

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – IV (2025-2026)]

[Constituted under Section 21B of the Chartered Accountants Act, 1949]

Findings under Rule 18(17) read with Rule 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

File No:-[PR/34/2018-DD/54/2018/ DC/1755/2023]

In the matter of:

Shri Rahul Kumar

Flat No. 2-B,
Block E 4, Sail City,
New Pundag Ranchi,
Ranchi – 834004

.....Complainant

Versus

CA. Davendra Nath Bhardwaj (M. No. 084643)

Partner, M/s Kailash Sushil & Associates.
Chartered Accountants
Flat No. 404, Block A2,
Printers Apartment, Plot No. 18,
Sector 13, Rohini
Delhi - 110085

.....Respondent

MEMBERS PRESENT:

CA. Prasanna Kumar D, Presiding Officer (In person)

Shri Vijay Kumar Jhalani, Advocate, Government. Nominee (In person)

CA. Mangesh P. Kinare, Member (In person)

CA. Satish Kumar Gupta, Member (In person)

DATE OF FINAL HEARING : 03rd October 2025

PARTIES PRESENT:

Complainant: Shri Rahul Kumar (Through VC)

Respondent: CA. Devendra Nath Bhardwaj (Through VC)

Counsel for Respondent: Shri Lakshya Gupta, Advocate (Through VC)

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1. **Background of the Case:**

- 1.1 The Respondent has rendered his professional services in respect of registration of **M/s VM Classes Pvt. Ltd** (hereinafter referred to as "Company") in which the Complainant and other two persons, namely Mr. Rajeev Ranjan Kumar and Mr. Kumar Saurabh were appointed as Directors and at the time of incorporation of the Company, all these three Directors had equal shareholding i.e., 5000 each.

2. **Charges in brief:**

- 2.1 The Respondent in connivance with other two directors fraudulently enhanced the shareholding pattern of the Company from 15000 shares to 35000 shares using digital signature of the Complainant without his consent, enhanced shares were equally allotted to the remaining two directors except the Complainant (i.e., 10000 shares each was allotted to Mr. Rajeev Ranjan Kumar and to Mr. Kumar Saurabh). The Complainant has also alleged that the Respondent has taken money from the other Directors and had committed the professional misconduct which resulted tremendous loss to him.
- 2.2 The Respondent in the year 2014, in connivance with other two directors, forged Complainant's digital signature on 'Notice of Interest by Directors' which was filed under Section 184 (1) of the Companies Act, 2013 and Rule 9 (1) of the Companies (Meeting of Board & its Powers) Rules, 2014 and had uploaded the 'Notice of Interest by Directors' with the ROC. Further, he had requested to the Respondent to provide the above document which was uploaded on the MCA but he did not do so. Therefore, he had filed a Complaint against the Respondent and other two directors vide CC No. 1412/16 in the court of CJM Patna (Bihar).

3. **The relevant issues discussed in the Prima facie opinion dated 12th December 2022 formulated by the Director (Discipline) in the matter in brief, are given below:**

- 3.1. In connection to the preliminary objection raised by the Respondent that Form -1 which as per the Respondent lead to defective Complaint, it is noted that there is column in Form I for mentioning of particulars of allegations together with corresponding clauses/ part of the relevant schedule (s) under which the alleged acts of commissions or omissions or both would fall, but non-mentioning of such clauses or wrong mentioning them in the Complaint does not make the Complaint defective as being claimed by the Respondent.

3.2. Further, it is clarified that it is the allegation (s) which needs to be defended by the Respondent based on Complaint/ documents received from the Complainant and merely non-mentioning of corresponding clauses of CA Act 1949 do not make the allegations invalid. In this regard, the Complaint was scrutinized in terms of the provisions of Rule 5 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 and was found to be in order and was accordingly registered. Therefore, the instant objection raised by the Respondent is not maintainable and accordingly the matter has been dealt with on merits only.

3.3. As regards first leg of first allegation, the Respondent in connivance with other two directors fraudulently enhanced the shareholding pattern of Company from 15000 shares to 35000 shares using the digital signature of the Complainant without his consent. The Complainant has alleged that the said enhanced shares were equally allotted to the remaining two directors namely Mr. Rajeev Ranjan Kumar and Mr. Kumar Saurabh except the Complainant.

3.4. In response to the same, the Respondent stated that the financial statements of the Company were duly signed by the Complainant along with one other Director, Shri Kumar Saurabh and in the said financial statements for the financial year 2012-13, in Note No. 1 of the Balance Sheet, the revised shareholding pattern has been specifically provided. The Respondent further stated that the Complainant had signed the Balance Sheet as on 31.03.2013. In this regard, it is noted that the Respondent has also brought on record copy of Form -2 which is duly digitally signed by the Complainant himself.

3.5. Further, the Respondent brought on record copy of Board Resolution passed in the Board Meeting held on 7th June, 2011 which was duly signed by one of the director of the Company namely Mr. Rajeev Ranjan Kumar and contents of the said Resolution are as under:

"Resolved that pursuant to Section 16, Section 94 and all other applicable provisions of the Companies Act, 1956, if any and in accordance with the provisions of the Articles of Association of the Company, the consent of the Board be and is hereby accorded to the Company to increase the paid up share capital of the Company from Rs. 150000 divided into 15000 Equity Shares of Rs. 10 each to 350000- divided into 35000 Equity Shares of Rs. 10 each by allotting 20000 shares Equity Shares of Rs. 10 each as per the list placed before the meeting and initiated by the Chairman for the purpose of identification."

- 3.6. In view of the aforesaid copy of Board Resolution brought on record by the Respondent approving increase in shareholding of the Company and disclosure given in the financial statements in respect of increased shareholding and allotment, it cannot be stated that the Respondent failed to verify relevant documents w.r.t increase and issuance of shares to other directors of the Company. In addition to above, it is observed that shares were allotted to the Directors namely Mr. Rajeev Ranjan Kumar and Mr. Kumar Saurabh on 7th June, 2011 and the Complainant appears to have admitted said fact by putting his signature on the financial statements for the financial year 2012-13 wherein revised shareholding of Complainant, Kumar Saurabh, Rajeev Ranjan Kumar has been shown as 5000, 10000, 10000 respectively in Note No.1. In view of the above and signature of the Complainant which has not been disputed by him in the instant Complaint, it appears that the Complainant was fully aware about the allotment of additional shares to other two directors. Accordingly, the Respondent was held prima facie **NOT Guilty** of Professional Misconduct falling within meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.
- 3.7. As regards the Second leg of First allegation, the Complainant alleged that the Respondent had misused his digital signatures without his consent. In this regard, it is noted that the Complainant has failed to bring on record any evidences which may show that Complainant has given his digital signature to the Respondent for any use or which could show that the Respondent had misused his signature. Hence, the Complainant had made allegation without any corroborative evidences to substantiate his claim. Accordingly, in absence of any evidence, the instant allegation does not stand on its legs and accordingly, the Respondent was **NOT Guilty** of Other Misconduct falling within meaning of Clause (2) of Part IV of First Schedule to the Chartered Accountants Act, 1949.
- 3.8. As regards second allegation, the Respondent in connivance with other two directors forged Complainant's digital signature on Notice of Interest by Directors which has been filed under section 184(1) and Rule 9(1) and uploaded the said document with the ROC. It was further alleged that the Complainant requested the Respondent to provide the above document but he did not do so. In response to the same, the Respondent stated that the Complainant had himself signed and provided Form No. MBP- 1 'Notice of Interest by Directors dated 02.06.2014 which is filed in physical with the Board of Directors in terms of requirement of Section 184(1) of the Companies Act, 2013 and it cannot be termed to be a forged document.

3.9. In view of the fact that Form was signed by the Complainant physically and further, the same was neither signed nor certified by the Respondent, the allegation of forging the digital signature of the Complainant on 'Notice of Interest by Directors' is not maintainable against the Respondent. Further, the allegation of the Complainant that the Respondent failed to provide the documents to him despite requests made by him, it was noted that the Complainant himself is the Director of the Company and he was very well within his right to seek/ inspect any documents records which he want at the registered office of the Company and it was not known as to how and why he was seeking the same from the Respondent. Further, there was nothing on record to show that the Complainant has demanded for any document/ record from the Respondent which he refused to provide. Accordingly, the Respondent was held prima facie **Not Guilty** of Professional Misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

3.10. Accordingly, the Director (Discipline) in terms of Rule 9 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, held the Respondent prima facie **NOT GUILTY** of Professional Misconduct / Other Misconduct falling within the meaning of Clause (7) of Part I of Second Schedule and Clause (2) of Part IV of First Schedule to the Chartered Accountants Act, 1949. The said Clauses of the Schedule to the Act, states as under:

Clause (7) of Part I of the Second Schedule:

"A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct if he:

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(7) does not exercise due diligence or is grossly negligent in the conduct of his professional duties."

Clause (2) of Part IV of First Schedule

"A Chartered Accountant in practice shall be deemed to be guilty of Other misconduct if he:

X X X X X X X

(2) in the opinion of the Council, brings disrepute to the profession or the Institute as a result of his action whether or not related to his professional work."

3.11 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Board of Discipline in its meeting held on 5th April, 2023. The Board on consideration of the same noted that the Complaint filed by the Complainant against the Respondent and two directors

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vide CC no. 1412/16 in the Court of CJM, Patna, Bihar was still under investigation. The Complainant while submitting additional documents sought under Rule 8(5) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 expressly stated that the copy of the Board resolution dated 7th June 2011 which was attached with Form 2 was forged and did not contain his original signature. He also contented that he was not present during the Board meeting held on 7th June 2011 where the resolution for increasing the paid-up share capital of the company was passed. He also expressly denied having signed the Financial Statement of the company at any page which had been brought on record by the Respondent along with his written statement. The Board noted that the said contentions of the Complainant had not been duly countered in the Prima Facie Opinion. In view of the same, the Board was of the view that the conduct of the Respondent needs further examination in respect of the allegations made against him. Accordingly, the Board did not concur with the reasons given against the charge(s) and did not agree with the Prima Facie Opinion of the Director (Discipline) that the Respondent was Not Guilty of "Professional and Other Misconduct" falling within the meaning of Clause (7) of Part I of the Second Schedule and Clause (2) of Part-IV of the First Schedule to the Chartered Accountants Act, 1949 read with Section 22 of the said Act and decided to refer the case to Disciplinary Committee to proceed under Chapter V of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

4. Date(s) of Written Submissions/Pleadings by parties:

The relevant details of the filing of documents in the instant case by the parties are given below:

S.No.	Particulars	Dated
1.	Date of Complaint in Form 'I' filed by the Complainant	20 th January, 2018
2.	Date of Written Statement filed by the Respondent	17 th April, 2018 25 th April, 2018
3.	Date of Rejoinder filed by the Complainant	---
4.	Date of Prima Facie Opinion formed by Director (Discipline)	12 th December 2022
5.	Written Submissions filed by the Respondent after PFO	21 st June 2023 1 st October, 2025
6.	Written Submissions filed by the Complainant after PFO	15 th June 2023 3 rd October, 2025

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5. Written Submissions filed by the Respondent:

5.1 The Respondent vide letter dated 21st June 2023, inter-alia, made the submissions which are given as under:-

- (i) The Board of Discipline had erred Rule 9(3) of CA Rules by concurrently recording the observation that matter requires further investigation. In view of said Rule, it is evident that BOD has been vested with power to exercise either of options prescribed in sub-rule (3) but two option prescribed therein cannot be exercised simultaneously.
- (ii) The impugned contention raised by the captioned complainant vide letter dated 18.08.2018 i.e. after the expiry of more than 7 years from the execution of impugned transaction i.e. issuance of additional shares to remaining directors of said company, alleging that certain documents are not signed by him but has been forged, which was not even alleged originally in Form I filed before your good self, is purely an afterthought and a bunch of blatant lies being impugned documents were duly available with the company and also in public domain.
- (iii) The Respondent had duly verified documentary evidence brought in the record by the shareholders of the said company and had obtained necessary satisfaction regarding the authenticity and veracity of said details/documents, before making necessary compliances based upon such detail, whereas nowhere in the impugned complaint filed by the captioned complainant, not a single documentary evidence indicating malicious conduct has been brought on record.
- (iv) 'Examination Report' dated 07.04.2018 issued by Sh. Rajesh Verma, a forensic expert in handwriting, whereby said expert had duly analyzed the signature of the captioned complainant available on impugned Audited Financial Statement for FY 2012-13 alleged to be a forged signature, in comparison with other admitted signatures made by him and concluded that the alleged forged signature are genuine signatures.
- (v) The only documentary evidence brought on record by the captioned complainant was a letter of appreciation dated 08.07.2011 issued by Sun Shine Residential Public School in favour of the captioned complainant indicating that he was engaged with some workshop conducted by said school between 06.07.2011 to 08.07.2011 but it is clearly evident that impugned board resolution was passed on 07.06.2011 which is nowhere covered by such period of workshop.
- (vi) Thereby, merely placing allegations against him in the impugned complaint or in the impugned rejoinder without any- corroborative evidence cannot be a valid basis for
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conducting an unwarranted investigation against the undersigned respondent, where the undersigned respondent had duly established with documentary evidence that impugned allegations are perverse to the facts of the matter.

5.2 The Respondent vide email dated 1st October 2025, inter-alia, made the submissions which are given as under:-

- (i) He submitted that he had duly obtained necessary documentary evidences and managerial representation substantiating the fact that necessary funds have been received by the company in respect of issuance of said additional 20,000 shares to Sh. Kumar Saurabh and Sh. Rajeev Ranjan in equal proportion.
- (ii) Further, upon verification of records of the company, it was noted that both these shareholders paid cash of Rs. 1,00,000/- each for subscribing said additional shares and the source thereof, was duly verifiable from their respective bank statements being they have withdrawn substantial cash on different dates prior to said date of allotment. Pertinently, in this regard, Sh. Kumar Saurabh and Sh. Rajeev Ranjan had furnished an affidavit confirming the source of said cash paid to company for subscribing said additional shares and submitted the copy of the same.
- (iii) Further, to prove availability of cash in the hands of allottees, for instance, personal bank statements of Sh. Kumar Saurabh evidencing substantial cash withdrawals from bank on dates prior to allotment of said additional shares are also submitted.

6. Written Submissions filed by the Complainant:

6.1 The Complainant vide letter dated 15th June 2023, inter-alia, made the submissions which are given as under:-

- (i) He was not present in the Board meeting held on 07.06.11 where the resolution for increasing the paid-up share capital of the company was passed. He also denied having signed the financial statement of the Company on any page which has been brought on record by Respondent.
- (ii) The other two directors opened up a new competing company, namely Vidya Mandir Global Institute Pvt. Ltd. that is similar to the already existing company VM Classes Pvt. Ltd. in which the Complainant was Director.
- (iii) That the Complainant was never given notice of such a meeting or was part of such meeting and this has been fraudulently conducted against the Companies Act and Secretarial Standard.
- (v) No Procedure was followed regarding the circulation of minutes for signature by each participant in the meeting. For a resolution to pass the draft resolution and necessary papers

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along with should be sent to all the directors by any means and no such procedure was followed.

- (vi) The Complainant was not offered right share issue being an existing shareholder. Either it was accepted or would have renounced the same in favour of any other person. This procedure was not followed, and this was not checked by the Respondent while filing the ROC form for enhancement of the paid-up capital.
- (vii) The financial statements for the year 2012-13 were physically signed by the Complainant but the fact of the matter is that the sign is forged by the Respondent in collusion with the other 2 directors.
- (viii) The bare perusal of the private handwriting experts opinion relied upon by the Respondent is enough to notice how the signature is very different from the original signature.
- (ix) The forgery of signature is nothing new with the Respondent as the letter dated 20.06.2011, Appointment as Statutory Auditors of the company for the year 2011-12 also has a forged signature which can be clearly seen from the handwriting in the signature.
- (x) The Respondent should submit proof that the form was given physically and the signature should be forensically tested by a neutral handwriting expert as the respondents have forged a lot of signatures which are clearly visible that they are forged under a bare glance.
- (xi) Not only this but the fact that neither the respondent nor the company ever provided any documents as requested further highlights the ill intent and malafide behaviour. That there are no as such signatures of the complainant after the said financial statements even though financial statements till 2018 were filed further highlights that the illegal and fraud issue of shares were hidden from me.
- (xii) Respondent should be put to strict proof for every allegation as they are trying to evade their duty under the garb of procedures and in genuine handwriting opinion.
- (xiii) Documents provided as Incorporation certificate of Vidhyamandir Global Institute Pvt. Ltd., Printout of mail sent by Respondent dated 15th June 2015, certificate of a workshop conducted by the school, appointment as statutory auditor of the Company, Copy of Cognizance by Honorable Court.

6.2 The Complainant vide e-mail dated 3rd October, 2025, submitted the related document/s showing his presence in a workshop on 7th June, 2011 and proof of payment of 1 Lakh in the Company's account on 9th July, 2011.

7. Brief facts of the Proceedings:

7.1. The details of the hearing(s)/ meetings fixed and held/adjourned in said matter is given as under:

S.No.	Date of meeting(s)	Status
1.	25 th October 2023	Complainant and the Respondent put on Oath
2.	23 rd September 2025	Part heard and adjourned.
3.	03 rd October 2025	Hearing concluded and decision taken.

7.2 On the day of first hearing on 25th October 2023, the Committee noted that the Complainant and the Respondent were present through Video conferencing mode. Being first hearing of the case, the Complainant and the Respondent were put on oath. Thereafter, the Committee enquired from the Respondent as to whether he was aware of the charges, and then charges against the Respondent were read out. On the same the Respondent replied in the affirmative and pleaded Not Guilty to the charges levelled against him. In view of Rule 18(9) of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee adjourned the case to later date.

7.3 On the day of hearing on 23rd September 2025, the Committee noted that as regards the first allegation, the Complainant has stated that his digital signature was misused by the Respondent to file Form-2 for increasing the shareholding of the company without his consent. The Respondent countered that the Form-2 as filed was authentic and supported by management representations and board resolutions signed by other directors. The Complainant contested the authenticity of the Form-2 and claimed he was not informed about the shareholding changes. The Respondent argued that the Complainant failed to provide evidence of misuse and emphasized that the Form-2 as filed was available on the MCA portal, proving its authenticity.

As regards the second allegation, the Complainant claimed that his signature on the financial statements for 2012-13 was forged, possibly using blank signed sheets, he had provided earlier for rental agreements. He stated that he was unaware of the financial statements and board resolutions, which were allegedly prepared without his knowledge. The Respondent refuted these claims, citing a handwriting expert report that verified the signatures as genuine. The Committee noted that while the handwriting expert report is not conclusive evidence, but the Complainant did not provide substantial proof to counter it.

The Complainant raised issue regarding the formation of a competing company by the other directors and the siphoning of funds to relatives of the directors. The Committee clarified that the scope of the hearing is limited to the allegations in Form-1 and cannot be expanded.

The Committee noted that there is delay in filing Form-2 and lack of evidence regarding the payment for the increased shareholding. The Complainant was asked to provide proof of director remuneration and other relevant documents. The Respondent was directed to submit evidence of payment for the new shares and the company's bank statements for the relevant period.

- 7.4. On the day of hearing on 3rd October, 2025, the Committee noted that the Complainant and Respondent along with his counsel were present through video-conferencing. The Counsel for the Respondent stated that bank statements of allottees showing cash withdrawals and payments made in cash have been submitted.
- 7.5. The Complainant informed that related document/s showing his presence in a workshop on June 7, 2011 has been submitted. He contended the claims of cash payments by other Directors, stating he made payments directly to the company's account on 9th July, 2011. He further asserted that no communication was sent to him via post or email regarding the matter.
- 7.6. The Committee in this regard noted that the Director (Discipline) in his PFO dated 12th December 2022 has held the Respondent prima facie 'Not Guilty' in respect of all the allegations. However, the Board of Discipline did not concur with reasons given by the Director (Discipline) in view of the fact that the contentions of the Complainant regarding his denial of having signed the financial statements of the company, copy dated 07.06.2011 attached with Form 2 does not contain his original signature; had not been duly countered in the PFO. The BOD therefore decided that the conduct of the Respondent needs further examination regarding the allegations made against him.
- 7.7. As regards the matter that the Respondent failed to provide requested documents to the Complainant, the Committee noted that the Complainant, as a director of the company, could have access to the records directly at the registered office. Further, the Complainant failed to provide evidence showing that the Respondent refused to provide documents.
- 7.8. Based on the documents/material and information available on record and the oral and written submissions made by the parties, and on consideration of the facts of the case, the Committee concluded the hearing in subject matter and took the decision on the conduct of the Respondent.

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8. **Findings of the Committee:**

- 8.1 The Committee noted that it has been alleged that the Respondent connived with the two other directors of M/s V M Classes Pvt. Ltd. in fraudulent increase of the share capital of the company and its allotment to the directors using his digital signature without his consent. Further, it was also alleged that the he had taken money from other two directors and conducted professional misconduct.
- 8.2 The Committee noted from the submission of the Respondent that for increase of the share capital, a Board resolution was passed in the meeting of Board of Directors held on 07-06-2011 which was signed by one of the Director of the Company. Further, the changes in the share capital and the share holding pattern were also disclosed in the financial statements of the company for the FY ended on 31-03-2013 and the financial statements were also signed by the Complainant, and thus, he was in the knowledge of change in the shareholding of the company. Further, with regard to forged signatures, Respondent furnished handwriting expert report in respect of his signatures which were found on the balance sheet and other admitted signatures, including the signature found on Form-1 which was physically fit. Handwriting expert reported that these signatures of complainant are genuine.
- 8.3 The Committee further noted the written submissions of the Complainant that he was not present in stated Board Meeting where resolution purported to have been passed since he was attending a workshop in Maner, Patna, and thus he was unaware of Board's approval on change in the shareholding pattern. The submission of the Complainant was also noted that he was not offered to subscribe to the increased share capital of the company. Further, the signature of the Complainant on the financial statements for FY 2012 – 13 as well as on Form 2: (Return of Allotment) are forged.
- 8.4 The Committee also noted the, submissions of the Respondent that the workshop claimed to be attended by the Complainant on day of meeting in which resolution was passed is also not correct as the workshop was held in between 06.07.2011 to 08.07.2011 whereas board meeting was held on 07.6.2011. The Committee also noted the submission of the Respondent regarding signature of the Complainant on the financial statements for FY 2012-13 were certified as genuine, by the forensic expert. The Committee also observed discrepancies in the Complainant's statements regarding the signed blank sheets and their alleged misuse. The Complainant admitted to provide signed blank sheets to the other Directors for rental agreements, which may have been used to print financial statements. However, the Committee found no direct evidence linking the Respondent to the alleged misuse of these signed sheets.

- 8.5 Regarding the delay in filing Form-2, the counsel on behalf of Respondent explained that the company had approved the filing in July or August 2012, which led to the delay. He stated that the financial statements for the year ending March 2012 were signed in August 2012, and Form-2 was filed in September 2012. The counsel emphasized that the Complainant's allegations regarding the formation of a competing company in 2014 without his consent and the misuse of company resources were not part of the original complaint and should not be considered in the proceedings.
- 8.6 The Committee also noted that the revised shareholding pattern was disclosed in the financial statements for FY 2012-13, signed by the Complainant and that Form-2, digitally signed by the Complainant, was filed with the Registrar of Companies. It was, also, noted that being a Director of the Company, the Complainant had every right to inspect the records of the company including the records regarding increase of share capital. The Committee noted that the Complainant failed to provide evidence showing misuse of his signatures/digital signature by the Respondent.
- 8.7 The Committee noted that the Respondent filed bank statements of all allottees indicating that there were cash withdrawals and they have paid the capital subscription in cash and also submitted the Affidavits by directors namely Mr Saurabh Kumar and Mr. Rajiv Kumar Ranjan confirming regarding non-filing of Form-2 raised by the Respondent. The Committee further noted that there was a criminal complaint which Mr. Rahul Kumar has filed before the Court. In the criminal complaint filed against the Respondent and two directors of the company i.e. Mr. Rajiv Rajan and Mr. Saurabh Kumar, Hon'ble Court has already granted anticipatory bail to all the parties in 2018 itself after considering all the facts and circumstances of the case.
- 8.8 Thus, considering the facts and documents/ submissions on record, the Committee noted that there was no documentary evidence to establish that the share capital of the company was increased fraudulently without the knowledge of the Complainant and the signature of the Complainant were forged in the financial statements of the Company for the FY 2012-13.
- 8.9. Thus, looking into the facts and circumstances of the case, the Committee was of the view that no case of misconduct is made out against the Respondent and accordingly, decided to hold the Respondent **Not Guilty** of Professional and Other Misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule and Clause (2) of Part IV of First Schedule to the Chartered Accountants Act, 1949 in respect of the Charge alleged against him.

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8.10 As regard to the **second allegation**, the Committee noted that it was alleged that Respondent had connived in forging the digital signature of the Complainant on MBP-1 form 'Notice of Interest u/s 184 of Companies Act, 2013' and uploaded the same with ROC.

8.11 The Committee noted that Section 184 (1) of the Companies Act 2013 requires that every director to make disclosure of his interest or concern in any company or firm or body corporate or any association of individuals at the first Board meeting or when there is any change in the interest of Directors. It is the responsibility of the director to disclose his concern or interest including shareholding interest in any other organisations.

8.12 Further, with regard to signature of Complainant on MBP 1 form, the same was found to be genuine signature of the Complainant as per handwriting expert's report. The Complainant failed to provide evidence showing misuse of his signatures/digital signature by the Respondent. The Committee noted the submission of the Respondent that 'Notice of Interest' was not filed digitally with the authority but was filed in physical mode and signed by Complainant himself. It was further noted that the said MBP 1 Form was neither signed nor certified by the Respondent.

8.13 Thus, considering the facts and documents/ submissions on record, the Committee noted that there was no documentary evidence to establish the forgery of signature or involvement by the Respondent. Accordingly, the Committee held the Respondent **NOT GUILTY** of Professional misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 in respect of the charge alleged.

9. CONCLUSION:

9.1 In view of the Findings stated in the above paras, vis-à-vis material on record, the Committee gives its charge wise findings as under: -

Charges (As per PFO)	Findings	Decision of the Committee
Para 2.1 as above.	Para 8.1 to. 8.9 as Above.	NOT GUILTY - Clause (7) of Part I of Second Schedule and Clause (2) of Part IV of First Schedule.
Para 2.2 as above.	Para 8.10 to. 8.13 as Above.	NOT GUILTY - Clause (7) of Part I of Second Schedule.

10. In view of the above observations, considering the oral and written submissions of the Respondent and material on record, the Committee held the Respondent **NOT GUILTY** of Professional and Other Misconduct falling within the meaning Clause (7) of Part I of Second Schedule and Clause (2) of Part IV of First Schedule to the Chartered Accountants Act, 1949.

11. **ORDER:**

Accordingly, in terms of Rule 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee passes an Order for closure of this case against the Respondent.

Sd/-
(CA. PRASANNA KUMAR D)
PRESIDING OFFICE

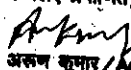
Sd/-
(ADV. VIJAY JHALANI)
GOVERNMENT NOMINEE

Sd/-
(CA. MANGESH P KINARE)
MEMBER

Sd/-
(CA. SATISH KUMAR GUPTA)
MEMBER

Date: 05th January 2026

Place: Noida

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

अरुण कुमार / Arun Kumar
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