

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – III (2025-26)]
[Constituted under Section 21B of the Chartered Accountants Act, 1949]

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

Ref. No.: PR/G/227/2017/DD/267/2017/DC/1144/2019

In the matter of:

Shri T. Rajan Balaji
Supdt. of Police,
Central Bureau of Investigation
No. 36, Bellary Road, 2nd Floor
Ganga Nagar
Bangalore - 560 032

.....Complainant

Versus

CA. Jani Basha K (M.No.021083)
M/s Jallaluddin & Jani Basha
10, Thuffel Ahamed Street,
Fort,
Salem (Tamil Nadu) - 636 001

..... Respondent

MEMBERS PRESENT:

CA. Charanjot Singh Nanda, Presiding Officer
Shri Jiwesh Nandan, Member (Govt. Nominee)
CA. Piyush S Chhajed, Member
CA. Abhay Chhajed, Member

Date of Final Hearing: 5th February 2026 through Video Conferencing

PARTIES PRESENT:

- (i) Smt. Neha Choudhary, Inspector, CBI – Authorized Representative on behalf of the Complainant Department
- (ii) Shri Lakhanpal Singh, Inspector, CBI – Authorized Representative on behalf of the Complainant Department
- (iii) Adv. V Venkata Siva Kumar – the Counsel for the Respondent

sh [all appeared through Video Conferencing from their respective personal location(s)]

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1. **BACKGROUND OF THE CASE:**

- 1.1 It is stated that a criminal case was registered by the Complainant Department (CBI) against the Directors of M/s Pavai Alloys & Steel Pvt Ltd. (hereinafter referred to as "Company") on the basis of written complaint of Deputy General Manager/ Zonal Manager of Indian Bank, Salem Zone, Tamil Nadu regarding the fraud to the tune of Rs. 42.17 Crores perpetrated by the Company, its Directors and other unknown persons.
- 1.2 It is further stated that during investigation by the Complainant Department (CBI), involvement of the Respondent came into light as it was observed that he signed another set of Balance Sheet of the Company for the Financial Year 2006-2007 showing inflated figures of current assets and unsecured loan etc. as compared to set submitted to ROC. This set was furnished by the Company along with the loan application dated 05.05.2008 to the Indian Bank.

2. **CHARGES IN BRIEF:**

S.No.	Charge(s)	Prima Facie Opinion of the Director (Discipline)	Applicable Item of the Schedule to the Chartered Accountants Act 1949
1.	The Respondent signed two different sets of Balance Sheet of the Company for FY 2006-2007 showing inflated figures of current assets and unsecured loan etc. and one set of the said Balance Sheet was alleged to be submitted with Indian Bank along with a loan application dated 05.05.2008 and the other set was alleged to be submitted with Registrar of Companies (ROC).	Guilty	Item (7) of Part-I of the Second Schedule and Item (2) of Part IV of First Schedule

3. **THE RELEVANT ISSUES DISCUSSED IN THE PRIMA FACIE OPINION DATED 26th JULY 2019 FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF, ARE GIVEN BELOW: -**

- 3.1 **With respect to charge that the Respondent signed two different sets of Balance Sheets of the Company for the FY 2006-2007 showing inflated figures of current assets and unsecured loan etc. of which one set was submitted with Indian Bank along with a loan application dated 05.05.2008 and the other set was submitted with ROC.**

- 3.1.1 It is noted that the Respondent has not submitted his written submissions therefore in absence of any specific rebuttal from the Respondent the decision was taken based on the documents submitted by the Complainant. It is noted that the audit report dated 03.09.2007 and the balance sheet of M/s Pavai Alloys & Steel Pvt Ltd submitted to Indian Bank for a loan, bear the Respondent's stamp and signature. Similarly, Form 23AC filed with the ROC also contains financials which was verified and signed by the Respondent. A comparison of both sets reveals substantial discrepancies in key financial figures not only under the heads of Current Assets and unsecured loans but in other heads too.
- 3.1.2 In view of the above, since undoubtedly there are noticeable and substantial variations in the said documents audited/certified by the Respondent and it appears that the variations would have been made for helping the Company to get wrongful gain from Indian Bank by obtaining the desired working capital loan therefore the Respondent is held Prima Facie guilty by the Director (Discipline) of Professional and Other Misconduct falling within the meaning of Item (7) of Part I of the Second Schedule and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.
- 3.2 Accordingly, the Director (Discipline) in his Prima Facie Opinion held the Respondent GUILTY of Professional and Other Misconduct falling within the meaning of Item (7) of Part I of Second Schedule and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949. The said Item(s) of the Schedule to the Act, state as under:

Item (7) of Part I of Second Schedule states as under:

Part I of Second Schedule: Professional misconduct in relation to chartered accountants in practice

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"

Item (2) of Part IV of First Schedule states as under:

Part IV of First Schedule: Other misconduct in relation to members of the Institute generally

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"

3.3 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee at its meeting held on 15th October 2019. 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 and Other Misconduct falling within the meaning of Item (7) of Part I of Second Schedule and Item (2) of Part IV of the 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:**

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	4 th September 2017
2.	Date of Written Statement filed by the Respondent	Not submitted
3.	Date of Rejoinder filed by the Complainant	Not Applicable
4.	Date of Prima Facie Opinion Formed by Director (Discipline)	26 th July 2019
5.	Written Submissions by the Respondent after Prima Facie Opinion	11 th October 2024 15 th August 2025

5. **WRITTEN SUBMISSIONS FILED BY THE RESPONDENT:**

5.1 The Respondent vide letter dated 11th October 2024 and 15th August 2025, inter-alia, submitted as under:-

- a) That the Director (Discipline) has not applied judicial mind while arriving at a conclusion that the Respondent is liable for misconduct.
- b) That despite prolonged investigation into the matter by CBI over a 15 year period; no adverse findings have been made against him by any criminal or investigating authority.
- c) That the alleged fabricated statements purportedly given to the bank were neither signed nor authorised by the Respondent.
- d) That the Respondent's duties were confined to statutory audit work, he had no role in fund management or diversion.

- e) Neither bank nor CBI produced verified correspondence or documentary trail connecting the Respondent to disputed statements.
- f) That no witness deposed to having interacted with or received any such documents from the Respondent.

6. **BRIEF FACTS OF THE PROCEEDINGS:**

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

S. No.	Date	Status
1.	08.12.2022	Adjourned at the request of the Respondent
2.	26.12.2022	Adjourned at the request of the Respondent
3.	13.01.2023	Part Heard & Adjourned
4.	02.05.2024	Adjourned at the request of the Respondent
5.	25.06.2024	Fixed and Adjourned
6.	18.07.2024	Part Heard & Adjourned
7.	26.09.2024	Part Heard & Adjourned
8.	15.10.2024	Part Heard & Adjourned
9.	18.12.2024	Part Heard & Adjourned
10.	20.01.2025	Adjourned at the request of the Complainant
11.	20.08.2025	Part Heard & Adjourned
12.	09.10.2025	Fixed and Adjourned
13.	19.11.2025	Part Heard & Adjourned
14.	06.01.2026	Fixed and Adjourned
15.	24.01.2026	Fixed and Adjourned
16.	05.02.2026	Hearing concluded and decision taken

6.2 During the hearing held on 13th January 2023, the Committee noted that the representative of Complainant as well as the Counsel for the Respondent appeared through videoconferencing before it for hearing. Thereafter, both of them gave declaration that there was nobody present except them in their respective rooms from where they were appearing and that they would neither record nor store the proceedings of the Committee in any form. Being first hearing, the Complainant was put on oath. Thereafter, the Committee asked the Counsel for the Respondent whether he wished the charges to be read out or it could be taken as read. The Counsel for the Respondent stated that he was aware of the allegations raised against the Respondent and that the same might be taken as read. On being asked, as to whether the Respondent pleaded guilty, he pleaded not guilty on behalf of Respondent and opted to defend the case against him. Thereafter, the Counsel for the Respondent sought adjournment stating that the Respondent was suffering from COVID and a day before only he had been discharged. The Committee noted that the matter was long pending and that the adjournment had already been

granted to the Respondent in terms of proviso to Rule 18 of CA Rules, 2007. Moreover, the Counsel for Respondent had not brought any medical records to justify the grounds on which adjournment was being sought. In any case, it was only the Counsel for the Respondent who was appearing on his behalf before the Committee since inception of hearing and he was present before it. Accordingly, the Committee decided to proceed in the matter. Thereafter, the Committee asked the Counsel for the Respondent to make submissions in the matter. Based on submissions made, the Committee examined both the Complainant's representative and the Counsel for the Respondent on the facts of the matter. Considering the oral as well as written submissions made by both the parties, the Committee directed both the parties to produce Forensic Report on Respondent's signature on the alleged audit report and related financials submitted to the bank to justify their respective submissions before the Bench. Accordingly, the Committee directed the parties to provide the said report within one month. Accordingly, the matter was part-heard and adjourned.

- 6.3 During the hearing held on 2nd May 2024, the Committee noted that authorized representative from the Complainant department appeared through Video Conferencing. However, the Respondent was not present for the hearing. The Committee further noted that the Respondent vide email dated 1st May 2024, had informed that his Counsel will appear through Video Conferencing Mode however when his case was called, he/ his Counsel did not appear and when contacted over they sought for adjournment. The Committee considering the said request of the Respondent directed the office to inform the Respondent that no more adjournment will be granted to him and also to mention that since the stay on the matter has been vacated by the Hon'ble Court vide order dated 9th February 2024 in the writ petition vide ref no. WP 13169 of 2020 with the instructions to expedite the proceedings hence the Respondent is required to present in the next hearing, whensoever fixed in future, failing which the matter be decided ex-parte based on the documents and information as available on records. The Committee also informed the Complainant about the same. Accordingly, the hearing in the matter was adjourned at the request of the Respondent.
- 6.4 During the hearing held on 25th June 2024, the Committee noted that authorized representative from the Complainant Department appeared through Video Conferencing. The Committee further noted that the Respondent was not present for the hearing. However, the authorized representative on behalf of Counsel for the Respondent was present through Video Conferencing. The Committee noted that one Mr. Anandh S., during the hearing, submitted that the authorized representative CA K. Ravi had undergone surgery 2 days back and due to which he was not able to attend the hearing and accordingly, requested for an adjournment. The Committee acceded to the said request of the Respondent/ Counsel for the Respondent, considering the principles of natural justice. The Committee further directed the Respondent/ Counsel for the Respondent to appear before it on the next date of hearing, whenever scheduled in future, failing which the matter would be decided ex-parte, based on the documents and

information as available on records. The Committee also informed the Authorized Representative of the Complainant about the same. Accordingly, the hearing in the matter was adjourned at the request of Counsel for the Respondent.

- 6.5 During the hearing held on 18th July 2024, the Committee noted that the Respondent was not present; however, his Counsel appeared through videoconferencing before it. The Committee also noted that the authorized representative on behalf of the Complainant department was also present through Video Conferencing. The Committee, at the outset, apprised the Counsel for the Respondent that the current Bench had been reconstituted since the matter was last heard and therefore, asked him as to whether he would like the hearing to be de-novo or that matter could be heard from the stage where it was left. The Counsel for the Respondent, on the same, opted for de-novo hearing. Accordingly, the Committee acceded to the request of the Counsel for the Respondent and started a fresh hearing in the matter. On being asked as to whether the Counsel for the Respondent pleaded guilty on behalf of the Respondent on the charges levelled, he pleaded not guilty on behalf of the Respondent and opted to defend the case. The Committee also informed him about the court order wherein it was directed to dispose off the matter expeditiously. Thereafter, the Counsel for the Respondent was asked to make his submissions. On the same, the Counsel for the Respondent made submissions in detail. The Committee sought clarifications on the submissions made which were responded by him. Thereafter, the Authorized Representative for the Complainant was asked to make his submissions. On the same, the Authorized Representative for the Complainant made submissions in detail. The Committee sought clarifications on the submissions made which were responded by him.

The Committee, after considering the submissions of the both the parties, noted that the matter relates to two sets of Balance Sheet both signed by the Respondent. The Counsel for the Respondent, on the same, disputed signature of the Respondent on the set submitted to the Bank. The Committee, to arrive at logical conclusion, directed them to submit within next 30 days, the forensic report on the signatures of the Respondent on financials of the concerned Company from approved government organization/ handwriting expert and in case of failure, the matter will be decided based on documents/ information already available on record. Accordingly, the matter was part heard and adjourned.

- 6.6 During the hearing held on 26th September 2024, the Committee noted that the Respondent was not present before it for the hearing. However, the Authorized Representative (AR) of the Complainant and the Counsel for Respondent Sh. V Venkata Siva Kumar, Advocate were present before it for video conferencing. Subsequently, the Committee asked the Counsel for the Respondent to make submissions on the matter. However, the Counsel for the Respondent requested the Committee that he be allowed to make the submissions at the next hearing as he is new to the case. The Committee noted that the parties failed to submit forensic report due to absence of original balance sheet.

Accordingly, to arrive at a logical conclusion, the Committee directed the AR of Complainant to produce list of witnesses, their current contact details, including their email id and mobile numbers within next 7 days, so that the summons could be issued to them for the next hearing scheduled in future. With these directions, the hearing in the matter was part heard and adjourned

6.7 During the held on 15th October 2024, the Committee noted that the Respondent was not present before it for the hearing. However, the Authorized Representative (AR) of the Complainant Department and the Counsel for Respondent were present before it for video conferencing. The Committee noted that in previous hearing the Complainant was directed to provide name, current address, email id and contact details of his witness. However, the same were not provided by Complainant. The Committee in absence of the same, examined the AR of the Complainant Department on the facts of the matter and asked him to make submissions in the matter. On the same, the AR of the Complainant Department made submissions. The Committee sought clarifications on the submissions made which were responded by him. Subsequently, the Committee asked the Counsel for the Respondent to make submissions on the matter. On the same, the Counsel for the Respondent made detailed submissions. The Committee sought clarifications on the submissions made which were responded to by him. The Committee, after considering the submissions on behalf of both the parties, directed the AR of the Complainant Department to submit following information/ details within next 7 days: -

a. Provide the current address, contact number and email id of persons whose statements were relied upon by the Complainant Department and the purpose of examination of proposed witnesses.

b. Provide the copy of statement(s) of Respondent (CA. Jani Basha K.) recorded by the investigating officer, as mentioned by the AR of the Complainant Department during the course of hearing.

With these directions, the hearing in the matter was part heard and adjourned.

6.8 During the hearing held on 18th December 2024, the Committee noted that the Counsel for the Respondent and Authorized Representative on behalf of Complainant Department along with witnesses were present before it. At the outset, the Authorized Representative of Complainant was asked to present his case, on the same, he submitted that he had provided list of witnesses to establish his case. The office informed the Bench on the request of Complainant that witnesses were called and certain witness are appearing through VC. The Committee thereafter on request of Authorized Representative of Complainant allowed the witness, Mr. S. Annamalai to meeting room.

Thereafter, Mr. S. Annamalai was put on oath. Thereafter, he made a declaration that there was nobody else in the room from where he was appearing and that he would

neither record nor store the proceedings of the Committee in any form. Thereafter, the witness was examined and cross-examined by the Authorized Representative/Counsel for the parties on the facts of the matter. From his deposition, it was established that original documents are not in possession of Complainant Department.

Thereafter, Mr. Sankeswaran RN, another witness was allowed in meeting room, however, due to technical glitch, he was neither able to take oath nor able to make his deposition. The Committee noted that the Mr. S Ganesan, another witness was also present; however, the Authorized Representative of the Complainant was not able to establish that what he will prove from deposition of Mr. S Ganesan. Hence, the Committee decided not to call Mr. S Ganesan and his presence was dispensed with.

Thereafter, the Committee examined Mr. Lakhanpal Singh, Inspector, CBI to establish the relevance of statements made by the witnesses in the extant matter. Upon this, he clarified the facts of the case and role of each witness; however, the Committee was not satisfied with the offered explanations. Thereafter, he sought additional time to bring certain facts before the Committee to establish the alleged misconduct on the part of Respondent. The Committee, after considering the submissions of Mr. Lakhanpal Singh, decided to grant one more opportunity to the Complainant department to submit relevant documents/information to establish that alleged Balance Sheet in the instant matter was signed by Respondent.

The Committee also decided to dispense with presence of all witnesses except Mr. Lakhanpal Singh. With this, the Committee decided to adjourn the hearing to a future date.

- 6.9 During the hearing held on 20th January 2025, the Committee noted that the Respondent was not present however his Counsel was present before it through Video Conferencing. The Committee noted that the Complainant was not present. The Committee further noted that the Complainant vide his email dated 17th January 2024 sought an adjournment on grounds that Shri Lakhan Pal Singh (witness in the matter) is on medical leave and is not in the position to attend the meeting. He further submitted that he was also on leave on the day of meeting and couldn't attend the meeting and requested to adjourn the meeting. The Committee on consideration of the same, on account of natural justice, acceded to the request of the Complainant and decided to adjourn the case to a future date. The Counsel of Respondent was informed about the same. Accordingly, the matter was adjourned on the request of the Complainant.
- 6.10 During the hearing held on 20th August 2025, the Committee noted that the Counsel for the Respondent, the Authorized Representative of Complainant Department, and the Witness on behalf of Complainant Department were present before it. The Committee thereafter apprised the parties that the current Bench had been reconstituted since the matter was last heard and therefore, asked them as to whether they would like the hearing to be de-novo or that matter could be heard from the stage where it was left. The parties

on the same opted to heard from the stage it was left. Thereafter, the Committee asked the Counsel for the Respondent to make submissions in the matter. On the same, the Counsel for the Respondent made detailed submissions. The Committee sought clarifications on the submissions made which were responded by him. Thereafter, the Committee asked the Authorized Representative of Complainant department to make submissions in the matter. On the same, the Authorized Representative of Complainant department submitted that the witness - Mr. Lakhanpal Singh, Inspector, CBI made the investigation and is conversant with the facts of the case.

Accordingly, the Committee asked witness (Mr. Lakhanpal Singh, Inspector, CBI) to submit the detail sought in the previous hearing. On the same, the witness (Mr. Lakhanpal Singh, Inspector, CBI) being investigating officer in the case requested time to submit further documents in the matter to establish role of the Respondent. The Committee on consideration of same allowed 2 weeks' time to him/Authorized Representative of the Complainant department for further submissions, with a copy of the same be provided to the Respondent. The Respondent was also directed to file his submissions on the same within two weeks of receipt thereof. The Counsel for the Respondent was also directed to clarify which of the two Balance Sheets on record was signed by the Respondent. With these directions, the Committee decided to adjourn the matter to a future date.

- 6.11 During the hearing held on 19th November 2025, the Committee noted that the Respondent was not present before it for the hearing however his Counsel appeared through Video Conferencing. The Committee further noted that Authorized Representative on behalf of the Complainant Department was also present before it for the hearing. Thereafter, the Committee asked the Counsel for the Respondent to make submissions on the matter. On the same, the Counsel made detailed submissions. The Committee sought clarifications on the submissions made which were responded to by him. Thereafter, the Committee asked the Authorized Representative on behalf of the Complainant Department to make submissions on the matter. On the same, the Authorized Representative on behalf of the Complainant Department made detailed submissions. The Committee sought clarifications on the submissions made which were responded to by him. The Authorized Representative of the Complainant Department informed the Committee that, in compliance with the Committee's directions on last date of hearing i.e. on 20th August 2025, they had submitted two hard-bound registers (in original) along with a soft copy of the same. The Authorized Representative of the Complainant submitted that the present matter relates to two sets of financial statements for the financial year 2006-07, both signed by the same auditor (i.e., the Respondent), wherein one set was filed with the ROC and the other, containing inflated figures, was submitted to Indian Bank. The Counsel for the Respondent in this regard claimed that he had signed only the set submitted to the ROC. The Authorized Representative of the Complainant Department further submitted that, as per the registers furnished, the balance sheet figures for the financial year 2005-06, as signed by the Respondent, match the previous year's figures reflected in the balance sheet for FY 2006-07 submitted to Indian Bank. Considering the

same, the Committee directed the Respondent/ his Counsel to verify the issues raised and submit a detailed reply with advance copy to the Complainant. With these directions, the Committee decided to adjourn the hearing to a future date.

- 6.12 During the hearing held on 5th February 2026, the Committee noted that the Respondent was not present before it for the hearing, however his Counsel appeared through Video Conferencing. The Committee further noted that Authorized Representative(s) on behalf of the Complainant Department were also present before it for the hearing. Thereafter, the Committee asked the Counsel for the Respondent to make submissions on the matter. On the same, the Counsel made detailed submissions. The Committee sought clarifications on the submissions made which were responded to by him. On a specific question of the Committee as to which financials were signed by the Respondent, the Counsel for the Respondent submitted that the Respondent had signed only the set submitted to the ROC. Thereafter, the Committee asked the Authorized Representative(s) on behalf of the Complainant Department to make submissions on the matter. On the same, the Authorized Representative on behalf of the Complainant Department reiterated his earlier submissions. The Committee on consideration of the facts of the case vis-a-vis documents/submissions available on record concluded the hearing and took its decision.

7. **Findings of the Committee**

- 7.1 At the outset, the Committee noted that the Respondent has raised preliminary objection that the extant complaint was filed after 7 years from the date of cause of action, in this regard it is noted that Rule 12 of CA Rules, 2007 states as under:

“Rule 12 of CA Rules, 2007 - Time limit on entertaining complaint or information.

Where the Director is satisfied that there would be difficulty in securing proper evidence of the alleged misconduct, or that the member or firm against whom the information has been received or the complaint has been filed, would find it difficult to lead evidence to defend himself or itself, as the case may be, on account of the time lag, or that changes have taken place rendering the inquiry procedurally inconvenient or difficult, he may refuse to entertain a: complaint or information in respect of any misconduct made more than seven years after the same was alleged to have been committed and submit the same to the Board of Discipline for taking decision on it under sub-section (4) of section 27”

The Committee noted that the above Rule of limitation is not an absolute right of the Respondent but it casts a responsibility on the Director (Discipline) to examine in view of the facts of the case as to whether the Respondent would find difficult to defend himself or lead evidence on account of time lag or such changes have occurred in the meantime which may render the enquiry procedure difficult. On perusal of the above vis-a-vis the matter involved, it is noted that the Respondent had never submitted before the Director

(Discipline) about difficulty in obtaining any specific material/ document in his defense. Hence, the plea of the Respondent under Rule 12 of CA Rules, 2007 is not maintainable.

- 7.2 With respect to the second preliminary objection that the extant proceedings are quasi criminal and the guilt must be established beyond reasonable doubt, the Committee opined that proceedings before the Disciplinary Committee are quasi-judicial in nature where the misconduct can be proved by preponderance of probabilities having regard to the conduct of the Respondent. While coming to the said view the Committee took into consideration the decision of the Hon'ble Supreme Court in the matter of Ajit Kumar Nag Vs. General Manager (PJ) Indian Oil Corporation Limited [AIR 2005 SC 4217] wherein the Hon'ble Apex Court held as under :-

"The degree of proof which is necessary in order to conviction is different from the degree of proof necessary to record the commission of delinquency. The rules relating to appreciation of evidence in the two proceedings is also not similar. In criminal law, burden of proof is on the prosecution and unless the prosecution is able to prove the guilt of the accused beyond reasonable doubt he cannot be convicted by a Court of law. In a departmental enquiry penalty can be imposed on the delinquent officer on a finding recorded on the basis of preponderance of probability."

Similarly in the matter of Capt. M Paul Anthony Vs. Bharat Gold Mines Limited [AIR 1999 SC 1416] the Hon'ble Supreme Court held as under:-

"In departmental proceedings, factors prevailing in the mind of the disciplinary authority may be many, such as enforcement of discipline or to investigate level of integrity of delinquent or other staff. The standard of proof required in those proceedings is also different from that required in a criminal case. While in departmental proceedings, the standard of proof is one of preponderance of probabilities, in a criminal case, the charge has to be proved by the prosecution beyond reasonable doubt."

Thus, the Committee observed that the said plea of the Respondent is also not maintainable.

Considering the said facts, the Committee viewed that the said preliminary objections raised by the Respondent are not maintainable. Accordingly, the Committee decided to proceed with the matter by considering it on merits.

- 7.3 The Committee noted with respect to charge that the Respondent signed two different sets of Balance Sheets of the Company for the FY 2006-2007 showing inflated figures of current assets and unsecured loan etc. of which one set was submitted with Indian Bank along with a loan application dated 05.05.2008 and the other set was submitted with ROC,

the Respondent in his defense stated that the he has signed the audit report and financial statements of the Company which were duly filed with MCA portal.

- 7.4 The Committee noted that the Complainant Department has alleged that the Respondent has signed two sets of Balance Sheet however only one set of original balance sheet is brought on record and the second set of original balance sheet has not been produced before this Committee which shows that only photocopies or secondary evidence have been relied upon by the Complainant Department for filing the instant complaint.
- 7.5 The Committee further noted that the Complainant Department failed to obtain expert opinion/ forensic examination by a handwriting expert of Respondent's signature on the audit report and related financial statements and in absence of any expert opinion it cannot be presumed that the signatures on the second set of balance sheet belongs to the Respondent.
- 7.6 The Committee noted that the Respondent has submitted that his signatures were forged in the second set of balance sheet as he has signed only one set of balance sheet and the same were the authentic statutory audit reports and accounts duly filed before the MCA portal. On the same, the Complainant had argued that the Respondent has not filed any complaint in this regard. However, it is observed that non-filing of a complaint cannot be construed as admission of guilt. The Respondent cannot be held responsible merely because he did not initiate independent action. Further the Complainant has not provided any credible material to show that the signatures on both sets were genuinely those of the Respondent.
- 7.7 The Committee further noted that the original financial statements for the financial year 2006-07 was not available on record due to which forensic analysis of the signatures of the Respondent cannot be made. In absence of forensic, the Complainant Department has submitted list of witnesses along with their statements to prove that different sets of balance sheet for FY 2006-07 of Company showing inflated figures of current assets and unsecured loans were signed by the Respondent. The Committee further noted that during the hearing held on 18th December 2024 three witnesses appeared before it for examination at the request of the Complainant's representative. Shri R N Sankareswaran, Shri S Annamalai and Shri Lakhanpal Singh were examined. The Committee, after considering the submissions of Mr. Lakhanpal Singh, decided to grant one more opportunity to the Complainant department to submit relevant documents/information to establish that alleged Balance Sheet in the instant matter was signed by Respondent. From their depositions, it was noted that the original documents were not in possession of Complainant Department.
- 7.8 Further, the Committee noted that the Complainant did not brought on record any evidence to establish that both the sets were signed by the Respondent and further none of witnesses in their depositions made before it had pointed involvement of the

Respondent in signing of second set of financials submitted to Indian Bank. On the contrary the witnesses deposed that financials were submitted to Indian Bank by the Company/ its directors.

- 7.9 The Committee has carefully examined the material placed on record in respect of the two sets of financial statements of M/s. Pavai Alloys & Steel Pvt. Ltd. pertaining to the same financial year 2006-2007, one of which was submitted to the Indian Bank, Tiruchengode, Tamil Nadu along with the loan application and the other to the Registrar of Companies, MCA. The allegation against the Respondent rests on the premise that the Respondent signed and submitted both sets of financial statements. However, the Committee observed that no forensic or expert evidence has been produced by the Complainant department to establish that the signatures appearing on the said financial statements are that of the Respondent. In the absence of any handwriting examination, expert opinion, or other corroborative evidence linking the Respondent to the disputed documents, the mere existence of two sets of financial statements cannot, by itself, be sufficient to attribute responsibility to the Respondent. Consequently, the Committee is of the considered view that the Complainant department has failed to discharge its burden of establishing the role of the Respondent in the alleged misconduct. Accordingly, the Committee, considering the overall facts of the case and submissions made by both the parties, extended benefit in favour of the Respondent by concluding that the Respondent CA. Jani Basha K. (M.No.021083) is **Not Guilty** of Professional and Other Misconduct falling within the meaning of Item (7) of Part I of Second Schedule and Item (2) of Part IV of First Schedule to the Chartered Accountants Act, 1949.

CONCLUSION

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

CHARGES (AS PER PFO)	FINDINGS	DECISION OF THE COMMITTEE
S.no.1 of Para 2 as above	Para 7.3 to Para 7.9 as above	Not Guilty - Item (7) of Part-I of the Second Schedule and Item (2) of Part IV of First Schedule

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

ORDER

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

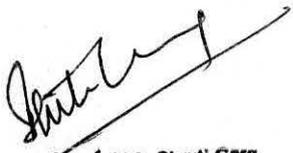
Sd/-
[CA. CHARANJOT SINGH NANDA]
PRESIDING OFFICER

Sd/-
[SHRI JIWESH NANDAN]
MEMBER (GOVT. NOMINEE)

Sd/-
[CA. PIYUSH S CHHAJED]
MEMBER

Sd/-
[CA. ABHAY CHHAJED]
MEMBER

DATE: 11th February, 2026
PLACE: NEW DELHI


सीए. श्रुति गर्ग / CA. Shrutika Garg
सहायक निदेशक / Assistant Director
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.)