

BOARD OF DISCIPLINE

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

FINDINGS OF THE BOARD OF DISCIPLINE UNDER RULE 14 (9) READ WITH RULE 15 (2) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

File No: PR/G/93/2020/DD/220/2020/BOD/789/2025

CORAM: (PRESENT IN PERSON)

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

IN THE MATTER OF:

Shri. Yogeshwar Sharma

Deputy Director, Directorate of Enforcement (ED),
1st and 2nd Floor, MTNL Building, JLN Marg,

New Delhi-110002..... Complainant

Versus

CA. Parvin Juneja (M No. 82670)

40/43, Second Floor,
Chittaranjan Park,

New Delhi – 110019.....Respondent

Date of Final Hearing : 08th December 2025
Place of Final Hearing : ICAI Bhawan, New Delhi

PARTY PRESENT (IN PERSON):

Respondent : CA. Pravin Juneja
Counsel for Respondent : CA. Shubham Paliwal
Complainant Department : Shri. Gautam Hasti, Assistant Director

FINDINGS:

BACKGROUND OF THE CASE:

1. The Shamken Group of Companies was established in 1986 and commenced its commercial operations during the financial year 1988–89. Over the years, the group expanded through the incorporation of several companies engaged in manufacturing and trading activities. The Respondent had been associated with the group since 1988 and was entrusted with the management of its financial affairs. He served as Director (Corporate Finance) on the Boards of various group companies and reported directly to the Managing Director, Shri H. B. Chaturvedi, thereby occupying a position of significant control and responsibility in relation to financial decision-making and banking transactions.

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2. On 17th November 2008, the Central Bureau of Investigation registered a preliminary enquiry against the promoters, directors, the Respondent, and Shamken Group entities, alleging large-scale financial frauds. It was alleged that the accused persons entered into a criminal conspiracy to obtain loans from banks and financial institutions by misrepresenting facts and submitting false and forged documents. Pursuant to the investigation, the CBI filed a charge-sheet on 13th May 2010, before the Court of the Chief Metropolitan Magistrate, Delhi, charging the accused with offences under Sections 120B read with Sections 420, 468 and 471 of the Indian Penal Code 1860.
3. The investigation revealed that, in multiple transactions, the Respondent allegedly submitted forged Chartered Accountant certificates, fabricated invoices, false project status reports, and other falsified documents to institutions such as IDBI, EXIM Bank, and UCO Bank. These documents were used to show fictitious expenditure on plant and machinery and progress of expansion projects, thereby inducing the banks to sanction and disburse term loans and working capital facilities to various Shamken Group companies. In several cases, the purported issuers of the CA certificates denied having issued such documents.
4. It was further alleged that, after disbursement, the loan proceeds were not utilized for the purposes for which they were sanctioned. Instead, the funds were allegedly diverted to other group companies, rotated through multiple accounts, and used for unauthorized purposes, including repayment of existing liabilities, in violation of the terms and conditions of the loan agreements. The Respondent, owing to his role as Director (Corporate Finance), was alleged to have actively facilitated and executed these diversions in connivance with other accused persons.
5. Based on eight FIRs registered by the CBI, the Directorate of Enforcement registered eight Enforcement Case Information Report (ECIR) under the Prevention of Money Laundering Act, 2002. A consolidated investigation led to the provisional attachment of properties valued at Rs. 96.38 Crore, being equivalent to the alleged proceeds of crime. The overall factual matrix, therefore, depicts a systematic scheme involving fraudulent procurement of bank loans and diversion of funds, in which the Respondent is alleged to have played a central and instrumental role.
6. The Director Discipline vide his Prima Facie Opinion dated 18th December 2024, held the Respondent Guilty in respect of the allegations made out in the instant complaint for the reasons as recorded in the said PFO.

CHARGE ALLEGED:

7. It is alleged that the Respondent, being Director (Corporate Finance) and signatories in the bank accounts of Shamken Group of Companies, had entered into a criminal conspiracy with its CMD & Directors and other unknown persons and assisted them in commission of various financial frauds by misrepresenting facts and furnishing false and fabricated information/documents with the banks and financial institutions and as such, had been instrumental in obtaining the loans, diverting the same to other accounts of the Shamken Group of Companies, for repayment of loans, not utilizing the loans for the purpose for which the same were sanctioned and thus, caused loss to the banks.

BRIEF OF PROCEEDINGS HELD:

8. The details of the hearing fixed and held in the instant matter are given as below:

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S. No.	Date of Hearing	Status of hearing
1.	18 th August 2025	Adjourned due to nonappearance of parties.
2.	27 th October 2025	Adjourned at the request of Respondent
3.	08 th December 2025	Matter Heard and Concluded.

SUBMISSION OF THE RESPONDENT:

8. The Respondent, vide his submission dated 09th May 2025, has categorically denied the findings as false, baseless, and conjectural, contending that they are founded on mere assumptions rather than on any cogent or admissible evidence. According to the Respondent, the opinion fails to meet the legal threshold required even at a prima facie stage.
9. The Respondent submits that the prima facie opinion is wholly predicated on unverified allegations made by the complainant, which in turn are derived from criminal complaints filed by the Enforcement Directorate (ED) under the Prevention of Money Laundering Act, 2002, and are presently pending adjudication before the Special PMLA Court, New Delhi. He contends that the present disciplinary complaint has also been initiated by an ED officer, resulting in parallel proceedings based on the same set of allegations, none of which have been established or proven by a competent court of law. The Respondent emphasizes that no attachment or seizure of his personal assets has been affected as alleged "proceeds of crime."
10. It is further submitted that the prima facie opinion suffers from serious legal infirmities as it relies upon PMLA proceedings despite there being no specific role attributed to the Respondent in any ECIR or PMLA complaint. The Respondent asserts that he resigned from M/s. Shamken Multifab Ltd. in the year 2003 and that there is no evidence linking him to any alleged proceeds of crime thereafter. He further argues that the IPC offences relied upon by the complainant were included as scheduled offences under the PMLA only in March 2009, whereas the transactions in question pertain to the years 2001–2002, rendering the invocation of PMLA against him legally untenable.
11. The Respondent also highlights that the complainant has failed to identify any distinct or actionable role attributable to him under the provisions of the PMLA, thereby vitiating the very assumption of jurisdiction. He further relies on the complainant's own audit report, which, according to him, contradicts the allegations by confirming the absence of suspicious transactions and the lack of any financial linkage between the Respondent and the concerned entities after 2003. This, he submits, demolishes the factual basis of the allegations.
12. Lastly, the Respondent submits that despite an extensive investigation, no movable or immovable property belonging to him has been identified, attached, or seized as proceeds of crime, a material fact that has been completely overlooked in the prima facie opinion. He criticizes the opinion as being one-sided and mechanically accepting the complainant's narrative without due consideration of his defence. According to the Respondent, such an approach defeats the very purpose of forming a prima facie view, which is intended to weed out frivolous and untenable complaints. On these grounds, he submits that the prima facie opinion is legally and factually unsustainable and deserves to be set aside to prevent misuse of the disciplinary process.

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OBSERVATIONS OF THE BOARD:

13. Upon due consideration of the material placed on record, and the oral arguments addressed before the Board of Discipline, the Board is of the view that the present matter essentially emanates from alleged financial irregularities and diversion of loan funds by the management of the Shamken Group of Companies during the period 1998–2003. It is undisputed that the Respondent was employed with the Shamken Group during the said period and held the position of Director (Corporate Finance) on a salaried basis, without any shareholding, profit participation, or promoter-level control in the affairs of the companies.
14. The Board has taken note of the fact that the allegations against the Respondent are primarily founded on investigations conducted by agencies such as the CBI and the Enforcement Directorate, which culminated in criminal proceedings that remain sub judice before the competent courts. While large-scale loans were admittedly availed by the group companies and a substantial portion of assets have been provisionally attached, it is a matter of record that no movable or immovable property of the Respondent has been attached, seized, or identified as proceeds of crime at any stage of the investigation. Further, despite the Respondent having ceased all association with the Shamken Group in October 2003, no adverse action or allegation was pursued against him for nearly fifteen years thereafter.
15. The Board also notes that, during the present disciplinary proceedings, the Complainant has not placed on record any forged document alleged to have been prepared, signed, or fabricated by the Respondent himself. The absence of such primary evidence, coupled with the inability to demonstrate direct personal gain or wrongful enrichment on the part of the Respondent, materially weakens the case at the professional misconduct stage. While the Respondent may have been associated with the finance and banking functions of the group as part of his employment, the evidence on record does not conclusively establish that he acted independently or dishonestly, as opposed to acting under the directions of the promoter-directors who exercised ultimate control over the business and financial decisions.
16. The Board is further mindful of the significant delay in initiation of disciplinary proceedings, which were instituted long after the Respondent had severed ties with the company and had continued his professional life elsewhere without any intervening allegation. In disciplinary jurisprudence, such prolonged delay, in the absence of compelling justification and clear evidence, militates against sustaining a finding of professional misconduct, particularly when the issues involved are intertwined with complex criminal proceedings pending before judicial forums.
17. In view of the foregoing discussion, and without expressing any opinion on the merits of the criminal cases pending before the competent courts, the Board is of the considered opinion that the charge of "Other Misconduct" under Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949 is not made out against the Respondent. Accordingly, the Respondent is held Not Guilty of the alleged misconduct.

CONCLUSION:

18. Thus, in conclusion, in the considered opinion of the Board, the Respondent is '**NOT GUILTY**' of Other Misconduct falling within the meaning of Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949. Accordingly, the Board passed an Order for closure of the case in terms of the provisions of Rule 15 (2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and

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Conduct of Cases) Rules, 2007. The Board further resolved that this finding shall not be used or relied upon by either party before any authority whatsoever.

19. Ordered Accordingly. The Case stands disposed of.

Sd/-

CA. Rajendra Kumar P
Presiding Officer

Sd/-

Dolly Chakrabarty, IAAS (Retd.)
Government Nominee

Sd/-

CA. Priti Savla
Member

Date:16-01-2026

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

Bishwa
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अनुशासनात्मक निदेशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
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