

**THE BOARD OF DISCIPLINE
THE INSTITUTE OF COMPANY SECRETARIES OF INDIA
IN THE MATTER OF COMPLAINT OF PROFESSIONAL OR OTHER MISCONDUCT
UNDER THE COMPANY SECRETARIES ACT, 1980**

DC/301/2015

Order reserved on: 13th October 2016

Order issued on : 11th January 2017

Shri Surinder Jit Singh Uppal

...Complainant

Vs

Shri R C Singal, FCS-903, CP No. 3154

..... Respondent

FINAL ORDER

1. A complaint dated complaint dated 12th May, 2015 in Form 'I' was filed was filed under Section 21 of the Company Secretaries Act, 1980 (hereinafter referred to as 'the Act') read with sub-rule (1) of Rule 3 of the Company Secretaries (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007 (hereinafter referred to as 'the Rules') by Shri Surinder Jit Singh Uppal (hereinafter referred to as the 'Complainant') against Shri R C Singal, FCS-903 (CP No. 3154)(hereinafter referred to as the 'Respondent').
2. The Complainant *inter-alia* stated that the Respondent while in practice as a Company Secretary is also acting as a full time sub-broker of M/s. LSE Securities Ltd., under the name and style of M/s. RCS Securities Pvt. Ltd. Thus he is in practise as well as carrying out business as of sub-broker simultaneously. The Complainant further stated that the Respondent took a loan of Rs. 2, 00,000/- from him. The Complainant further stated that the Respondent promised him that he will purchase shares on his name, however, the Respondent neither purchased shares nor returned the said loan amount. In fact the Respondent issued two cheque no(s) 799786 dated 28th February, 2015 and 799787 dated 31st March, 2015 for repayment of principal amount. However, the said cheques were returned by his banker M/s. Punjab National Bank, Feroze Gandhi Market with the remark 'Funds Insufficient'. The Complainant further stated that it has come to his notice that the Respondent has also duped money of others.







3. Pursuant to sub-rule (3) of Rule 8 of the Rules, a copy of the complaint was sent to the Respondent vide letter dated 15th May, 2015 calling upon him to submit his written statement. However, the letter dated 15th May, 2015 sent to the Respondent calling upon him to file the written statement was received back in the Institute as undelivered. The Respondent vide mail dated 23rd May, 2015 was asked to provide his communication address which he provided vide e-mail dated 25th May, 2015. The Respondent vide letter dated 25th May, 2015 was called upon to submit his written statement. The Respondent vide letter dated 11th June, 2015 submitted the written statement.
4. Pursuant to sub-rule (4) of Rule 8 of the Rules, a copy of the written statement was sent to the Complainant vide letter dated 16th June, 2015 asking him to submit the rejoinder, however said letter was received back in the Institute. The Complainant vide letter dated 23rd June, 2015 was once again asked to submit the rejoinder, however said letter was also received back undelivered. The Complainant vide e-mail dated 1st July, 2015 was asked to submit his communication address. The Complainant vide e-mail dated 2nd July, 2015 requested to provide a scanned copy of the written statement. The Complainant vide e-mail dated 2nd July, 2015 was informed that there is no such provision in the Company Secretaries Act, 1980 for sending the scanned copy of the written statement. A letter dated 14th July, 2015 was sent to the Complainant calling upon him to submit the rejoinder. The Complainant vide letter dated 24th July, 2015 submitted the rejoinder. A letter dated 29th July, 2015 received from the Complainant submitting additional paper in the matter.
5. The Respondent in his written statement has inter-alia stated that he is a PCS and rendering professional services on corporate to various Bodies/Corporate. The Complainant has neither appointed him for providing Corporate Law Services nor he has offered/accepted to render such professional services. So there is no question of being negligent in the conduct of his Professional duties. The Respondent further stated that he is not a sub-broker of M/s. LSE Securities Ltd., and he never rendered any share - broking services in his Professional capacity as he is neither a member of any Stock Exchange nor of SEBI registered sub-broker of a member of a Stock Exchange.
6. The Director (Discipline) had formed prima-facie opinion wherein he has opined the Complaint relates to duping of Rs. 2 lac of the Complainant by the Respondent and bouncing of cheque(s), which indicates the dealings of financials and general conduct of the



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Respondent. The financial transaction(s) between the Complainant and the Respondent is outside the ambit of the Company Secretaries Act, 1980 and may be dealt in accordance with the appropriate laws. Hence, the Respondent is *prima-facie* appears to be not guilty under the Company Secretaries Act, 1980.

7. The matter was placed earlier before the Board of Discipline on 6th January, 2016, after considering the matter the Board Of Discipline had decided to refer the matter to the Council for its opinion as to whether the aforesaid conduct of the Respondent has brought disrepute to the profession or the Institute or not.

8. In this regard, kind attention is also drawn to Section(2)(2)(c)(iv) of the Company Secretaries Act,1980 which provides as under-

"(2) Save as otherwise provided in this Act, a member of the Institute shall be deemed "to be in practice" when, individually or in partnership with one or more members of the Institute in practice or in partnership with members of such other recognized professions as may be prescribed, he, in consideration of remuneration received or to be received,—

(a).....

(b).....

(c) offers to perform or performs such services as may be performed by—

(i).....

(ii)...

(iii)...

(iv) a share and stock broker,

9. Accordingly, in terms of Clause (2) of Part IV of the First Schedule of the Company Secretaries Act, 1980 the matter is being placed before the Council at its 235 meeting held on 11th February, 2016, for forming its opinion as to whether the aforesaid conduct of the Respondent has brought disrepute to the profession or the Institute. The Council had deferred the matter.

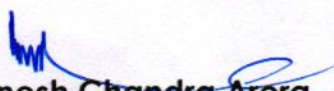
10. In terms of Clause (2) of Part IV of the First Schedule of the Company Secretaries Act, 1980 the matter was placed before the Council at its




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236th meeting held on 29-30th March, 2016 for forming its opinion as to whether the aforesaid conduct of the Respondent has brought disrepute to the profession or the Institute. The Council considered the *prima-facie* opinion of the Director (Discipline), observations of the Board of Discipline, material on record, nature of issues involved in this matter. After considering the same and in the totality of facts and circumstances of the matter, the Council decided to refer the matter back to the Board of Discipline for its reconsideration. In case the Board of Discipline still feels that matter is required to be referred to the Council, the Board of Discipline may refer the matter with appropriate rationale and with a specific proposition on which the decision of the Council has to be taken for forming its opinion on matters causing disrepute under Clause (2) of Part IV of the First Schedule to the Company Secretaries Act, 1980.

11. The Board of Discipline reconsidered its decision and after considering and material on record and in the totality of facts and circumstances of the matter agreed with the *prima-facie* opinion of Director (Discipline) that the Respondent is *prima facie* not guilty of professional or other misconduct under the Company Secretaries Act, 1980 as the the allegation in the Compliant pertains to the financial transaction(s) between the Complainant and the Respondent and is outside the ambit of the Company Secretaries Act, 1980 and decided to close the matter. Accordingly, the Complaint stands disposed off.


CS Dinesh Chandra Arora
Member


CS Ashish Doshi
Presiding Officer




CS C Ramasubramaniam
Member