



# भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

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

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

**ORDER UNDER SECTION 21B (3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 19(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007.**

**File No.: - [PR/G/14/18-DD/34/2018/DC/1841/2023]**

**In the matter of:**

**Additional Superintendent of Police  
Central Bureau of Investigation  
Anti-Corruption-I  
8<sup>th</sup> Floor, CBI HQ,  
Plot No. 5B, CGO Complex,  
Lodhi Road,  
New Delhi – 110003**

**.... Complainant**

**Versus**

**CA. Parminder Singh Oberoi (M. No. 086894)  
Proprietor, M/s P S Oberoi & Associates (FRN 011190N)  
Chartered Accountants  
203, Shiva Complex,  
17/2, Tilak Nagar,  
New Delhi – 110018**

**.... Respondent**

**MEMBERS PRESENT:**

- 1. CA. Prasanna Kumar D, Presiding Officer (In person)**
- 3. Adv Vijay Jhalani, Government Nominee (In person)**
- 4. CA. Mangesh P. Kinare, Member (Through VC)**
- 5. CA. Satish Kumar Gupta, Member (Through VC)**

**DATE OF HEARING: 05<sup>th</sup> February 2026.**

**DATE OF ORDER: 11<sup>th</sup> February 2026**

1. That vide Findings dated 30<sup>th</sup> January 2026 under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Disciplinary Committee was inter-alia of the opinion that **CA. Parminder Singh Oberoi (M. No. 086894)** (hereinafter referred to as the "Respondent") is **GUILTY** of



**भारतीय सनदी लेखाकार संस्थान**  
(संसदीय अधिनियम द्वारा स्थापित)  
**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
(Set up by an Act of Parliament)

Professional Misconduct falling within the meaning of Items (5), (6), (7) & (8) of the Part I of Second Schedule to the Chartered Accountants Act, 1949.

2. That pursuant to the said Findings, an action under Section 21B (3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and communication was addressed to him thereby granting an opportunity of being heard in person/ through video conferencing and to make representation before the Committee on 05<sup>th</sup> February 2026.

3. The Committee noted that on the date of hearing on 05<sup>th</sup> February 2026, the Respondent did not appear for the hearing before the Committee. The Committee also noted that the Respondent was also not present despite granting 13 adjournments during the hearing stage. The Respondent made written submissions dated 04<sup>th</sup> February 2026 on the Findings of the Committee. The Committee noted that the Respondent had sought for leniency and award of minimum punishment in the matter, and accordingly the Committee considered the matter based on the said written submissions of the Respondent. The Committee noted the written submission of the Respondent dated 04<sup>th</sup> February 2026 on the Findings of the Committee, which, inter alia, are as under:

- The Respondent has been a practising Chartered Accountant for the last 38 years with an unblemished professional record and has never been found guilty of any professional or other misconduct. His career has been guided by integrity, independence, and devotion to the profession.
- The present proceedings do not reflect the Respondent's overall conduct, character, or professional standing built over nearly four decades. A single adverse finding, viewed in isolation, does not represent his lifelong commitment to ethical practice.
- The Respondent has never acted with malafide intention, nor has he derived any undue benefit. There was no deliberate attempt to lower the dignity of the profession.



# भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

## THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

- The Respondent is at an advanced stage of his professional life, and any severe punishment would cause irreparable damage to his reputation, livelihood, and standing earned over decades of honest and dedicated service.
- The Respondent requested to take a holistic view looking into long and unblemished professional career.
- The Respondent requested to award the minimum punishment permissible under the Act.

4. The Committee considered the reasoning as contained in Findings holding the Respondent 'Guilty' of Professional Misconduct vis-à-vis written submissions of the Respondent. The Committee noted that the issues/ submissions made by the Respondent as aforesaid have been dealt with by it at the time of hearing under Rule 18.

5. Thus, keeping in view the facts and circumstances of the case, material on record including written submissions of the Respondent on the Findings, the Committee is of the view that the Respondent had audited and certified false / forged financial statements of M/s White Metals as well as of M/s White Tiger Steels Private Limited on the basis of which financial facilities to the tune of Rs.1000 lakhs under cash credit limit from PNB Darya Ganj, New Delhi was availed by M/s White Tiger Steels Private Limited. The Respondent did not produce the necessary documentation, including copy of assessment order, VAT returns, bank statements, proof of VAT registration, records of VAT payments for the relevant financial years (2009-10, 2010-11, and 2011-12), details of sales made in Northeastern states and in Delhi and supporting evidence for the turnover and transactions, as directed by it. In the absence of any supporting documentary evidence(s) to support his submissions, the Respondent has merely relied upon the information given by the management of auditee entities and failed to discharge his professional duties / obligations and to undertake independent verification, and also failed to obtain sufficient information to express his opinion during the course of his audit while the financial statements were materially mis-stated by auditee entity.

(M)

CAK

CAI Branch - C-1, Sector-1, Indira Park, New Delhi-110002 (IN)  
 The Institute of Chartered Accountants of India  
 10, Bahadur Shah Zafar Marg, New Delhi-110002 (IN)  
 Chartered Accountants, Director General of Accounts  
 Ministry of Finance, Government of India



भारतीय सनदी लेखाकार संस्थान  
(संसदीय अधिनियम द्वारा स्थापित)

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

6. The Respondent did not adhere to the prescribed standards for compilation engagements, specifically SRS-4410, which mandates the retention of working papers and proper documentation of the basis for compilation. The absence of supporting evidence for the provisional profit and loss accounts and the lack of clarity regarding the nature of transactions, further undermine the credibility of the Respondent's audit and financial reporting. Hence, the Professional Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 30<sup>th</sup> January 2026 which is to be read in consonance with the instant Order being passed in the case.

7. Accordingly, the Committee was of the view that the ends of justice would be met if punishment is given to him in commensurate with his Professional Misconduct.

8. Thus, the Committee upon considering the seriousness of charge and the gravity of the matter, ordered that the Respondent i.e. CA. Parminder Singh Oberoi (M. No. 086894), New Delhi be REPRIMANDED, removed his name from the Register of Members for a period of one (01) Year and also imposed a fine of Rs. 1,00,000/- (Rupees One lakh only) upon him, which shall be paid within a period of 60 (sixty) days from the date of receipt of the order.

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

Sd/-  
(ADV VIJAY JHALANI)  
GOVERNMENT NOMINEE

Sd/-  
(CA. MANGESH P. KINARE)  
MEMBER

Sd/-  
(CA. SATISH KUMAR GUPTA)  
MEMBER

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy  
*Charan Singh*  
Charan Singh / Charan Singh  
कार्यकारी अधिकारी / Executive Officer  
अनुशासनात्मक विदेशालय / Disciplinary Directorate  
भारतीय सनदी लेखाकार संस्थान  
The Institute of Chartered Accountants of India  
आई.सी.ए.आई. भवन सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)  
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

**CONFIDENTIAL**

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

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

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

**File No.: - [PR/G/14/18-DD/34/2018/DC/1841/2023]**

**In the matter of:**

**Additional Superintendent of Police  
Central Bureau of Investigation  
Anti-Corruption-I  
8<sup>th</sup> Floor, CBI HQ,  
Plot No. 5B, CGO Complex,  
Lodhi Road,  
New Delhi – 110003**

**.... Complainant**

**Versus**

**CA. Parminder Singh Oberoi (M. No. 086894)  
Proprietor, M/s P S Oberoi & Associates (FRN 011190N)  
Chartered Accountants  
203, Shiva Complex,  
17/2, Tilak Nagar,  
New Delhi – 110018**

**.... Respondent**

**MEMBERS PRESENT :**

**CA. Prasanna Kumar D, Presiding Officer (In person)  
Ms. Dakshita Das, IRAS (Retd.), Government Nominee (Through VC)  
Adv. Vijay Jhalani, Government Nominee (In person)  
CA. Mangesh P Kinare, Member (In person)  
CA. Satish Kumar Gupta, Member (In person)**

**DATE OF FINAL HEARING : 21<sup>st</sup> January 2026**

**PARTIES PRESENT :**

**Complainant : Shri Sandeep Chaudhary (Through VC)**

1. **Background of the Case:**

- 1.1 Central Bureau of Investigation (CBI), New Delhi registered a case on 16.12.2015 against Sunny Kalra & Ors. under Section 120B IPC read with Section 406, 420 IPC and Section 13(2) read with Section 13(1)(d) wherein it was alleged that M/s White Tiger Steels Pvt. Ltd through its directors availed financial facilities to the tune of Rs.1,000 lakhs under cash credit limit from PNB, Darya Ganj, New Delhi.
- 1.2 In this regard, entire stock of the Company was hypothecated as security and to secure the said facility, Mr. Sunny Kalra and his wife, Smt. Aarti Kalra stood as guarantors. The facility was further secured by Shri Ashok Kumar by mortgaging built up residential house.
- 1.3 The directors of the Company were irregular in making payment of the instalments and they even stopped making any repayment after 25.06.2014. The hypothecated goods were also later removed by accused persons (i.e., Directors of the Company) without knowledge of the Bank. The accused persons in criminal conspiracy with each other and in connivance with unknown bank officials, have committed criminal breach of trust and cheated the said Bank to the tune of Rs. 10,99,09,096/-.
- 1.4 During investigation, it was revealed that the bank officers in criminal conspiracy with accused private persons had sanctioned and disbursed the said loan to M/s White Tiger Steels Pvt Ltd based on false and forged documents. It was also revealed that M/s White Tiger Steels Pvt Ltd. was not doing any trade/ business, and the loan amount was diverted / laundered by accused persons of their personal use. During the investigation, it was also revealed that the Respondent was the Statutory Auditor of M/s White Metals (TIN No 07550118752), who had prepared documents regarding the said Firm / entities which were submitted with the bank while applying for Cash Credit facility.
- 1.5 The Complainant has stated that the Investigation has however revealed that TIN No. of M/s White Metals stood cancelled w.e.f. 31.3.2007 and it was not conducting any business or trade during the relevant period. It was also revealed during the investigation that the said Company (M/s White Tiger Steels Private Limited) was

referred to CA. Ajay Kumar by the Respondent and that CA. Ajay Kumar had relied upon the professional colleague's (the Respondent) advice and professional competence to judge the business affairs and genuineness of the said Company. It is also stated that the accused Mr. Sunny Kalra and his family members have committed similar fraud with other Banks as well, details of which are as under:

S. No.	Bank & Branch	Name of the Firm	Amount (Rs.)	Auditor of the Firm
1.	Vijaya Bank Punjabi Bagh, Delhi	Guru Kripa Iron Trading Pvt.Ltd.	7.5 Crore	CA. Parminder Singh Oberoi
2.	PNB Darya Ganj, Delhi	Dolphin Industries	8 Crore	CA. Ajay Kumar
3.	PNB Najafgarh, Delhi	Guru Kripa Iron Trading Pvt.Ltd.	3.5 Crore	CA. Parminder Singh Oberoi
4.	Corporation Bank, Vasant Kunj Delhi	Dolphin Scaffolding Pvt. Ltd	8 Crore	CA. Ajay Kumar
5.	Corporation Bank, Vasant Kunj, Delhi	White Metals	4 Crore	CA. Parminder Singh Oberoi & CA. Ajay Kumar

The Complainant has stated that during the investigation, it was revealed that in all the abovementioned cases, the auditor was either the Respondent or CA. Ajay Kumar or both.

## 2. Charges in brief:

2.1 The Complainant has alleged that the Respondent had prepared following documents with regard to M/s. White Metals and M/s White Tiger Steels Private Limited, which were submitted with the bank while applying for Cash Credit facility:

- Audit Reports of M/s. White Metals for FYs 2009-10, 2010-11 and 2011-12.
- Provisional balance sheet of M/s. White Metals as on 21.12.2012 and
- Provisional balance sheet of M/s. White Tiger Steels Pvt Ltd. (TIN No. 07420463513) as on 31.01.2013.

The Complainant has alleged that the loan was sanctioned and disbursed to M/s White Tiger Steels Private Limited on the basis of false and forged documents. Further, during investigation by the Complainant department, it was revealed that the TIN Number of M/s White Metals stood cancelled w.e.f. 31.03.2007 and it was not conducting any business or trade during the relevant period.

3. **The relevant issues discussed in the Prima Facie Opinion dated 04<sup>th</sup> October 2023 formulated by the Director (Discipline) in the matter in brief, are given below:**

- 3.1 M/s. White Tiger Steels Private Limited was incorporated only on 18.12.2012. Also, one takeover agreement dated 22.12.2012 is available on record which shows that the subject Company i.e., M/s. White Tiger Steels Pvt Ltd had taken over the business and all assets and liabilities of M/s. White Metals (i.e., other alleged entity) as at 21.12.2012 and net purchase consideration of Rs. 2.06 crores were decided in respect of such a takeover. Mr. Sunny Kalra was the proprietor of M/s. White Metals and he along with his wife Mrs. Aarti Kalra were the directors of M/s. White Tiger Steels Private Limited. Further, the business of both M/s. White Metals and M/s. White Tiger Steels Private Limited has been shown to be of 'dealing in Iron and Steel'. Thus, it can be said that through this takeover of assets and liabilities, the proprietorship firm in the name of M/s. White Metals was indirectly converted into a private limited company in the name of M/s. White Tiger Steels Private Limited. It was also mentioned by the Complainant that audit reports (audited financial statements) of M/s White Metals for three financial years from FY 2009-10 to 2011-12 as well as its provisional balance sheet as on 21.12.2012 along with provisional balance sheet of M/s White Tiger Steels Private Limited as on 31.01.2013 were submitted to the bank (PNB) while applying for Cash Credit limit of Rs. 1000 lakhs by M/s White Tiger Steels Private Limited.
- 3.2 M/s White Tiger Steels Private Limited got sanctioned the credit facilities of Rs. 1000 lakhs from the bank merely within three months of its incorporation and even before the close of respective financial year of its incorporation when its financial statements for the incorporation year were not even prepared which shows that the financial statements of M/s White Metals for three financial years from FY 2009-10 to

④  
A

2011-12 which had been audited by the Respondent as well as provisional balance sheets and P&L accounts of M/s White Metals and M/s White Tiger Steels Private Limited certified by the Respondent, played the major role in availing alleged credit facilities by M/s White Tiger Steels Private Limited as M/s White Metals had been taken over by M/s White Tiger Steels Private Limited just after its incorporation. A certificate dated 11.03.2013 issued by the Respondent is also available on record wherein the Respondent has certified that he had audited the balance sheets of M/s White Metals as on 31.03.2011 and 31.03.2012 and certified the provisional balance sheet as on 31.01.2013 of M/s White Tiger Steels Private Limited.

- 3.3 In this regard, the Complainant had alleged that the accused Company, M/s White Tiger Steels Private Limited had availed financial facilities through its directors to the tune of Rs.1,000 lakhs (i.e., Rs. 10 crores) under cash credit limit from PNB, Darya Ganj, New Delhi wherein during the course of investigation, it was revealed that the bank officers in criminal conspiracy with accused private persons had sanctioned and disbursed the said loan to the subject Company on the basis of false and forged documents. Further, investigation done by the Complainant department also revealed that the subject Company, M/s White Tiger Steels Pvt Ltd., was not doing any trade / business and the loan amount was diverted / laundered by accused persons for their personal use. The Complainant had also alleged that even M/s White Metals, whose financials were also submitted while applying for credit facilities by M/s White Tiger Steels Private Limited and which was taken over by M/s White Tiger Steels Private Limited, was not doing any business / trade and its TIN number was cancelled w.e.f. 31.03.2007. In this regard, both at Written Statement and Rule 8(5) stages, the Respondent has mainly taken the defense that the assessee (i.e., Mr. Sunny Kalra) had informed him that he was trading in Northern Eastern State of India where VAT was exempt and thus, VAT registration was not required. Moreover, the requirement for VAT registration arises if the turnover was taxable in the relevant state. However, if the items were exempt from VAT in a particular state, then VAT registration was not required. In this regard, it was firstly pertinent to mention that the Respondent has provided mere submissions without any supporting documentary evidence(s) to prove that M/s White Metals was trading only in Northern Eastern State of India. In this regard, copy of Form DVAT 16 for certain period is available on record wherein M/s White Metals has provided the details of its turnover as well as

Output Tax on such turnover wherein it was also shown that the goods sold by M/s White Metals were taxable at 5%.

- 3.4 In view of the DVAT Forms 16 prepared by M/s. White Metals, it appears that the Company was dealing in taxable products and thus, the defence adopted by the Respondent that the firm was only trading in Northern Eastern State of India where VAT was exempt does not stand and the said submissions made by him at Written Statement as well as Rule 8(5) stage are viewed merely as his afterthoughts.
- 3.5 On perusal of letter signed by Sh. Manoj Kumar, Asst. Comm., Office of the Assistant Commissioner, Department of Trade and Taxes, GNCT of Delhi , it was noted that TIN No. 07550118752 of M/s. White Metal stood cancelled w.e.f. 31.03.2007. Thus, in view of the said letter, the DVAT Forms 16 of M/s. White Metals appears to have been falsely prepared by M/s. White Metals giving the false impression that the firm was involved in purchasing and selling of goods as it was not possible to file VAT periodic returns in DVAT 16 when the TIN Number of the Firm (M/s. White Metals) stood cancelled in the records of concerned VAT department.
- 3.6 It was not ascertainable that when the tax period of M/s White Metals ceased on the date of cancellation of its registration i.e., w.e.f. 31.03.2007, then how the said Firm could submit / file the periodic returns in DVAT 16. Further, on perusal of financial statements of M/s White Metals for three financial years from FY 2009-10 to 2011-12 audited by the Respondent as well as its provisional balance sheet as on 21.12.2012 certified by the Respondent, it was noted that M/s White Metals had reported turnover for all the above period.
- 3.7 Total turnover shown in Form DVAT 16 for the period from 01.04.2012 to 21.12.2012 amounts to Rs. 46,85,72,610/- which had been reported in the provisional financial statements of M/s. White Metals as on 21.12.2012 signed by the Respondent. In such case, where it was already noted that genuineness of such Form DVAT 16 as prepared by M/s White Metals was doubtful due to cancellation of its TIN number in the records of VAT department w.e.f. 31.03.2007, it was observed that the turnover shown in the financial statements of M/s. White Metals audited by the Respondent

20

cannot be relied upon especially in the absence of any documentary evidence(s) provided by the Respondent supporting the turnover as shown in the alleged financial statements and also when his own submissions made in respect of dealing in exempted goods by M/s. White Metals are contradictory in view of said Form DVAT 16.

- 3.8 Such figures of turnover as shown in the financial statements of M/s. White Metals for the alleged period also had an impact on other financial figures viz., inventory, sundry debtors, bank balance etc. It is also noted that even in the provisional profit and loss account of M/s White Tiger Steels Private Limited for the period ending on 31.01.2013 certified by the Respondent, the gross sales have been reported to be Rs. 5,92,20,682/- but the Respondent has failed to provide any documentary evidence(s) to support such sales figures which has been reported to have been made in period of approx. one month i.e., from 22.12.2012 to 31.01.2013. It was also noted that at Written Statement stage, the Respondent has stated that the assessee (i.e., Mr. Sunny Kalra) had informed him that he was trading in Northern Eastern State of India where VAT was exempt and thus, VAT registration was not required. In the absence of any supporting documentary evidence(s) to support his submissions, the said submission of the Respondent even shows that he had merely relied upon the information given by the management of the accused entities and failed to conduct required due diligence or independent verification and also failed to obtain sufficient information to express his opinion during the course of his audit while the financial statements of accused entities were materially misstated.
- 3.9 The Respondent had audited and certified false / forged financial statements of M/s. White Metals as well as of M/s. White Tiger Steels Private Limited on the basis of which financial facilities to the tune of Rs.1000 lakhs under cash credit limit from PNB Darya Ganj, New Delhi was availed by M/s White Tiger Steels Private Limited.
- 3.10 Accordingly, the Respondent is prima facie **GUILTY** of Professional Misconduct falling within the meaning of Clause (5), (6), (7) and (8) of Part-I of Second Schedule to the Chartered Accountants Act, 1949.

④

→

3.11 Accordingly, the Director (Discipline) in his Prima Facie Opinion dated 04<sup>th</sup> October 2023 opined that the Respondent is Prima Facie **Guilty** of Professional Misconduct falling within the meaning of Clause (5), (6), (7) and (8) of Part I of the Second Schedule to the Chartered Accountants Act, 1949. The said Clauses of the Schedule to the Act, states as under:

**Clause (5) of Part I of the Second Schedule:**

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

X            X            X            X            X            X            X

(5) fails to disclose a material fact known to him which is not disclosed in a financial statement, but disclosure of which is necessary in making such financial statement where he is concerned with that financial statement in a professional capacity;

**Clause (6) of Part I of the Second Schedule:**

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

X            X            X            X            X            X            X

(6) fails to report a material misstatement known to him to appear in a financial statement with which he is concerned in a professional capacity;

**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:

X            X            X            X            X            X            X

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

**Clause (8) of Part I of the Second Schedule:**

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

X            X            X            X            X            X            X

②  
D

(8) fails to obtain sufficient information which is necessary for expression of an opinion or its exceptions are sufficiently material to negate the expression of an opinion;

3.12 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 26<sup>th</sup> December 2023. The Committee on consideration of the same, concurred with the reasons given against the charge(s) and thus, agreed with the Prima Facie opinion of the Director (Discipline) that the Respondent is **GUILTY** of Professional Misconduct falling within the meaning of Clause (5), (6), (7) and (8) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 and accordingly, decided to proceed further 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:

4.1 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	10 <sup>th</sup> January 2018
2.	Date of Written Statement filed by the Respondent	11 <sup>th</sup> April 2018
3.	Date of Rejoinder filed by the Complainant	----
4.	Date of Prima Facie Opinion formed by Director (Discipline)	04 <sup>th</sup> October 2023
5.	Written Submissions filed by the Respondent after Prima Facie Opinion	Submitted during the hearing held on 19 <sup>th</sup> August 2025, 25 <sup>th</sup> September 2025, 15 <sup>th</sup> December 2025, 22 <sup>nd</sup> December 2025, 24 <sup>th</sup> December 2025 and 12 <sup>th</sup> January 2026
6.	Documents submitted by the Complainant	02 <sup>nd</sup> January 2026 and 20 <sup>th</sup> January 2026

5. **Written Submissions by Respondent:**

- 5.1 The Respondent vide letter dated nil, inter alia, made the submissions during the hearing held on 19<sup>th</sup> August 2025 as under:
- a. The Respondent denied allegations, contending that VAT cancellation was retrospective and does not mean TIN was non-operative in year 2007 itself.
  - b. VAT returns (DVAT-16) filed in years 2012 and 2013 by M/s. White Metal (**WM**) and White Tiger Steel Private Limited (**WT SPL**) have VAT Department stamp, proving genuineness; neither complaint nor VAT Department claimed stamps were fake.
  - c. Complaint silent about TIN of WT SPL which was valid and under which VAT returns were filed, showing no adverse findings against WT SPL.
  - d. Respondent argued that reliance on VAT cancellation letter was mis-place and complainant overstretched its implications.
  - e. Respondent clarified he never stated all trading was in North-Eastern states; evidence of exempt sales was furnished, and VAT returns confirm certification was based on books and documents.
  - f. Books of accounts and supporting documents were produced, audited carefully, and matched with VAT returns; auditor had no reason to suspect fraud.
  - g. Respondent emphasized that auditor is not an investigator and cannot summon or verify documents beyond reasonable diligence; VAT returns stamped by VAT Department could not reasonably be doubted.
  - h. Complainant as CBI officer had powers to investigate authenticity of documents, unlike an auditor; roles of auditor and investigator are different.
  - i. Respondent reiterated that due diligence was exercised, books of accounts were examined, and audit performed as expected, allegation of lack of diligence is baseless.
  - j. Turnover reported by respondent matched with turnover reported in VAT returns, proving certification was genuine.
  - k. Respondent submitted that complaint is not valid as per Rule 3(2) of Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, since complaints on behalf of Central/State Government require authorization by officer not below rank of Joint Secretary and signature of officer not below Under Secretary.

①

②

- i. Complaint filed by Addl. SP, CBI, a rank below Joint Secretary, with no evidence of authorization by competent authority, making the complaint invalid.
- m. The Respondent requested to cross-examination of complainant, PNB officials, VAT officials, and CBI investigator to uphold principles of natural justice.
- n. The Respondent further stated that ICAI letter dated 19.02.2024 showed Committee already concluded respondent prima facie guilty under items 5, 6, 7, 8 of Part I of Second Schedule before providing respondent chance to respond, violating Rule 18 procedure.
- o. Rule 18 mandates copy of prima facie opinion and documents to be given, written statement to be invited, charges read out, witnesses examined, cross-examination allowed, defence presented, and then findings drawn; these were not followed.
- p. Committee declared respondent guilty and only thereafter initiated Rule 18 steps, which was legally invalid.
- q. Prima facie opinion dated 04.10.2023 was considered by Committee immediately, which concurred with Director (Discipline) without affording respondent opportunity.
- r. Proceedings initiated in violation of natural justice and statutory rules, hence invalid.
- s. Respondent requested dropping of entire proceedings as they lack legal merit and violates procedure.

5.2 Further, the Respondent vide letter dated 25<sup>th</sup> September 2025, inter alia, made the submissions as under:

In the written submission filed during the hearing held on 19.08.2025, the respondent challenged the jurisdiction of the Hon'ble Committee and the legality of the present proceedings on multiple grounds, including:

- a. The complaint is not authorized by an officer holding a post not below the rank of Joint Secretary or equivalent, as mandated under Rule 3(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.
- b. Vide letter dated 19.02.2024 (Ref. No. PKI/3/14/2018-DD/34/2018/DC/1841/2023), it has stated that the Committee concurred with the prima facie opinion of the Director (Discipline) holding the respondent prima facie guilty, allegedly without affording opportunity to the respondent and without complying with Rule 18 and principles of natural justice.

②

9

- c. The written submission dated 19.08.2025 contains detailed representation on the above grounds and both grounds directly challenge the jurisdiction of the Hon'ble Committee.
  - d. It is a well-settled proposition of law that when jurisdiction of a forum is challenged, the forum must first decide the issue of jurisdiction before calling upon parties to lead evidence.
  - e. Reliance is placed on the judgment of the Hon'ble Kerala High Court in *Femina Handloom of India, Cannanore v. M/s M.R. Verma & Sons* (AIR 1993 Kerala 210), holding that issues relating to jurisdiction should be tried as preliminary issues under Order XIV Rule 2 CPC.
  - f. Reliance is further placed on the judgment of the Hon'ble Kerala High Court in *Prasad v. Travancore Devaswom Board* (2017 (4) KLT 468), reiterating that issues of law relating to jurisdiction and bar to suit must be tried first.
  - g. Further reliance is placed on the judgment of the Hon'ble Kerala High Court in *S. Dhanaiaakshmi (Partner) v. Sahal V.J.* (01.06.2022), holding that jurisdictional issues must be decided as preliminary issues to avoid undue hardship to parties.
  - h. Reliance is also placed on the judgment of the Hon'ble Andhra Pradesh High Court in *M/s Kalyan Complex v. Smt. Yadami Devi Bidami Devi* (18.12.2020), holding that territorial jurisdiction ought to be decided as a preliminary issue under Order XIV Rule 2 CPC.
  - i. The respondent further relies on the judgment of the Hon'ble Supreme Court in *Raghwendra Sharan Singh v. Ram Prasanna Singh* (Civil Appeal No. 2960 of 2019), directing courts to decide issues of limitation/jurisdiction before leading evidence.
  - j. In view of the settled legal position laid down by the Hon'ble Supreme Court and followed by various High Courts, the respondent requests the Hon'ble Committee to pass a reasoned speaking order on the jurisdictional objections before directing the respondent to lead evidence.
  - k. If the Hon'ble Committee intends to direct the respondent to lead evidence contrary to the above judicial pronouncements, the respondent requests the Committee to state the same in writing along with reasons for contravening the settled proposition of law.
- 5.3 Further, the Respondent reiterated the above submissions vide letter dated 15<sup>th</sup> December 2025 and 22<sup>nd</sup> December 2025..

①  
A

5.4 Further, the Respondent vide letter dated 24<sup>th</sup> December 2025 and 12<sup>th</sup> January 2026, inter alia, made the submissions as under:

a. The Respondent reiterated vide letter dated 24.12.2025, in order to address the respondent's objection, the hon'ble Directorate has, post initiation of proceeding against the Respondent and post taking cognizance of the complainant to provide the copy of the authorisation for filing the complaint. It further appears that in response to the hon'ble Directorate's request, the CBI has now submitted the letter dated 19.12.2025 written by one Mr. Kavinder Singh Negi, IRS, Supd. of Police, CBI, AC-1, Delhi, to the hon'ble Directorate through email of the even date. The hon'ble Directorate has provided copy of the said letter dt. 19.12.2025 to the Respondent on 23.12.2025 through email.

b. In response to above directions of the Committee, the Complainant Department Kavinder Singh Negi, IRS (Superintendent of Police, CBI, AC-1, New Delhi) vide its letter dated 19.12.2025 has stated as under:

*"In this connection, it is informed that perusal of records has revealed that Shri Sandeep Chaudhary, ASP, CBI was duly authorized in accordance with the provisions of the Chartered Accountants Rules, 2007, to file a complaint against CA Ajay Kumar and others in connection with CBÉ Case No. 05/2015 and CBI Case No. 06/2015 registered against Shri Sunny Kalra, Shri Sanjay Kalra and others. However, as the said authorization forms part of confidential records, CBI is unable to produce the same."*

6. **Submissions by Complainant**

6.1 The Complainant vide mail dated 02<sup>nd</sup> January 2026 submitted as under:

a. It is informed that the matter was duly approved and authorized by the then Head of Zone/Joint Director, holding a rank equivalent to that of Joint Secretary to the Government of India. Further, Form 'I' was signed by Shri Sandeep Chaudhary, the then ASP, CBI, who held a rank equivalent to that of Under Secretary to the

Government of India. The said approval and execution of Form 'I' are in conformity with the provisions of the Chartered Accountants Rules, 2007.

- b. It is further clarified that, apart from CA Ajay Kumar, a complaint against CA Parminder Singh Oberoi was also filed by forwarding duly signed Form 'I', both of which were signed by Shri Sandeep Chaudhary, the then ASP, CBI.

6.2 Mr. Kavinder Singh Negi, IRS (Superintendent of Police, CBI, AC-1, New Delhi), reiterated the above contents vide letter dated 20.01.2026.

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	10 <sup>th</sup> April 2024	Adjourned at the request of the Respondent.
2	17 <sup>th</sup> May 2024	Adjourned at the request of the Respondent.
3	23 <sup>rd</sup> September 2024	Part heard and adjourned.
4	09 <sup>th</sup> July 2025	Adjourned at the request of the Respondent.
5	05 <sup>th</sup> August 2025	Adjourned at the request of the Respondent.
6	19 <sup>th</sup> August 2025	Part heard and adjourned.
7	26 <sup>th</sup> September 2025	Adjourned in the absence of the Respondent.
8	09 <sup>th</sup> October 2025	Adjourned at the request of the Respondent.
9	03 <sup>rd</sup> November 2025	Adjourned at the request of the Respondent.
10	08 <sup>th</sup> November 2025	Adjourned at the request of the Respondent.
11	16 <sup>th</sup> December 2025	Adjourned at the request of the Respondent.

12	22 <sup>nd</sup> December 2025	Adjourned at the request of the Respondent.
13	26 <sup>th</sup> December 2025	Adjourned at the request of the Respondent.
14	05 <sup>th</sup> January 2026	Adjourned in the absence of the Respondent.
15	13 <sup>th</sup> January 2026	Adjourned in the absence of the Respondent.
16	21 <sup>st</sup> January 2026	Hearing concluded and decision taken.

- 7.2 On the day of hearing held on 10<sup>th</sup> April 2024, the Committee noted that in the captioned case, the counsel for the Respondent vide mail dated 09.04.2024 had sought adjournment as he required some more time for preparation of arguments in the case. The Committee noted that Complainant was not present and notice of listing of case has been served upon them. Acceding to the above request of the Counsel for the Respondent and in the absence of the Complainant, the Committee adjourned the caption case to a later date.
- 7.3 On the day of hearing held on 17<sup>th</sup> May 2024, the Committee noted that in the captioned case, the counsel for the Respondent vide mail dated 14.05.2024 had sought adjournment as he required some more time for preparation of arguments in the case. The Committee noted that Complainant was not present and notice of listing of case has been served upon them. Acceding to the above request of the Counsel for the Respondent and in the absence of the Complainant, the Committee adjourned the caption case to a later date.
- 7.4 On the day of hearing held on 23<sup>rd</sup> September 2024, the Committee noted that the Respondent was present through video conferencing mode and appeared before it. The Committee noted that the Complainant was not present for the hearing despite serving of the notice of hearing upon him. Being the first hearing of the case, the Respondent was put on Oath. Thereafter, the Committee enquired from the Respondent as to whether he was aware of the charges against him and then the charges as contained in prima facie opinion were read out. On the same, the

②

③

Respondent replied that he is aware of the charges and pleaded 'Not Guilty' to the charges levelled against him.

In the absence of the Complainant and 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 a later date.

- 7.5 On the day of hearing held on 09<sup>th</sup> July 2025, the Committee noted that the Complainant was not present despite the fact that notice of hearing was duly served upon him. Further the Counsel for the Respondent had sought an adjournment vide email dated 07.07.2025, as he is out of India. The Committee, acceding to the request of the Counsel for the Respondent and in the absence of the Complainant, adjourned the case to a future date with a view to extend one final and last opportunity to the Complainant and the Respondent to substantiate/defend the charges.
- 7.6 On the day of hearing held on 05<sup>th</sup> August 2025, the Committee noted that the Complainant was not present despite the fact that notice of hearing was duly served upon him. Further the Counsel for the Respondent had sought an adjournment vide email dated 05.08.2025 received during the hearing, wherein he stated that an account of urgent matter listed at Hon'ble Delhi High Court on the same date, he cannot appear before committee and subject case may be adjourned. The Committee, acceding to the request of the Counsel for the Respondent and in the absence of the Complainant, adjourned the case to a future date with a view to extend one final and last opportunity to the Complainant and the Respondent to substantiate/defend the charges. In case of their failure to appear before it, the Committee shall proceed with the consideration of the matter ex-parte based on documents on record and decide the matter.
- 7.7 On the day of hearing held on 19<sup>th</sup> August 2025, the Committee noted that the Respondent was present through VC and his Counsel was present in person. However, the Complainant was not present despite the fact that notice of the hearing was duly served upon him.

①  
A

The Committee enquired from the Respondent/Counsel for the Respondent that since the composition of the Committee had changed subsequent to the last hearing in this case, whether he wished to have a de-novo hearing or may continue from the stage it was last heard. The Counsel of the Respondent opted for de-novo hearing and accordingly the Respondent was administered Oath. Thereafter, the Committee enquired from the Respondent as to whether he was aware of the charges against him and then the charges as contained in prima facie opinion were read out. On the same, the Respondent replied that he is aware of the charges and pleaded 'Not Guilty' to the charges levelled against them.

The Committee directed the Respondent/Counsel for the Respondent to make the submissions. The Counsel for the Respondent circulated written submissions dated 'nil' on the table. The Counsel for the Respondent submitted that the allegations against the Respondent pertain to certification of financial statements of two entities, namely M/s. White Metals and M/s White Tiger Steels Pvt. Ltd., for the financial years 2009-10 to 2012-13 without exercising due diligence, particularly when the VAT registration number of M/s. White Metals had allegedly been cancelled w.e.f. 31st March 2007.

The Counsel for the Respondent further submitted that the only evidence relied upon by the Complainant is an undated letter from the VAT Department. He submitted that cancellation of VAT/TIN number registration may survive with retrospective effect, and it does not necessarily mean that the registration once cancelled was not valid post cancellation date. He stated that the Complainant himself had annexed VAT returns of the concerned entities for year 2012 and 2013, duly stamped/acknowledged by the VAT Department, the authenticity of which was not disputed. He further submitted that the entity was trading in Northern Eastern States of India where VAT was exempt and VAT registration was not required.

Thereafter, with respect to M/s. White Tiger Steels Pvt. Ltd., he stated that its TIN was distinct and not disputed by the Complainant, and therefore, the VAT returns filed by this entity could not be disregarded.

The Counsel for the Respondent further submitted that the complaint itself is not maintainable under Rule 3(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, as it had been filed by an officer of the rank of Additional Superintendent of

①  
9

Police, whereas the Rules require authorization by an officer not below the rank of Joint Secretary.

Further, the Counsel submitted that the Disciplinary Committee had already formed and communicated opinion holding the Respondent 'Guilty' without affording him an opportunity of hearing, which is contrary to the procedure prescribed under Rules 18 and 19 of the said Rules and in violation of principles of natural justice. He placed reliance on the letter dated 19th February 2024 in support of this contention.

The Committee deliberated upon the submissions and observed that under Rule 9, the Director (Discipline) is empowered to form a prima facie opinion, which is then considered by the Disciplinary Committee. It was further noted that the subsequent proceedings gives the Respondent adequate opportunity to present his defence in accordance with Chapter V of said Rules. The committee noted that the procedure followed in the instant case are in accordance with the provisions of the relevant Rules.

The Committee thereafter enquired from the Respondent/Counsel about the nature of certification carried out for the years 2009-10 to 2011-12 and asked whether the Respondent was aware of the status of VAT registration. The Counsel stated that the Respondent had certified the financial statements, but the precise nature of the firms (proprietorship or partnership) was not clear from the record. When asked specifically whether the VAT registration had been cancelled in 2007, the Counsel denied such cancellation at that time but was unable to confirm whether the registration had subsequently been restored or not.

The Committee noted that the Counsel for the Respondent has made a new submission that part of the turnover was from sales in the North-Eastern states (exempt from VAT) and part from sales in Delhi (taxable under VAT); whereas it was submitted by the Respondent at PFO stage that the sales were made in the North-Eastern State where VAT was exempt and thus VAT registration was not required.

After recording the submissions of the Counsel for the Respondent, the Committee directed that the following documents/information be provided by Respondent/Counsel: -

- (i) Details of sales made in the North-Eastern states.
- (ii) Details of sales made in Delhi.

①  
9

- (iii) Reconciliation between sales recorded in the financial statements and sales reported in VAT returns.
- (iv) Bank statements for the relevant periods, including among other details of purchases and sales.
- (v) Documentary evidence to establish that the Companies were engaged in the business of iron and steel.
- (vi) VAT Returns for the period 2009-10, 2010-11, 2011-12.
- (vii) Working papers relevant to the audit.
- (viii) Copy of assessment or VAT returns by the department.
- (ix) Copy of tax audit reports.
- (x) Details of compliance made with respect to relevant Accounting Standards/ Standard on Related Services as the case may be.

With this, the matters were part-heard and adjourned.

7.8 On the day of hearing held on 26<sup>th</sup> September 2025, the Committee noted that the Complainant was present through VC and appeared before it. Further, the Committee noted that the authorized representative of Respondent was not present. The Committee directed the Complainant Department to provide the copy of authorization of competent authority for filing the instant complaint. With this, the matters was part-heard and adjourned.

7.9 On the day of hearing held on 09<sup>th</sup> October 2025, the Committee noted that the Respondent in above case vide email dated 8<sup>th</sup> October 2025 has sought adjournment stating that *"it is submitted that the hearing in our case is scheduled for 09.10.2025. But, our urgent matters are already listed before the Hon'ble Delhi High Court on 09.10.2015 and 10.10.2025 and another hearing is scheduled before the Hon'ble Delhi International Arbitration Centre on 11.10.2025. Therefore, we request your goodself to kindly adjourn the matter to any convenient date"*. The Committee adjourned the said case to a future date with a view to extend one more opportunity to the Respondent to substantiate the charges.

7.10 On the day of hearing held on 03<sup>rd</sup> November 2025, the Committee noted that the Respondent had sought an adjournment vide email dated 03/11/2025 stating that *"Our urgent matters are today already fixed before the Hon'ble Debt Recovery*

①  
P

*Tribunal, New Delhi and another hearing is scheduled before the Hon'ble Income Tax Appellate Tribunal".* Acceding to the request of the Respondent, the Committee adjourned the subject case to a future date.

- 7.11 On the day of hearing held on 08<sup>th</sup> November 2025, the Committee noted that the Respondent had sought an adjournment vide email dated 08/11/2025 stating that his Counsel would not be able to join the hearing and is out of station. Acceding to the request of the Respondent, the Committee adjourned the subject case to a future date. The Committee noted the objection raised by the Respondent in regard to authorization for filing the Complainant by an officer not below the rank of Joint Secretary. The Committee accordingly directed the Complainant Department to provide the same. With this, the case was adjourned.
- 7.12 On the day of hearing held on 16<sup>th</sup> December 2025, the Committee noted that the Respondent had sought an adjournment vide email dated 15/12/2025 due to some professional commitments. Acceding to the request of the Respondent, the Committee adjourned the subject case to a future date. With this, the case was adjourned.
- 7.13 On the day of hearing held on 22<sup>nd</sup> December 2025, the Committee noted that Respondent was absent. The Committee adjourned the case to a future date with a view to extend one final and last opportunity to the Respondent to defend the charges. In case of his failure to appear before it, the Committee shall proceed with consideration of the matter ex-parte based on documents on record and decide the matter. With this, the case was adjourned.
- 7.14 On the day of hearing held on 26<sup>th</sup> December 2025, the Committee noted that the Respondent had sought an adjournment vide email dated 24/12/2025 due to non-availability of Respondent. Acceding to the request of the Respondent, the Committee adjourned the subject case to a future date.
- 7.15 On the day of hearing held on 05<sup>th</sup> January 2026, the Committee noted that the Respondent was not present. Although the notice was also sent by post and delivered to the address of the Respondent and the notice was sent to the Respondent by email also, the Committee noted that no intimation was received from the Respondent regarding his participation in the hearing fixed for 05<sup>th</sup> January

①

R

2026 and he remained absent. The Committee noted that sufficient opportunity (i.e. eleven (11) adjournments at his request/in his absence) had already been granted in the matter by the Committee in the past. Despite such non-intimation and non-seeking of any adjournment by him, the Committee decided to grant adjournment in the matter on 05<sup>th</sup> January 2026 and afforded to Respondent one last and final opportunity to appear before the Committee on the next date of hearing. Therefore, in the absence of the Respondent, the Committee adjourned the case for one week with a view to extend one final and last opportunity to the Respondent to defend the charges. The Committee decided that in the event of failure of Respondent to appear before the Committee, the Committee shall proceed to consider and adjudicate the matter strictly in accordance with Rule 18(18) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. In such an event, the proceedings in the absence of the Respondent shall be conducted ex-parte, and the matter shall be decided on merits based on the documents and written submissions available on record. With this, the case was adjourned.

- 7.16 On the day of hearing held on 13<sup>th</sup> January 2026, the Committee noted that the Complainant was present through VC and appeared before it. However, the Counsel for the Respondent had sought adjournment vide email dated 12<sup>th</sup> January 2026 due to non-availability of Respondent. The Committee noted that the Respondent has objected to non-production of authorisation for filing the instant Complaint vide his written submissions dated 24.12.2025 and 12.01.2026. Accordingly, the Committee directed the Complainant Department to produce the copy of authorisation for filing the complaint against the Respondent with the Committee. The Committee noted the contents of his written submissions dated 12.01.2026, wherein inter-alia, it has been requested to grant further adjournment for a period of atleast 4 Months. The Committee, on consideration, rejected his request for grant of adjournment for atleast 4 months. The Committee, however, decided to grant one final adjournment for a period of one week and to afford the Respondent one last and final opportunity to appear before the Committee on the next date of hearing. The Committee noted that sufficient opportunity (i.e. twelve (12) adjournments at his request/in his absence) had already been granted in the matter by the Committee in the past.

Therefore, acceding to the request of Respondent, the Committee adjourned the case for one week with a view to extend one final and last opportunity to the Respondent to defend the charges. The Committee decided that in the event of failure of Respondent to appear before the Committee, the Committee shall proceed to consider and adjudicate the matter strictly in accordance with Rule 18(18) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. In such an event, the proceedings in the absence of the Respondent shall be conducted ex-parte, and the matter shall be decided on merits based on the documents and written submissions available on record. With this, the case was adjourned.

- 7.17 On the day of hearing held on 21<sup>st</sup> January 2026, the Committee noted that the AR of Complainant was present through VC and appeared before it. The Committee noted that neither the Respondent nor the Counsel for the Respondent was present for the hearing and notice of listing of the case has been served upon. Although the notice was also sent to the Respondent and his counsel by email also. The Committee noted that a letter from CBI, received after the last hearing, confirmed that authorization was duly granted by an officer not below the rank of Joint Secretary. The AR of the Complainant stated that CBI vide their email dated 20.01.2026 has responded by stating that the Complaint was filed with due approval and authorization of the officer holding the rank of Joint Secretary of CBI. The contents of said email are reproduced below:

*"Vide letters dated 19.12.2025 and 02.01.2026, you have been informed that Sh. Sandeep Chaudhary ASP, CBI was duly authorized in accordance with the provisions of the Chartered Accountants Rules, 2007, to file a complaint against CA Parminder Singh Oberoi and CA Ajay Kumar in connection with CBI Case No. 05/2015 and CBI Case No. 06/2015 registered against Shri Sunny Kalra, Shri Sanjay Kalra and others. That the said complaint was filed with due approval and authorization of the then Head of Zone/ Joint Director, holding a rank equivalent to that of Joint Secretary to the Government of India. And that the Form 'I' was signed by Shri Sandeep Chaudhary, the then ASP, CBI, who held a rank equivalent to that of Under Secretary to the Government of India.*

①  
A

*Further, it is once again informed that as the said authorization forms part of confidential records, CBI is unable to produce the same."*

The officer who sent the above email is Superintendent Police, CBI who is a senior officer of level of Deputy Secretary. The Committee noted that sufficient opportunity (i.e. thirteen (13) adjournments at his request/in his absence) had already been granted to the Respondent in the matter by the Committee in the past. In view of continued non-appearance, the Committee decided to proceed and conclude the matter on merits based on the documents and written submissions available on record.

**8. Findings of the Committee:-**

- 8.1 The Committee noted that there is only one allegation against the Respondent in which he has been held Prima Facie Guilty and same has been explained in para 2.1 above. The Committee further noted the written submissions of the Respondent and Complainant as detailed in Para 5 and 6 above.
- 8.2 On the day of final hearing of the matter on 21.01.2026, the Committee noted that the Respondent was not present for the hearing despite grant of several adjournments by it. The Committee noted that at the last meeting, Respondent had sought adjournment and the Committee adjourned the case to a future date with a view to extend one final and last opportunity to the Respondent and decided that in case of his failure to appear in the next meeting, the case may be proceeded with ex-parte and considered based on documents/material on record / merits.
- 8.3 Moreover, the Committee observed that this case was fixed several times during the current Committee year before it for hearing(s) under Rule 18 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. The notices of hearings were duly served, and the parties were informed of the scheduled meetings of the Committee. In the absence of the Respondent; and in compliance of the Rules as narrated above, which provides for the grant of only one adjournment, the Committee was of the view that there is no need of granting any more opportunities to the Respondent. In view of their continued non-appearance, the Committee was constrained to proceed with the

matter ex-parte the Respondent, in terms of the provisions of the Chartered Accountants Act, 1949, and the Rules framed thereunder.

- 8.4 The Committee noted that the Respondent has raised objection on maintainability of the instant complaint in his written submissions. The Respondent had submitted that complaint is not valid as per Rule 3(2) of Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, since complaints on behalf of Central/State Government require authorization by officer not below rank of Joint Secretary and signature of officer not below Under Secretary. Complaint filed by Addl. SP, CBI, a rank below Joint Secretary, with no evidence of authorization by competent authority, making the complaint invalid.
- 8.5 In view of above objection by the Respondent, the Committee at its meeting held on 26.09.2025, directed the authorised representative of the Complainant to file the authorisation from the officer not below the rank of Joint Secretary or its equivalent. In response to above directions of the Committee, the Complainant Department vide its email dated 19.12.2025 of Shri Kavinder Singh Negi, IRS (Superintendent of Police, CBI, AC-1, New Delhi) stated as under:-

*"In this connection, it is informed that perusal of records has revealed that Shri Sandeep Chaudhary, ASP, CBI was duly authorized in accordance with the provisions of the Chartered Accountants Rules, 2007, to file a complaint against CA Ajay Kumar and others in connection with CBÉ Case No. 05/2015 and CBI Case No. 06/2015 registered against Shri Sunny Kalra, Shri Sanjay Kalra and others. However, as the said authorization forms part of confidential records, CBI is unable to produce the same."*

Thereafter, the Complainant Department (Superintendent of Police, CBI, AC-1, New Delhi) vide email dated 02/01/2026 stated as under:

*"It is informed that the matter was duly approved and authorized by the then Head of Zone/Joint Director, holding a rank equivalent to that of Joint Secretary to the Government of India. Further, Form 'I' was signed by Shri Sandeep Chaudhary, the then ASP, CBI, who held a rank equivalent to that of*

①

9

*Under Secretary to the Government of India. The said approval and execution of Form 'I' are in conformity with the provisions of the Chartered Accountants Rules, 2007".*

The above was also reiterated thereafter by the Complainant Department vide email dated 20.01.2026 by an officer (viz. Superintendent of Police) equivalent to the rank of Deputy Secretary in Government of India. In view of above and that the confirmation given by the complainant department that the complaint at the relevant time was authorised by an officer holding a rank equivalent to that of Joint Secretary to the Government of India and signed by an officer who held the rank equivalent to that of Under Secretary to the Government of India which is in compliance with the provisions of Rules, the Committee was of the view that the objection raised by the Respondent has no valid reason and was thus rejected. The Committee further noted the submissions of the Respondent that the Committee shall pass a reasoned speaking order on the jurisdictional objection before proceedings ahead in the hearing.

8.6 Thereafter, the Committee noted that the Respondent has made a request to cross-examine various persons, such as, complainant, PNB officials, VAT officials, CBI investigator, as witness. The Committee noted that the Respondent has not given valid reasons for examination of said witness and did not corroborate the relevance of these witness which makes it evident that it is a desperate and vexatious attempt to cause unwanted delay in the proceedings. Thus, calling for examination of witness was not warranted as the documents/evidence placed on record are ample for the purpose of consideration of the matter. The Committee, on consideration, was of the view that the said request was clearly made for the purpose of vexation and delay and therefore, be refused in view the provisions of Rule 18(14) of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

8.7 The Committee noted that the Respondent further stated that letter of ICAI dated 19.02.2024 showed that the Committee already concluded and held the Respondent Prima Facie Guilty under Clause (5), (6), (7) and (8) of Part I of Second Schedule without providing respondent any opportunity to respond the allegations and violating

Rule 18 procedure. He further stated that Rule 18 mandates copy of prima facie opinion and documents to be given to the Respondent, written statement to be called, charges to be read out, examination /cross-examination of witnesses be allowed, defence be presented, and then findings be drawn, however, in subject case procedure laid down as per Rule 18 was not followed by the Committee.

- 8.8 After recording the above objection of the Respondent, the Committee was of the view that the Committee has accepted the Prima Facie Opinion of the Director (Discipline) in its meeting held on 26/12/2023, wherein the Respondent was Prima Facie held Guilty by the Director (Discipline) as per Rules 9(2) of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.
- 8.9 On perusal of the provisions of the Chartered Accountant Act 1949 and Rules framed thereunder, the Committee was of the view that there is no provision in the section or rule, which provides for opportunity to be given to the Respondent for examination /cross-examination of witnesses, charges be read out and personal appearance be allowed to the Respondent to present his defence at the stage of consideration of Prima Facie Opinion by Disciplinary Committee under Rule 9.
- 8.10 The Committee deliberated upon the submissions and observed that under Rule 9, the Director (Discipline) is empowered to form a prima facie opinion, which is then considered by the Disciplinary Committee. It was further noted that the subsequent proceedings gives the Respondent adequate opportunity to present his defence in accordance with Chapter V of said Rules. The Committee noted that the procedure followed in the instant case are in accordance with the provisions of the relevant Rules. Thus, the Committee rejected the said objection of the Respondent. In respect of the jurisdictional issue and other preliminary objections, the Committee viewed that there is no provision in the Rule to pass any interim order in respect of such preliminary objections and the matter has been dealt with in the findings under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. After dealing with all the preliminary objections of the Respondent, the Committee decided to consider the matter on merits.

①

A

8.11 In respect of above allegation, the Committee on perusal of certificate of incorporation noted that M/s. White Tiger Steels Private Limited was incorporated only on 18.12.2012 and one takeover agreement dated 22.12.2012 is available on record which shows that the subject Company i.e., M/s. White Tiger Steels Pvt Ltd had taken over the business and all assets and liabilities of M/s. White Metals (i.e., other alleged entity) as at 21.12.2012 and net purchase consideration of Rs. 2.06 crores was decided in respect of such takeover. Thus, it is evident that through this takeover of assets and liabilities, the proprietorship firm in the name of M/s White Metals had been indirectly converted into a private limited company in the name of M/s White Tiger Steels Private Limited.

8.12 The Committee noted that the Complainant has alleged that even M/s White Metals, whose financials were also submitted while applying for credit facilities by M/s. White Tiger Steels Private Limited and which was taken over by M/s White Tiger Steels Private Limited, was not doing any business / trade and its TIN number was cancelled w.e.f. 31.03.2007. In this regard, the Respondent has mainly taken the defense that the assessee (i.e., Mr. Sunny Kalra) had informed him that he was trading in Northern Eastern State of India where VAT was exempt and partly rest of India (Delhi) thus, VAT registration was not required. Moreover, the requirement for VAT registration arises if the turnover is taxable in the relevant state. However, if the items were exempt from VAT in a particular state, then VAT registration was not required. In this regard, it is pertinent to mention that the Committee has called the details of sales made in Northern States and in Delhi, but the Respondent has not made any submission or provided any documentary evidence to substantiate his argument.

8.13 The Committee observed that Form DVAT 16 is the periodic VAT return filed by registered dealers in Delhi. In this regard, **Rule 28(1) of The Delhi Value Added Tax Rules, 2005** reads as under:

*"28. Dealers' periodic returns.*

*(1) Subject to sub-rule (2) of this rule, every dealer liable to pay tax under section 3 shall furnish a return in Form DVAT-16 for each tax period." (emphasis added)*

Thus, in view of the above DVAT Forms 16 prepared by M/s. White Metals, it appears that the Company was dealing in taxable products and thus, the defense adopted by the Respondent that the firm was only trading in Northern Eastern State of India where VAT was exempt does not stand.

- 8.14 Further, the Committee on perusal of letter signed by Sh. Manoj Kumar, Assistant Commissioner, Office of the Assistant Commissioner, Department of Trade and Taxes, GNCT of Delhi noted that TIN No. 07550118752 of M/s. White Metal stood cancelled w.e.f. 31.03.2007. Thus, in view of the said letter, the DVAT Forms 16 of M/s White Metals appears to have been falsely prepared by M/s White Metals giving the false impression that the firm was involved in purchasing and selling of goods as it was not possible to file VAT periodic returns in DVAT 16 when the TIN Number of the Firm (M/s White Metals) stood cancelled in the records of concerned VAT department. In this regard, **Rule 26 of The Delhi Value Added Tax Rules, 2005** reads as under:

**"26. Tax Period(1) Subject to sub-rule (2) of this rule, the tax period for a dealer whose turnover in the preceding year –**

**(a) is at or below five crore rupees, shall be a quarter;**

**(b) exceeds five crore rupees, shall be one month:**

*PROVIDED that for the year 2005-06, the tax period of a dealer whose turnover does not exceed ten lakh rupees shall be six months, commencing from first day of October 2005:*

*PROVIDED FURTHER that where the turnover of a dealer during the current year increases or decreases beyond the turnover limits specified in this sub-rule, he shall be liable to change his tax period from the first day of the following year:*

*PROVIDED ALSO that the Commissioner may, by an order in writing, prescribe a tax period [other than the applicable tax period] for a dealer or a class of dealers irrespective of his or their turnover.]*

**(2) The tax period of a dealer who ceases to be registered, shall cease–**

**(a) if the registration is cancelled by the Commissioner, on the date specified by the Commissioner as the date on which the dealer's registration ceases to have effect;**

①

9

(b) where the dealer dies or is wound up, on the date of death or winding up;  
(c) in any other case, on the date of cancellation of the registration." (emphasis added)

8.15 In view of above position, the Committee was of the view that it is not ascertainable that when the tax period of M/s White Metals ceased on the date of cancellation of its registration i.e., w.e.f. 31.03.2007, then how the said Firm could submit / file the periodic returns in DVAT 16. Further, on perusal of financial statements of M/s White Metals for three financial years from FY 2009-10 to 2011-12 audited by the Respondent as well as its provisional balance sheet as on 21.12.2012 certified by the Respondent, it is noted that M/s White Metals has reported turnover for all the above period which has been tabulated as under:

Date of Provisional Balance Sheet of M/s White Metals	Turnover (Rs.)
31.03.2010	26,24,84,651
31.03.2011	38,97,52,100
31.03.2012	57,86,59,220
21.12.2012	46,85,72,610

8.16 In view of above, the Committee noted that total turnover shown in Form DVAT 16 for the period from 01.04.2012 to 21.12.2012 amounts to Rs. 46,85,72,610/- which has been reported in the provisional financial statements of M/s White Metals as on 21.12.2012 signed by the Respondent. But on other side, TIN number in the records of VAT department was cancelled w.e.f. 31.03.2007. The Committee observed that during the hearing held on 19/08/2025, it has directed the Respondent to provide certain documents/information related to turnover of the firm/Company as shown and certified by him in the audited Financial Statements, but the Respondent has not filed any document/response to this effect. Thus, the Committee was of the view that the turnover shown in the financial statements of M/s White Metals audited by the Respondent cannot be relied upon especially in the absence of any documentary

evidence(s) by the Respondent supporting the turnover as shown in the alleged financial statements.

- 8.17 Based on above facts and reasoning given in preceding paragraphs, the Committee is of the view that the Respondent had audited and certified false / forged financial statements of M/s White Metals as well as of M/s White Tiger Steels Private Limited on the basis of which financial facilities to the tune of Rs.1000 lakhs under cash credit limit from PNB Darya Ganj, New Delhi was availed by M/s White Tiger Steels Private Limited.
- 8.18 The evidence presented by the Complainant, including the cancellation of the VAT registration number of White Metals with retrospective effect from 31<sup>st</sup> March 2007, and the discrepancies in the VAT returns and financial statements, substantiate the claim that the Respondent failed to verify the authenticity and compliance of the financial records. Further, the Respondent's inability to provide clear and consistent explanations regarding the VAT registration status, the nature of transactions, and the supporting documentation for the certified financial statements further corroborates the allegations of professional misconduct.
- 8.19 The Committee reviewed the submissions made by the Respondent. The Respondent argued that the VAT registration cancellation was retrospective and that the VAT returns filed by the firms were valid. The Committee noted that the Respondent failed to submit various documents/information as per the direction given by it in the hearing held on 19.08.20205 to substantiate his claims. Further, the Committee finds that the Respondent failed to provide conclusive evidence to substantiate the claims regarding VAT registration and compliance. Further, the Respondent did not produce the necessary documentation, including copy of assessment order, VAT returns, bank statements, proof of VAT registration, records of VAT payments for the relevant financial years (2009-10, 2010-11, and 2011-12), details of sales made in Northeastern states and in Delhi and supporting evidence for the turnover and transactions, as directed by it. The Respondent in his written submissions at PFO stage has stated that the assessee was trading in Northeastern state of India where VAT was exempt, and thus VAT registration was not required. The Respondent's Counsel during the hearing stated that the requirement for VAT

registration arises if the turnover is taxable in the relevant state. However, if the items were exempt from VAT in a particular state, then VAT registration was not required. The Respondent's inconsistent statements regarding the applicability of VAT in the Northeastern states and Delhi, as well as the nature of the goods traded (raw steel versus iron and steel), further raise doubts about the accuracy and reliability of the Respondent's submissions. Thus, it is clear that in the absence of any supporting documentary evidence(s) to support his submissions, the Respondent has merely relied upon the information given by the management of accused entities and failed to discharge his professional duties / obligations and to undertake independent verification, and also failed to obtain sufficient information to express his opinion during the course of his audit while the financial statements were materially mis-stated.

- 8.20 The Committee also noted that the Respondent did not adhere to the prescribed standards for compilation engagements, specifically SRS-4410, which mandates the retention of working papers and proper documentation of the basis for compilation. The absence of supporting evidence for the provisional profit and loss accounts and the lack of clarity regarding the nature of transactions further undermine the credibility of the Respondent's audit and financial reporting.
- 8.21 In light of the foregoing, the Committee concludes that the Respondent is guilty of professional misconduct under the provisions of the Chartered Accountants Act, 1949. The Respondent's actions, including the certification of financial statements without proper verification and the failure to maintain adequate audit evidence, constitute a breach of professional ethics and standards.
- 8.22 Considering the overall facts and documents brought on record, the Committee viewed that the Respondent is **GUILTY** of Professional Misconduct falling within the meaning of Clause (5), (6), (7) and (8) of Part-I of Second Schedule to the Chartered Accountants Act, 1949 in respect of instant allegation.

9. **Conclusion:**

In view of the findings stated in 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
Paras 2.1 as given above	Paras 8.1 to 8.22 as given above	<b>GUILTY</b> - Clause (5) (6) (7) & (8) of Part I of the of Second Schedule

10. In view of the above observations, considering the oral and written submissions of the parties and material on record, the Committee held the Respondent **GUILTY** of Professional Misconduct falling within the meaning of Clause (5), (6) (7) and (8) of Part-I of Second Schedule to the Chartered Accountants Act, 1949.

(P)

**Sd/-**  
**(CA. PRASANNA KUMAR D)**  
**PRESIDING OFFICER**

**Sd/-**  
**(MS. DAKSHITA DAS, IRAS {RETD.})**  
**GOVERNMENT NOMINEE**

**Sd/-**  
**(ADV. VIJAY JHALANI)**  
**GOVERNMENT NOMINEE**

**Sd/-**  
**(CA. MANGESH P KINARE)**  
**MEMBER**

**Sd/-**  
**(CA. SATISH KUMAR GUPTA)**  
**MEMBER**

**DATE: 30<sup>th</sup> January 2026**

**PLACE: New Delhi**

*Jyotika*  
सीए ज्योतिका / CA. Jyotika  
उप सचिव / Deputy Secretary  
अनुशासनमयक निदेशालय / Disciplinary Directorate.  
भारतीय सनदी लेखाकार संस्थान  
The Institute of Chartered Accountants of India  
आई.सी.ए.आई. भवन, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)  
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)