his Certificate of Practice before commencing any business. However, no such surrender or prior permission was sought from the Institute as required under Regulation 190A of the Chartered Accountants Regulations, 1988.
17. The Board observes that Regulation 190A is very clear that a member in practice must obtain prior permission of the Council before engaging in any business other than the profession of accountancy. The fact that the firm did not actually start business or operate bank accounts does not remove the violation of Item (11) of Part-I of the First Schedule, as the act of joining a business partnership itself constitutes a breach of professional conduct. Similarly, by entering into partnerships with non-members, the Respondent has violated Item (4) of Part-I of the First Schedule to the Chartered Accountants Act, 1949, which prohibits a Chartered Accountant in practice from forming a partnership with anyone who is not a member of the Institute, or another professional body recognized by the Council.
18. Regarding the procedural objections raised by the Respondent about the authorization of the complaint, the Board has examined the record and finds that the subsequent complaint dated 22nd August 2019 was duly authorized by the Principal Director of Income Tax (Investigation) through an authorization letter dated 19th August 2019, as required under Rule 3 (2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. The earlier complaint filed without authorization was therefore void *ab initio*, and the second duly authorized complaint was correctly considered by the Director (Discipline). Hence, all procedural requirements under the Rules have been properly followed.
19. In light of the above, the Board agrees with the findings of the Director (Discipline) to the extent that the Respondent is Guilty of Professional Misconduct falling within Item (4) and Item (11) of Part-I of the First Schedule to the Chartered Accountants Act, 1949. However, the Board does not find sufficient grounds to sustain the charge of "other misconduct" under Item (2) of Part-IV of the First Schedule, as this was not the part of the original complaint and falls outside its scope. Accordingly, the Board is of the opinion that the

Respondent is Guilty of Professional Misconduct under Items (4) and (11) of Part-I of the First Schedule to the Chartered Accountants Act, 1949 only.

CONCLUSION:

20. Thus, in conclusion, in the considered opinion of the Board, the Respondent is '**Guilty**' of Professional Misconduct falling within the meaning of Items (4) and (11) of Part-I of the First Schedule to the Chartered Accountants Act, 1949.

Sd/-

**CA. Rajendra Kumar P
Presiding Officer**

Sd/-

**Dolly Chakrabarty, IAAS (Retd.)
Government Nominee**

Sd/-

**CA. Priti Savla
Member**

सत्याग्रह हुमें के लिए सत्याग्रह / Certified to be True Copy

Date:08-12-2025

Arvind Grover
अर्विंद ग्रोवर / Arvind Grover
संस्कारक विभाग / Assistant Secretary
व्यवसायालय नियोगालय / Disciplinary Directorate
भारतीय अकाउंटेंट्स चैम्बर
The Institute of Chartered Accountants of India
आई.सी.ए.आई. नोडा, सी-१, सेक्टर-१, नोडा-२०१३०१ (गु.)
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