



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.: [PPR/G/29/2021-DD/12/INF/2021/DC/1903/2024]

In the matter of:

CA. Santosh Kumar Gupta (M. No. 098250)

Plot No. 487, First Floor,
Behind State Bank of India,
Sector 19,
Dwarka,
New Delhi - 110078

... Respondent

MEMBERS PRESENT:

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

DATE OF HEARING: 28th January 2026

DATE OF ORDER: 11th February 2026

1. That vide Findings dated 21st 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. Santosh Kumar Gupta (M. No. 098250)** (hereinafter referred to as the **Respondent**) is **GUILTY** of Professional and 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.



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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 a 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 28th January 2026.

3. The Committee noted that on the date of hearing on 28th January 2026, the Respondent was present through video conferencing. During the hearing, the Respondent made verbal submissions and also referred to written representation dated 23rd January 2026 on the Findings of the Committee. The Committee noted the verbal and written representation of the Respondent dated 23rd January 2026 on the Findings of the Committee, which, inter alia, are as under: -

- Digital signature of the Respondent on the form was the result of a forgery committed by a close confidant CS Nitin Kochar, by deceitfully obtaining the digital signature of the Respondent from the office staff of the Respondent without obtaining consent of the Respondent.
- There is no evidence that the company raised any money from the public by issuing debentures on the strength of the contentious charge created in the instant case.
- The Respondent's role has no relation with the filing of the contentious Form 10 by the company directors which was certified by CS Nitin Kochar, by abusing the DSC of the Respondent.
- CS Nitin Kochar deceitfully requested the staff of the Respondent to share the digital signature of the Respondent, to which Ms. Meena (his staff) obliged, being naïve.

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

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5. Thus, keeping in view the facts and circumstances of the case, material on record including verbal and written representation of the Respondent on the Findings, the Committee observed that the matter pertained to a chit fund scam in which investors were induced to deposit money on false promises, and RRCHL created a charge on immovable property using allegedly fraudulent documents to obtain a certificate of charge from the ROC. The Respondent certified Form 10 for the creation of a charge on 04th September 2012. Pursuant to the filing of the said Form 10, the Company issued 1,60,356 Non-Convertible Secured Debentures at an issue price of Rs. 2,264/- each, carrying an interest rate of 12.43% per annum. The total amount secured by the charge is Rs. 36,30,45,984/- (Rupees Thirty-Six Crore Thirty Lakh Forty-Five Thousand Nine Hundred Eighty-Four only). Along with Form 10, the Company submitted as attachments a copy of the resolution, the Debenture Trust Deed, and the Deed of Mortgage for the creation of the said charge.

6. The Committee noted that upon perusal of information/ details furnished by the Complainant Department, it was revealed that the Form 10 of alleged company Rhine and Raavi Credits & Holdings Limited was uploaded on the MCA portal and the Digital Signature Certificate (DSC) of the Respondent was used to certify the purported Form for the alleged Company.

7. The Respondent's defense rests on the claim that his digital signature was misused by a third party, namely a Company Secretary engaged by him. However, the Respondent failed to exercise due diligence and reasonable care in safeguarding his digital signature, which was used in certifying Form 10 for registration of a mortgage with the ROC. Hence, the Professional and Other Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 21st January 2026 which is to be read in consonance with the instant Order being passed in the case.

8. 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 and Other Misconduct.



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9. Thus, the Committee ordered that the Respondent i.e. CA. Santosh Kumar Gupta (M. No. 098250), New Delhi be REPRIMANDED and also imposed a fine of Rs. 4,00,000/- (Rupees four lakhs only) upon him which shall be paid within a period of 60 (sixty) days from the date of receipt of the order.

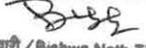
Sd/-
(CA. PRASANNA KUMAR D)
PRESIDING OFFICER

Sd/-
(MS DAKSHITA DAS, I.R.A.S (RETD.))
GOVERNMENT NOMINEE

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

बिष्णनाथ तिवारी / Bishwa Nath Tiwari
वरिष्ठ कार्यकारी अधिकारी / Senior Executive Officer
अनुशासनात्मक 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.)

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.:- [PPR/G/29/2021-DD/12/INF/2021/DC/1903/2024]

In the matter of:

CA. Santosh Kumar Gupta (M. No. 098250)

Plot No. 487, First Floor,
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Dwarka,
New Delhi - 110078

.... Respondent

MEMBERS PRESENT:

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

Adv. Vijay Jhalani, Government Nominee (In Person)

CA. Mangesh P. Kinare, Member (in Person)

CA. Satish Kumar Gupta, Member (Through VC)

DATE OF FINAL HEARING : 02nd December 2025

PARTIES PRESENT:

Respondent : CA. Santosh Kumar Gupta (Through VC)

Counsel for the Respondent : CA. C. V. Sajan (Through VC)

1. Background of the Case:

1.1. As per the Informant (CBI), a case was re-registered in compliance of the order of Hon'ble Jharkhand High Court dated 11th May 2015 passed in W.P. (PIL) No. 1635 of 2014 by taking over FIR No.176/2013 dated 2nd June 2013 of Jamtara PS, District- Jamtara (Jharkhand) registered under Section 406, 420 and 120B of Indian Penal Code (IPC). Even two Charge sheets were filed in this case under Section 120B read with Section 420 and 403 IPC and Section 4, 5 and 6 of Prize, Chits & Money Circulation Schemes (Banning) Act, 1978.

1.2. It was further stated that the accused persons opened companies in the name of M/s Real Bond Marketing Limited and M/s Real Bond Building & Land Developers Private Limited (herein after referred to as "**Companies**"). The accused persons lured innocent investors to deposit money in various attractive schemes of their companies promising exorbitant returns. The accused persons acquired another company M/s Rhine & Raavi Credits &

Holdings Limited (hereinafter referred to as "RRCHL") and dishonestly & fraudulently issued secured Debentures against the investment in the Companies. The money obtained in the name of the aforementioned companies was misappropriated by the accused persons. The investigation disclosed that accused persons misappropriated Rs. 7.66 Crore from investors of Jamtara district of Jharkhand.

- 1.3. The investigation further disclosed that RRCHL filed Form-10 with the Registrar of Companies, Delhi & Haryana (ROC) for creation of charge on the immovable properties of RRCHL, which was shown to be 14 acres land at West Champaran (Bihar) in Debenture Trust Deed & Deed of Mortgage filed by them. The Certificate of creation of charge was sought for issuance of Debentures for amount of Rs. 36.3 Crore approx. The investigation disclosed that the information filed with ROC regarding the properties of RRCHL was false and no such property was acquired by it in West Champaran. On the basis of the false information, the accused persons got issued the Certificate of creation of charge from ROC. On the basis of this certificate, the accused persons dishonestly and fraudulently issued debentures worth Rs. 7.66 Crores to the investors of Jamtara district of Jharkhand.
- 1.4. The Respondent and CS. Nitin Kochhar allegedly provided professional support in takeover of RRCHL by the accused persons; preparation of Debenture Trust Deed and also filing Form -10 at Registrar of Companies, Delhi & Haryana. The Debenture Trust Deed was filed with false information and without valuation of underlying assets as the properties were non-existent. The Respondent also alleged to have arranged digital signatures of Directors, which were used for filing purposes. Thus, the Respondent failed in his professional conduct. It was further stated that by the issuance of Debentures without any underlying assets, the accused persons cheated many innocent investors.
- 1.5. It was further stated that the SEBI also enquired the matter of RRCHL and ordered the company to refund the collected amount to the investors with interest. The orders of the SEBI were also not complied with by the Company and accused persons.

2. **Charges in brief:**

- 2.1. The charges against the Respondent are that the Respondent along with CS. Nitin Kochhar provided professional support in takeover of RRCHL by the accused persons. Further, the Respondent was involved in preparation of Debenture Trust Deed and filing of Form 10 with ROC with false information and without valuation of underlying assets as the properties were non-existent. The Respondent was also charged for preparation of digital signature of Directors of RRCHL which were used for filing purposes.

3. **The relevant issues discussed in the Prima Facie Opinion dated 26th March 2024 formulated by the Director (Discipline) in the matter in brief, are given below:**

- 3.1. It was noted that the management and ownership of RRCHL had changed in the month of June 2012 by way of transfer of shares to new management. A share Purchase Agreement was executed on 8th June 2012 between RRCHL, Mr. Gurpreetesh Singh Maini (representing the outgoing management) and Mr. Rakesh Gupta and the Respondent (representing the incoming management).
- 3.2. By the Board Resolution dated 04th September 2012, RRCHL had passed a Resolution for issuing 1,60,356 Non-Convertible Debentures (NCDs) @ Rs. 2264/ each, thus, raising an amount of Rs. 36.30 Crores. The details incorporated in Form 10 (particulars of charge for debentures) filed by RRCHL with ROC also confirm that about Rs. 36.30 crores were mobilized through the issuance of NCDs to the investors. The debentures issued by RRCHL were allegedly secured through a Debenture Trust Deed against the assets of RRCHL and accordingly, a Debenture Holders Trust was constituted for the purpose of securing the rights of debenture holders.
- 3.3. It was further noted that a 'Deed of Mortgage' was allegedly executed and registered on 30th August 2012 between RRCHL (Mortgagor) and Rhine and Raavi Debenture Trust, A Debenture Holders Trust (Mortgagee). However, no such 'Deed of Mortgage' was registered as per the record of the concerned Registration office as it is evident from a letter dated 2nd November 2017 of the Office of District Registration, West Champaran, Betia.
- 3.4. On perusal of Form 10 dated 04th September 2012 filed by RRCHL with ROC for creation of charge, it was observed that the said form was certified by the Respondent. The allegations contained in the instant complaint filed against the Respondent hinge upon the Statements of the Respondent and Mr. Nitin Kochhar recorded by CBI u/s 161 of CrPC and the emails exchanged between them. The Respondent has not disputed the contents of the emails available on record. Ms. Meena had sent digital signature of the Respondent to Mr. Nitin Kochhar at 12:39 hrs. on 05th September 2012 from email id: info.casantoshgupta@gmail.com. Thereafter, at 19:31 hrs. on 5th September 2012, Mr. Nitin Kochhar had sent an email to the Respondent on his email id casantoshgupta@gmail.com forwarding therewith Form 10 of RRCHL inter-alia containing digital signature of the Respondent thereon. At 20:28 hrs. , on 5th September 2012, the Respondent had, while responding to the aforesaid email of Mr. Nitin Kochhar through his email id

casantoshgupta@gmail.com, requested him "SIR, SEC 132 KA CERTIFICARE BHI KAL DE DIJIYE".

- 3.5. Hence, it can safely be inferred that the Respondent knew that Ms. Meena had sent the digital signature of the Respondent to Mr. Nitin Kochhar and Mr. Nitin Kochhar had put Respondent's digital signature on Form 10. Filing of complaint dated 20th February 2018 with the Police Station, Palam, New Delhi regarding use of his digital signature without his knowledge/consent, did not support the case of the Respondent, as it was an afterthought exercise to portray a concocted story to cover his misdeeds. Further, in relation to Deed of Mortgage dated 30th August 2012, it is noted that there is no stamp/seal of the sub registrar office on any page of the Deed, nor does it contain 'Endorsement of Certificate of Registration' and the absence of such mandatory requirements, at the first sight, gives the impression that there is something amiss regarding the document in question. The Certificate of registration of charge was issued from ROC based on wrong information regarding mortgage of the property of RRCHL and based on this certificate, the accused persons dishonestly and fraudulently issued debentures worth Rs. 7.66 Crores to the investors of Jamtara district of Jharkhand. The Respondent and Mr. Nitin Kochhar were hand-in-glove in this entire transaction which resulted in causing huge financial loss to the investors.
- 3.6. Accordingly, the Director (Discipline) in his Prima Facie Opinion dated 26th March 2024 opined that the Respondent was prima facie **Guilty** of Professional and 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:

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

Clause (2) of Part IV of the First Schedule:

"A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he:

(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"

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3.7. The Prima Facie Opinion Formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 29th August 2024. The Committee on consideration of the same, concurred with the reasons given against the charges and thus, agreed with the Prima Facie Opinion of the Director (Discipline) that the Respondent is **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 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:**

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 Information letter | 01 st March 2021 |
| 2. | Date of Written Statement filed by the Respondent | 03 rd September 2021 |
| 3. | Date of Prima Facie Opinion Formed by Director (Discipline) | 26 th March 2024 |
| 4. | Written Submissions filed by the Respondent after PFO | 19 th April 2025 and 20 th November 2025 |

5. **Written submissions filed by the Respondent: -**

5.1 The Respondent vide letter dated 19th April 2025, inter-alia, made the submissions which are given as under:-

- (i) Regarding the charge that the Respondent attested Form 10, which contained false information about the property listed under mortgage, the Respondent stated that the fraudulent nature of the property documents was detectable only through a detailed investigation by CBI, and not by a professional relying on client-provided documents.
- (ii) Regarding the charge of role of Respondent in Change of Management, it was stated that the Director-Discipline (DD) erroneously assumed that the Respondent was part of the incoming management of RRCHL, based on a reference in a SEBI order. The Respondent has denied any involvement in the management and argues that the SEBI order contains incorrect information.
- (iii) Regarding the use of Digital Signature Certificate (DSC), it was stated that the Respondent's DSC was used in filing Form 10 without consent or knowledge. The Respondent stated that the CS. Nitin Kochhar, deliberately used the DSC without informing the Respondent. The

Respondent contended that this constitutes forgery and criminal abuse of the DSC and cannot be the basis for professional misconduct.

- (iv) Regarding fraudulent Property Documents, it was stated that the RTI reply revealed that the title deed referenced in the mortgage deed was fake. The Respondent contended that the fraud was committed by the company management, and there was no way for the Respondent to verify the authenticity of the documents.
- (v) The Respondent and CS. Nitin Kochhar provided statements to the CBI under Section 161 of CrPC, which the Director (Discipline) dismissed on account of its low evidentiary value. The Respondent stated that these statements prove the Respondent's role was limited to liaison and coordination, and not professional involvement.
- (vi) Regarding the emails and other communications, it was stated that the emails exchanged between the Respondent and Mr. Nitin Kochhar confirm that the Respondent acted as a coordinator and did not direct or instruct Mr. Kochhar on how to handle the assignment. The Respondent stated that these emails do not establish any unlawful intent or negligence.
- (vii) Regarding the charge of Collusion, the Respondent refuted this charge, stating that there was no evidence of collusion or wrongful intent, and the relationship was purely professional.

5.2 The Respondent vide letter dated 20th November 2025, inter-alia, made the submissions which are given as under:-

- (i) Regarding 1st Query on why Mr. Nitin Kochhar's name was not included in the police complaint, it was stated that in February 2018, CBI Inspector Ashish Anand visited the Respondent's office about alleged fraud by promoters of Rhine & Raavi Credit Holdings Ltd related to NCDs issued in September 2012. The Respondent informed the Inspector that Form 10 had been filed by CS. Nitin Kochhar, but the Inspector stated that the digital signature on the form belonged to the Respondent. The Respondent felt deceived because CS. Nitin Kochhar used his DSC for work that he was responsible for yet maintained some respect due to their long association. Due to this dilemma, the Respondent complained to authorities without naming him, believing the police would summon him regardless. The complaint was filed on 20th February 2018. Ten days later, when a police constable visited, the Respondent fully disclosed that CS. Nitin Kochhar was responsible. The staff member who had sent the DSC to CS. Nitin Kochhar had already left employment, and police stopped pursuing the matter further.
- (ii) Regarding 2nd Query about the non-registration of the mortgage deed, it was stated that the Respondent was not involved in preparing or filing the mortgage deed and lacked expertise in mortgage documentation; CS. Nitin Kochhar managed the entire process. He coordinated directly with the Company's directors to prepare and execute the deed, so any deficiencies

cannot be attributed to the Respondent. The referenced email from 11th June 2012 was related only to Debenture Trust Deed registration, not the mortgage deed. After studying the matter post-hearing, the Respondent concluded that Section 58(f) of the Transfer of Property Act permits equitable mortgage (EM) by deposit of title deeds for all loans, including private loans. Thus, as per the mortgage deed's covenants, the parties could create an EM without registering the mortgage deed.

- (iii) Regarding 3rd Query about professional duties in attesting Form 10, it was stated that a professional must certify that all particulars and attachments were verified from company records, were true and correct, and that all required attachments were included. Further, no allegation indicates any required documents were missing, so the certification was accurate. On detectability of deficiencies, it was stated that CBI's determination that the property in the mortgage deed was non-existent emerged six years after Form 10 was filed. Accuracy of the mortgage deed depended on the title deed, which was later found to be forged and was not attached to Form 10. An attesting professional cannot detect forgery in documents provided by the Company.
- (iv) Regarding the charge on the intent and evidence concerning use of the Respondent's DSC, it was stated that all other ROC filings by CS. Nitin Kochar were done using his own DSC; only Form 10 was filed using Respondent's DSC. CS. Nitin Kochar's invoice show he handled documentation for the debenture issue, including Form 10, indicating misuse of the Respondent's DSC. Further, the email correspondence confirms that the Respondent had engaged CS. Nitin Kochar for ROC related work. The Respondent further claimed that he did not open or review Form 10, as there was no suspicion of DSC abuse and no professional need to examine the form completed by the more experience of CS. Nitin Kochar. The email was only kept for record to confirm the filing, not to verify content. Therefore, the assumption that Respondent consented to the use of his DSC is unfounded, and the charge of "unbecoming of professional conduct" is unjustified.

6. **Brief facts of the Proceedings:**

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

| S.No. | Date of meeting(s) | Status |
|-------|--------------------------------|---------------------------------------|
| 1. | 04 th August 2025 | Part heard and adjourned. |
| 2. | 20 th November 2025 | Part heard and adjourned. |
| 3. | 02 nd December 2025 | Hearing concluded and decision taken. |

- 6.2. On the day of hearing on 04th August 2025, the Committee noted that the Respondent was present through VC and appeared before it. Being 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 charge(s) against him and whether he pleads guilty. The charge(s) as contained in prima facie opinion were also read out. On the same, the Respondent replied that he is aware of the charge(s) and pleaded 'Not Guilty' to the charge(s) 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 a future date.

- 6.3. On the day of hearing on 20th November 2025, the Committee noted that the Respondent along with counsel were present through VC and appeared before it. The Committee noted that the allegations related to misuse of the Respondent's digital signature without consent to file fraudulent documents related to a debenture trust deed. The Respondent's counsel argued that the digital signature was deceptively obtained by the staff and transferred to CS Nitin Kochar, who used it for filing Form No. 10. The counsel emphasized that the Respondent was unaware of the misuse and had filed a police complaint upon learning about the incident. The counsel for Respondent further argued that the Respondent's role was limited to facilitating the process and engaging CS Nitin Kochar professionally and there was no evidence to suggest prior knowledge or intent to commit fraud.
- 6.4. The counsel for Respondent also contended that the professional duties of a Chartered Accountant do not include verifying the authenticity of property titles or detecting fraud in the underlying assets of a mortgage deed. The fraudulent nature of the property documents was discovered later during the CBI investigation, and such fraud was undetectable during the attestation process. The Committee noted the submissions of the counsel for Respondent, and instructed him to file written submissions/clarifications on the professional responsibilities of a certified professional in attesting Form No. 10. With this, the matter was part heard and adjourned.
- 6.5. On the day of hearing on 02nd December 2025, the Committee noted that the Respondent along with Counsel were present through VC and appeared before it. The Committee noted that at the previous hearing, a detailed presentation had been made by the Respondent, pursuant to which certain queries were raised. The Counsel for the Respondent submitted that additional written submissions had been filed, broadly covering multiple points. The Committee further noted the submissions of the Counsel for the Respondent explaining the circumstances relating to the police complaint, the absence of any intent of connivance, and the subsequent cooperation with investigating authorities. It was further contended that the alleged fabrication related to title documents, which were beyond the scope of verification by

a professional, and that non-detection of fraud could not, by itself, constitute professional misconduct.

- 6.6. Based on the documents/material and information available on record and the oral and written submissions made by the Respondent, and on consideration of the facts of the case, the Committee concluded the hearing in subject case and decided on the conduct of the Respondent.

7. Findings of the Committee: -

- 7.1. The Committee noted that the charge against the Respondent has been given in Para 2.1 above. The Committee further noted the written submissions of the Respondent as detailed in para 5 above. With respect to certification of Form 10, the Committee noted the submission of the Counsel for Respondent that the issue of registration of charge with fraudulent nature of the property documents was detectable only through a detailed investigation. With respect to use of Digital Signature Certificate (DSC), it was stated that the Respondent's DSC was used in filing Form 10 without his consent or knowledge. Regarding fraudulent Property Documents, it was stated that the fraud was committed by the management of the Company. The Counsel further stated regarding the emails and other communications that the emails exchanged between the Respondent and CS. Nitin Kochhar confirm that the Respondent acted only as a coordinator.
- 7.2. The Committee noted that M/s Rhine & Raavi Credits & Holdings Limited (earlier known as M/s Neminath Credits & Holdings Private Limited) was incorporated on 22nd June 1994. The Committee further upon perusal of record further noted that the management and ownership of the RRCHL had changed in the month of June, 2012 by way of transferring its shares to new management including Mr. Rakesh Gupta and Mr. Birendra Kaji. Mr. Rakesh Gupta was appointed as Director of RRCHL on 5th January, 2012. Mr. Birendra Kaji and Mr. Surendra Kumar were appointed as Directors of RRCHL on 5th May, 2012. Mr. Tridivesh Singh Maini and Ms. Jyoti Maini ceased to be Director of RRCHL on 25th May, 2012 and Mr. Gurpreetesh Singh Maini and Mr. Jivtesh Singh Maini ceased to be the Directors of RRCHL since 10th July, 2012.
- 7.3. The Committee further noted that the Respondent certified Form 10 for creation of charge on 04th September 2012. By way of filing of extant Form 10, the Company issued 1,60,356 Non-Convertible Secured Debentures at the issue price of Rs. 2264/- with interest rate of 12.43% per annum (the total amount secured by the charge is of Rs. 36,30,45,984/- (Rupees Thirty Six Crore Thirty Lacs Forty Five Thousand Nine Hundred Eighty Four only). The Company

as an attachment to the said Form 10 submitted copy of resolution, Debenture Trust Deed and Deed of Mortgage for creation of said charge. The Committee noted that the Respondent has digitally signed the said Form 10 and certified as under:

"Certificate

It is hereby certified that I have verified the above particulars (including attachment(s)) from the records of RHINE AND RAAVI CREDITS & HOLDINGS LIMITED and found them to be true and correct. I further certify that all the required attachment (s) have been completely attached to this form..."

- 7.4. The Committee noted that as per Self Contained note submitted by the Informant Department (CBI), the extant case was a chit fund scam case where the accused persons opened various companies and lured innocent investors to deposit money in various attractive schemes of their companies promising exorbitant returns. It was further stated that RRCHL filed Form 10 with ROC, Delhi & Haryana for creation of charge on the immovable properties of RRCHL which was shown to be 14 acres land at West Champaran (Bihar) as per Deed of Mortgage dated 30th August 2012. The Informant Department alleged that on the basis of false information, the accused persons got issued the certificate of creation of charge from ROC.
- 7.5. The Committee further noted that Section 128 of the Companies Act, 1956 provides as under:

"Section 128 - Particulars in case of series of debentures entitling holders pari passu.

Where a series of debentures containing, or giving by reference to any other instrument, any charge to the benefit of which debenture holders of that series are entitled pari passu is created by a company, it shall, for the purposes of section 125, be sufficient, if there are filed with the Registrar, within thirty days after the execution of the deed containing the charge or, if there is no such deed, after the execution of any debentures of the series, the following particulars :

(a) the total amount secured by the whole series ;

(b) the dates of the resolutions authorizing the issue of the series and the date of the covering deed, if any, by which the security is created or defined ;

(c) a general description of the property charged ; and

(d) the names of the trustees, if any, for the debenture holders ;

together with the deed containing the charge, or a copy of the deed verified in the prescribed manner, or if there is no such deed, one of the debentures of the series :

Provided that, where more than one issue is made of debentures in the series, there shall be filed with the Registrar, for entry in the register, particulars of the date and

amount of each issue ; but an omission to do this shall not affect the validity of the debentures issued."

The particulars under Section 128 of the Companies Act, 1956 are required to be filed in Form 10, as prescribed under Companies (Central Government's) Rules and Forms Amendment Rules, 2006. Further copy of resolution authorising the issue of the debenture series and instrument detailing creation and modification of charge have to be filed with Form 10 as attachment.

7.6. The Committee has considered the submissions made by the Respondent and has taken note of his plea that the entire episode in question was managed by a Company Secretary and that he had no direct role in the matter. However, the Committee is unable to accept this contention. The Respondent, being a member of ICAI, was professionally associated with the assignment and held a position of responsibility. Merely delegating certain procedural or compliance-related aspects to a Company Secretary does not absolve the Respondent of his professional obligations and accountability.

7.7. The Committee further noted that with respect to procurement of digital signatures of Mr. Birendra Kaji and Mr. Rakesh Gupta by the Respondent, a letter dated 7th February 2018 of Gujarat Narmada Valley Fertilizers & Chemicals Limited (IT Division), addressed to Mr. Ashish Anand, Inspector of Police, Cyber Police Station, CBI, EOW, Ranchi, in response to his letter dated 16th January 2018 is inter alia placed on record, whereby it was confirmed as under:

a) Mr. Birendra Kaji [Serial 4D 9C F6 E8] issued up to 08/05/2013

Applicant Name – Birendra Kaji

Applicant email id – info.casantoshgupta@gmail.com

RA Name – HR Infracon Ltd.

Sub RA Name – Santosh Kumar

Sub RA email id - casantoshgupta@gmail.com

b) Mr. Rakesh Gupta [Serial 4D 9D F3 E4] issued up to 22/06/2013

Applicant Name – Rakesh Gupta

Applicant email id – casantoshgupta@gmail.com

RA Name – HR Infracon Ltd.

Sub RA Name – Santosh Kumar

Sub RA email id - casantoshgupta@gmail.com

7.8. The Committee further examined the email correspondence held between the Respondent and CS. Nitin Kochhar and noted that the Respondent was engaged not only in the takeover of RRCHL but also in the process of execution and registration of Debenture Trust Deed and Deed of Mortgage as also formation of a Debenture Holders Trust for the purpose of securing the rights of debenture holders including procuring digital signatures of Mr. Rakesh Gupta and Mr. Birendra Kaji.

7.9. The Committee further noted that the email correspondence and other facts also shows that Ms. Meena had sent digital signature of the Respondent to Mr. Nitin Kochhar at 12:39 hrs. on 5th September, 2012 from email id: info.casantoshgupta@gmail.com. Thereafter, at 19:31 hrs. on 5th September, 2012, Mr. Nitin Kochhar had sent an email to the Respondent on his email id casantoshgupta@gmail.com forwarding therewith Form – 10 of RRCHL inter-alia containing digital signature of the Respondent thereon. At 20:28 hrs. on 5th September, 2012, the Respondent had, while responding to the aforesaid email of Mr. Nitin Kochhar through his email id casantoshgupta@gmail.com, requested him "SIR, SEC 132 KA CERTIFICARE BHI KAL DE DIJIYE".

7.10. Further, from the contents and sequence of aforementioned emails, it can safely be inferred that it was in the knowledge of the Respondent that Ms. Meena had sent the digital signature of the Respondent to Mr. Nitin Kochhar and Mr. Nitin Kochhar had put Respondent's digital signature on Form 10. If, the Respondent's version is taken to be correct that his digital signature was sent by Ms. Meena to CS. Nitin Kochhar without his consent and CS. Nitin Kochhar used his digital signature on Form 10 without his knowledge and consent, in that eventuality also, it can reasonably be concluded that the Respondent came to know at 20:28 hrs. on 5th September, 2012, that Form 10 was bearing his digital signature, when the Respondent, while acknowledging the email of Mr. Nitin Kochhar (originated at 19:31 hrs. on 5th September, 2012,), sent an email to him at 20:28 hrs. on 5th September, 2012. The language and contents of these emails clearly suggest that the Respondent was aware about use of his digital for filing Form 10 and that the Respondent had proactively acted in the subject matter. Moreover, if the Respondent felt that his digital signature has been misused, the Respondent could have very well objected thereto, but he did nothing, which clearly indicates that each step in this process, right from forwarding digital signature of the Respondent by Ms. Meena to Mr. Nitin Kochhar till putting Respondent's digital signature on Form 10 by CS. Nitin Kochhar was advanced with the Respondent's consent.

7.11. Therefore, the contention of the Respondent that he came to know about misuse of his digital signature on Form 10 of RRCHL in the year 2018 when Shri Ashish Anand, Inspector

of Police, CBI, EOW, Ranchi visited his office in connection with investigation of this case and showed him Form 10 having his digital signature, and thereupon, he took immediate measures and filed a complaint dated 20th February 2018 with the Police Station, Palam, New Delhi with regard to use of his digital signature without his knowledge/consent, is utterly misplaced, as such, it does not support the case of the Respondent, as this act of filing the complaint with the Police was nothing but an afterthought exercise.

- 7.12. Upon perusal of information/ details furnished by the Complainant Department, it was revealed that the Form 10 of alleged company Rhine and Raavi Credits & Holdings Limited was uploaded on the MCA portal through IP address "14.98.49.227" and the Digital Signature Certificate (DSC) of the Respondent was used from his office to certify the purported Form for the alleged Company. When the information regarding IP addresses, as received from the MCA, New Delhi Office, was confronted from the Respondent, he argued that his ex-employee had misused his Digital Signature Certificate (DSC) in the extant case.
- 7.13. It is noted that the e-forms are required to be authenticated by the authorized signatories using digital signatures as defined under the Information Technology Act, 2000. A digital signature is the electronic signature duly issued by a certifying authority that shows the authority of the person signing the same. It is viewed that the Digital Signatures are the personal property of the person in whose name such signatures are issued by the Certifying authority and the onus to keep the signatures in safe custody is fully of its owner and in the case of professionals like Respondent whose signatures holds credibility in the Society being entrusted by ICAI as member in practice, is expected to keep his signatures with extra and utmost care so as to avoid any fraudulent usage of his signatures on any document and the resulting loss to the stakeholders and users of such documents.
- 7.14. Further, the Guidelines for Usage of Digital Signatures in e-Governance, version 1.0 (December,2010) issued by Department of Information Technology Ministry of Communications and Information Technology, Government of India, in its FAQs in para 10 mentions the following relevant details:

*"Q11. Is it possible for someone to use your Digital Signature without your knowledge? It depends upon the how the signer has kept his private key. If private key is not stored securely, then it can be misused without the knowledge of the owner. **As per the IT Act 2000, the owner of the private key will be held responsible in the Court of Law for any electronic transactions undertaken using his/her PKI credentials (public/private keys)"***

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From the above para it is clear that even the IT Act, 2010 specifies that the person in whose name the digital signatures are issued is wholly responsible for its usage even if it is misused.

- 7.15. Further, it is noted that under Section 85B of the Indian Evidence Act, unless the contrary is proved, it is presumed that the digital signature is affixed by the subscriber of the digital signature with the intention of signing or approving the electronic record. Accordingly, the plea of the Respondent that his digital signatures were misused by his ex-employee/ CS. Nitin Kochhar cannot sustain as it was his duty to keep it in safe custody, and use it wisely and not to share his User ID, password and other credentials. Accordingly, the Respondent is held responsible for certification and filing of Form 10 for registration of charge.
- 7.16. The Committee viewed that the Respondent's defense primarily hinges on the assertion that his digital signature was misused by a third party, namely Mr. Nitin Kochhar, a Company Secretary engaged by the respondent for professional services. However, the Committee observed that the respondent failed to exercise due diligence and reasonable care in safeguarding his digital signature, which was subsequently used in the attestation of Form 10 for registering a mortgage deed with the Registrar of Companies. The respondent's claim that he was unaware of the misuse of his digital signature until informed by the CBI is not substantiated by the evidence presented, including email communications that indicate his knowledge of the use of his digital signature in the filing process. Furthermore, the respondent's failure to name the alleged perpetrator in the police complaint, despite having knowledge of the misuse, raises serious questions about his intent and professional conduct.
- 7.17. The Committee further observed that the Respondent's argument that the fraudulent nature of the property title was undetectable by a professional does not absolve him of his responsibility to ensure the integrity and security of his digital signature, which is a fundamental duty of a Chartered Accountant. The Respondent's lack of adequate safeguards for his digital signature facilitated its misuse, resulting in the attestation of fraudulent documents that caused significant financial loss to investors. The respondent's failure to act with due care and diligence in securing his digital signature and his subsequent inability to provide a satisfactory explanation for his conduct further reinforce the finding of professional misconduct.
- 7.18. Upon overall examination of facts and documents on record, the Committee observed that the Respondent failed to exercise due diligence and professional skepticism expected of a

Chartered Accountant, and cannot disclaim responsibility for acts and omissions arising from an engagement in which he was involved. Such a conduct of the Respondent pointed out at his lackadaisical approach towards professional assignments. The Committee further viewed that the Respondent was also liable for being involved in such certification work for registration of charge which makes him liable for bringing disrepute to the profession and the Institute. Accordingly, the Respondent is **Guilty** of Professional and 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.

8. **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 |
|-------------------------|---------------------------|----------------------------------------------------------------------------------------------------------|
| Para 2.1 as above | Para 7.1 to 7.18 as above | GUILTY as per Clause (7) of Part I of Second Schedule and Clause (2) of Part IV of First Schedule |

9. In view of the above observations, considering the oral and written submissions of the Respondent and material on record, the Committee held the Respondent **GUILTY** of Professional and 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.

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

Date: 21st January 2026

Place: Noida

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy
नीलम पुंडीर / Neelam Pundir
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनात्मक 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.)