

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-48C/2016-DD/225/2016/DC/1341/2020

In the matter of:

Sh. N Rajashekara  
Supdt. of Police, Central Bureau of Investigation,  
BS & FC,  
No. 36, Bellary Road,  
2nd Floor, Ganganagar,  
Bengaluru - 560032

.....Complainant

Versus

CA. Premchand Mandava (M. No. 211745)  
Flat No. 501 Lahari Benz Apartments,  
Raj Bhawan Road,  
Somajiguda,  
Hyderabad (Telangana) - 500 082

.....Respondent

MEMBERS PRESENT:

CA. Charanjot Singh Nanda, Presiding Officer  
Dr. K Rajeswara Rao, Member (Govt. Nominee)  
CA. Piyush S Chhajed, Member  
CA. Abhay Chhajed, Member

Date of Final hearing: 19<sup>th</sup> November, 2025

Date of Decision taken: 24<sup>th</sup> January, 2026

PARTIES PRESENT:

- (i) CA. Premchand Mandava – the Respondent
- (ii) CA. Arvinder Pal Singh – Counsel for the Respondent
- (iii) CA. Utsav Hirani – Counsel for the Respondent
- (iv) Shri Sathya Murthy, ASP, CBI – Representative on behalf of the Complainant Department  
[all appeared through Video Conferencing from their respective personal location(s)]

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1. **BACKGROUND OF THE CASE:**

The Complainant Department (CBI) in its complaint inter-alia submitted as under:

- 1.1 The Complainant Department had registered a case dated 22.05.2014 against Chairman of M/s Deccan Chronicle Holdings Limited (hereinafter referred to as 'M/s DCHL' or 'Company') and six others on the basis of written complaint dated 19.05.2014 of AGM, Corporation Bank, Bangalore causing loss of Rs. 116.35 crores as on 30.09.2013 (including interest) to the bank. After completion of investigation by Complainant Department charge sheet was filed before Hon'ble XVII ACMM Court, Bangalore on 16.11.2015 against the Chairman of M/s DCHL and others including the Respondent under various section of Indian Penal Code.
- 1.2 As per Complainant, investigation disclosed that Respondent alongwith other persons were parties to conspiracy entered among themselves at Bangalore, Hyderabad and other places during the period from 2011 and 2012 and in furtherance of said conspiracy, M/s DCHL fraudulently availed excessive credit facilities, by inflating its revenue, suppressing actual borrowings from other banks / financial institutions, furnishing fake and fabricated financial statements and diverting the said loan amount for purposes other than for which it was sanctioned, thereby causing a wrongful loss to Corporation Bank, Bangalore. The Company also availed credit facilities from various Banks / Financial Institutions and there was an outstanding liability on the Company of more than Rs. 4067 crores as per complaint.
- 1.3 It is stated that the main objectives of M/s DCHL was to carry on business of printing and publishing newspapers, magazines, periodicals, journals, books and pamphlets and other library works in different languages and the Company was represented by its three promoter directors. The promoter directors in connivance with the Chartered Accountants and others inflated the advertisement revenues in the books of accounts of M/s DCHL without there being any sub-ledgers for the additional / inflated advertisement revenue.
- 1.4 M/s DCHL had significantly manipulated its balance sheet from 31.03.2008 onwards. This was mostly done through back-dated entries by passing journal entries on previous dates. Investigation by Complainant Department disclosed that, the trial balances, P & L account and Balance Sheet generated from the system truly reflecting all loans were used to be given to promoter directors and the Statutory Auditors. After finalization of the Balance Sheet, promoter directors and Statutory Auditors used to instruct Shri BVS Subramanyam Gade, the then GM (F&A), DCHL to pass journal entry for artificially reducing loan liabilities against receivables.
- 1.5 M/s DCHL availed three demand loans of Rs. 200 crores dated 30.03.2011, Rs. 200 crores dated 11.08.2011 and Rs. 100 crores dated 27.12.2011 during the year 2011 from Corporation Bank, CBB Branch, Bangalore. M/s DCHL did not utilize the credit facilities advanced to them by Corporation Bank for the purpose for which it was sanctioned. M/s DCHL has utilized the said loan amount for repayment of credit facilities and interest therein availed by them from other banks.

- 1.6 The Respondent was working as Partner with M/s C B Mouli & Associates from 2007 till 2013 which audited the financial statements of M/s DCHL for various years. During the financial year 2011-12, the Respondent actively participated in the audit of M/s DCHL by assisting CA. Mani Oommen, Partner, M/s C B Mouli & Associates signing partner and statutory auditor of M/s DCHL. During the period from 30.06.2012 to 31.07.2012 and also from 30.09.2012 to 31.10.2012 the Respondent alongwith CA. Somu V Chowda Reddy, Article Assistant of CA. Mani Oommen manipulated the entries in the General Accounts Ledgers in the accounting system of M/s DCHL by replacing original JV entries by way of preparing back dated online vouchers, manually, on the instructions of Shri Vinayaka Ravi Reddy and CA. Mani Oommen thereby adjusting the advertisement revenues with the newly created entity, M/s DC Marketeers. CA. Somu V Chowda Reddy and the Respondent made manipulative entries in the accounting system by way of online vouchers in accounting system of M/s DCHL during the peirod from 30.06.2012 to 31.07.2012 and also from 30.09.2012 to 31.10.2012.

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 actively participated in the audit of M/s DCHL by assisting CA. Mani Oommen, signing partner and Statutory Auditor of M/s DCHL. During the period from 30.06.2012 to 31.07.2012 and also from 30.09.2012 to 31.10.2012, the Respondent had manipulated the entries in the General Accounts Ledgers in the accounting system of M/s DCHL by replacing original JV entries by way of preparing back dated online vouchers, manually, thereby adjusting the advertisement revenues with newly created entity i.e. M/s DC Marketeers. The Respondent made manipulative entries in the accounting system by way of online vouchers in accounting system of M/s DCHL	Guilty	Item (2) of Part IV of the First Schedule and Item (5), (6), (7), and (8) of Part-I of Second Schedule

3. **THE RELEVANT ISSUES DISCUSSED IN THE PRIMA FACIE OPINION DATED 29<sup>th</sup> June 2020 FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF, ARE GIVEN BELOW: -**

*[Handwritten signature]*

3.1 With respect to charge (mentioned in S.no. 1 of Para 2 above) that the Respondent actively participated in the audit of M/s DCHL by assisting CA. Mani Oommen, signing partner and Statutory Auditor of M/s DCHL. During the period from 30.06.2012 to 31.07.2012 and also from 30.09.2012 to 31.10.2012, the Respondent had manipulated the entries in the General Accounts Ledgers in the accounting system of M/s DCHL by replacing original JV entries by way of preparing back dated online vouchers, manually, thereby adjusting the advertisement revenues with newly created entity i.e. M/s DC Marketeers. The Respondent made manipulative entries in the accounting system by way of online vouchers in accounting system of M/s DCHL:

- a) In the *Prima Facie* Opinion, it was stated that on perusal of Respondent's letter dated 20.05.2015 submitted by him with CBI, the Respondent stated that he was actively involved in the audit of M/s DCHL for FY 2011-12. As regard manipulation of entries in the General Accounts Ledgers in the accounting system of DCHL, it is noted that Shri BVS Subramanyam Gade, Ex-GM, DCHL has submitted a handwritten letter dated 05.06.2015 to CBI wherein he had given the details of various journal / online vouchers which were posted, individuals who were involved and also the manner, in which those vouchers were posted in the system of the Company at the end of financial years 2008-09, 2010-11 and 2011-12.
- b) Further, it was observed in the prima facie opinion that though the Respondent has mentioned in his Written Statement that he was not provided any login credentials (user id and password) through which he could prepare online vouchers but from the evidence as noted by the Director (Discipline), he viewed that the Respondent along with CA. Somu V Chowda Reddy, the Ex-Paid Assistant of the Respondent firm (against whom a separate case PR/48D/16/DD/226/16 is being proceeded with) had manipulated the entries in the books of M/s DCHL and posted the various journal / online vouchers by using the desktop computer and login credentials of Sh. J Subba Reddy, DGM – Software, DCHL.
- c) It was further noted that these journal entries were reversed by posting Online voucher – OV no DCH/H/11-12/000196 dt 01.10.2011 where the account of DC Marketeers was debited with an amount of Rs. 25,93,27,00,004/- i.e. the same amount by which it was credited on previous day. It signifies that mere book entries were being posted by the Respondent just to inflate and suppress the balances of various assets and liabilities of DCHL as on the closing day so as to reflect a rosy picture of the Company in the balance sheet with the purpose of deceiving the Corporation bank and for wrongful gain to the Company.
- d) Thus, in view of the Respondent's acceptance of his active participation in the audit of DCHL for the FY 2011-12 before CBI and the facts submitted by Shri BVS Subramanyam Gade, Ex-GM, DCHL to CBI vide his letter dated 05.06.2015, it is opined by the Director (Discipline) that the Respondent had manipulated the various entries in the books of M/s

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DCHL by posting various journal vouchers. Although the Respondent has not signed the financial statements of DCHL for the FY 2011-12, but he was actively associated in the Statutory Audit of DCHL during the FY 2011-12 and has played a major role in manipulating the various entries of material amounts in the books of M/s DCHL by posting backdated online vouchers at the end of the specific period and then by reversing the same at the opening of the subsequent period and thus, wrongly affected the true and fair view of books of DCHL.

Accordingly, the Respondent was held prima facie **GUILTY** of Professional and Other Misconduct falling within the meaning of Item (5), (6), (7), and (8) of Part-I of Second Schedule and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

- 3.6 Accordingly, the Director (Discipline) in his Prima Facie Opinion held the Respondent GUILTY of Professional and Other Misconduct falling within the meaning of Item (5), (6), (7), and (8) of Part-I of Second Schedule and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949. The said Items of the Schedules to the Act, state as under:

**Item (5), (6), (7), and (8) 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-*

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*"(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"*

*"(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"*

*"(7) Does not exercise due diligence, or is grossly negligent in the conduct of his professional duties" and*

*"(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"*

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

*PART IV : Other misconduct in relation to members of the Institute generally*

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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."

- 3.7 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee at its meeting held on 6<sup>th</sup> August 2020. 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 (5), (6), (7), and (8) 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	27 <sup>th</sup> July 2016
2.	Date of Written Statement filed by the Respondent	17 <sup>th</sup> November 2016
3.	Date of Rejoinder filed by the Complainant	6 <sup>th</sup> December 2016
4.	Date of Prima Facie Opinion Formed by Director (Discipline)	29 <sup>th</sup> June 2020
5.	Written Submissions by the Respondent after Prima Facie Opinion	14 <sup>th</sup> April 2021 16 <sup>th</sup> December 2021 25 <sup>th</sup> April 2023 11 <sup>th</sup> September 2025
6.	Written Submissions filed by the Complainant after Prima Facie Opinion	20 <sup>th</sup> June 2021 9 <sup>th</sup> August 2021 12 <sup>th</sup> September 2025

5. WRITTEN SUBMISSIONS FILED BY THE RESPONDENT:

- 5.1 The Respondent vide letter dated 14<sup>th</sup> April 2021, inter-alia, submitted as under:-
- a) Regarding the allegation that the Respondent has actively participated in the audit of DCHL for FY 2011-12, the Respondent submitted that in Form I the issue of participation of Respondent was never raised and only issue raised was that the Respondent has passed accounting entries. The Respondent further denied the allegation of Complainant regarding passing of vouchers or entries in the books of accounts of M/s DCHL. The Respondent further stated that mere active participation in the statutory audit of a client with specific reference to various areas of audit procedures, by any stretch of imagination, cannot be attributed to passing of accounting entries in the auditee's books of accounts.
  - b) The Respondent further disputed the period of service of Shri BVS Subramanyam Gade, Ex-GM, DCHL according to him he was not in service during June 2012 and has made a statement that in the month of June 2012 about manipulated and passing back dated entries. The Respondent further stated that in the circumstances Complainant did not explain as to how Shri BVS Subramanyam Gade witnessed those transactions that alleged to have happened during the period from 30.06.2012 to 31.07.2012 and also from 30.09.2012 to 31.10.2012.
  - c) The Respondent stated that the Complainant has not provided any specific evidence for the allegations made against him and submitted voluminous, irrelevant and generic documents with the Disciplinary Directorate.
  - d) The Respondent further stated that the ERP package have inbuilt checks and controls to identify and safeguard the business users. Further, the Complainant has not brought on record any audit log evidence to show when the calendar was tagged open from closed and from which terminal it was done.
  - e) The Respondent further requested for cross examination of certain witnesses.
- 5.2 The Respondent vide letter dated 16<sup>th</sup> December 2021, inter-alia, submitted as under:-
- a) The Respondent referred to Section 162 of the Code of Criminal Procedure, 1973 and other relevant provisions of the Indian Evidence Act, 1872 and stated that the statements of witnesses furnished by the Complainant did not have evidentiary value in proceedings before the Committee.
  - b) The Respondent further submitted copy of affidavits of Mr. Vinayak Ravi Reddy, then Vice Chairman, M/s DCHL and CA. Mani Oommen wherein they denied for giving any instructions for passing of accounting entries as alleged by the Complainant.
- 5.3 The Respondent vide letter dated 25<sup>th</sup> April 2023, inter-alia, submitted that he had filed discharge petition before the Learned Court of ACMM, Bangalore and the said discharge petition was dismissed on 27.11.2017. Thereafter, he challenged the said order dated 27.11.2017 before Learned Court of the XXI Additional City Civil Sessions Judge and Principal Special Judge for CBI Cases, Bengaluru (CCC-4) vide Criminal Revision Petition No. 94/2018. The Learned Court thereafter vide its order dated 16.12.2022 allowed his petition and discharged him from the charges framed.

5.4 The Respondent vide email dated 11<sup>th</sup> September 2025 submitted copy of judgment/ discharge order dated 16<sup>th</sup> December 2022 passed by Learned XXI Additional City Civil and Sessions Judge and Principal Special Judge for CBI Cases, Bengaluru wherein the Learned Court while considering the facts of the charge sheet filed against the Respondent and in absence of incriminating material against him discharged the Respondent.

6. **WRITTEN SUBMISSIONS FILED BY THE COMPLAINANT:**

- 6.1 The Complainant vide letter dated 20<sup>th</sup> June 2021, inter-alia, submitted as under:
- a) It is stated that there are substantial oral and documentary evidence available against the Respondent who manipulated the online vouchers pertaining to the period from 2009 to 2011 of General Accounts Ledger by manually passing the online voucher entries during 2012.
  - b) The Complainant also submit list of 20 witnesses to support charges raised against the Respondent.
- 6.2 The Complainant vide letter dated 9<sup>th</sup> August 2021 submitted name and statements of seven witnesses relied upon by them in the instant matter.
- 6.3 The Complainant vide email dated 12<sup>th</sup> September 2025 stated that the judgment/ discharge order dated 16<sup>th</sup> September 2022 (Sic. 16<sup>th</sup> December 2022) in CrI. Revision Petition No. 94/2018, discharging the Respondent has been challenged by CBI, before the Hon'ble High Court of Karnataka vide CrI. Petition No. 3410/2023. The said CrI. Petition is pending as on that date.

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

7.1 The detail of the proceedings held in the extant said case is given as under:

S. No.	Date	Status
1.	20.04.2021	Fixed and adjourned
2.	11.05.2021	Fixed and adjourned
3.	21.06.2021	Part Heard and adjourned
4.	23.07.2021	Part Heard and adjourned
5.	09.09.2021	Part Heard and adjourned
6.	08.12.2022	Fixed and adjourned
7.	26.12.2022	Fixed and adjourned
8.	13.01.2023	Fixed and adjourned
9.	31.01.2023	Part Heard and adjourned
10.	01.05.2023	Fixed and adjourned
11.	25.06.2024	Part Heard and adjourned
12.	18.07.2024	Part Heard and adjourned
13.	26.09.2024	Part Heard and adjourned

14.	15.10.2024	Fixed and adjourned
15.	26.08.2025	Part Heard and adjourned
16.	08.09.2025	Part Heard and adjourned
17.	19.11.2025	Hearing concluded and judgment reserved
18.	24.01.2026	Final decision taken

- 7.2 During the hearing held on 21.06.2021, the Committee noted that the Complainant's Representative and the Respondent along with his authorized Counsel appeared for hearing. Thereafter, they all 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 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 charges against him and the same might be taken as read. On being asked, as to whether the Respondent pleaded guilty, the Respondent pleaded not guilty and opted to defend the matter against him. On consideration of documents/information available on record, the Committee directed the Complainant's Representative to file its Rejoinder, if any, on the submissions made by the Respondent within next 15 days. With the aforesaid directions, hearing in the matter was adjourned. Accordingly, the matter was part heard and adjourned.
- 7.3 During the hearing held on 23.07.2021, the Committee noted that the Complainant's Representative and the Respondent along with his authorized Counsel appeared for hearing. Thereafter, they all 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. The Committee thereafter noted that the Complainant departments vide e-mail dated 29<sup>th</sup> June 2021 submitted their Rejoinder in the matter on the written statement of the Respondent wherein only reference to certain documents had been made in the Rejoinder rather than producing the same before it on account of which the Committee was not able to understand the submissions being made by the Complainant. The Committee, accordingly, directed the Complainant to submit the specific documents which they wished to place before the Committee for its consideration highlighting the statements/ facts to bring on record the guilt alleged against the Respondent within next 15 days of hearing. The Committee further directed that copy of such documents be directly supplied to the Respondent as well for his submissions on the same within next 7 days of receipt of documents from the Complainant. Accordingly, the matter was part heard and adjourned.
- 7.4 During the hearing held on 09.09.2021, the Committee noted that the Complainant's Representative and both the Respondent along with their authorized Counsel(s) appeared for hearing. Thereafter, they all 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. The Committee, thereafter, noted that during last hearing held on July 23, 2021, the Complainant Department was directed to submit the specific documents which he wished to place before the Committee for its

consideration highlighting the statements/ facts to bring on record the guilt alleged against the Respondent. It was noted that, accordingly, the Complainant Department had submitted the documents, as directed, both to the Committee as well as to the Respondents vide letter dated 9th August 2021 on which the Respondent's had also made their submissions. The Committee thereafter asked the Complainant's representative to proceed ahead and present the additional documents, so placed.

The Complainant's representative made his submissions in the matter. Thereafter, the Counsel for the Respondent made his submissions which were countered by the Complainant Department. The Committee, noted that the documents being referred were quite voluminous, accordingly, it was decided to fix the next hearing of the case such that DC members might preferably be present in person so that voluminous documents of the matter be considered and deliberated upon by the members.

The Committee further directed the Office to write a letter to the Complainant Department asking them to inform the Status of various corresponding CBI cases filed by it in the matter before other forums. Accordingly, the matter was part heard and adjourned.

- 7.5 During the hearing held on 31.01.2023, the Committee noted that the Complainant's Representative of the Respondent appeared before it along with his Counsel(s) for hearing. Thereafter, they all 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. The Committee, thereafter, asked the parties to make their submissions. The Counsel for the Respondent raised certain preliminary objections on which the Office produced documents as well as provided clarification. The case was adjourned to consider certain issues raised by the Respondent regarding the evidence relied upon in support of the charges. It was noted that the witnesses of the Complainant were also present. The Committee directed the Office to communicate to the witnesses to be present before it at a future date whenever summon be issued to them. Accordingly, the matter was part-heard and adjourned.
- 7.6 During the hearing held on 25.06.2024, the Committee noted that the Respondent along with his Counsel appeared through videoconferencing. The Committee also noted that the witnesses Mr. B. Anil Kumar and Mr. Narsimha were also present through Video Conferencing. The Committee, at the outset, apprised the Respondent that the current Bench had been reconstituted since the matter was last heard and therefore, asked the Respondent 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 Respondent on the same opted for de-novo hearing. Accordingly, the Committee acceded to the request of the Respondent and started a fresh hearing in the matter. Accordingly, the Respondent was administered on Oath. Thereafter, the Committee asked him whether he wished the charges to be read out or it could be taken as read. It was stated that he was aware of the charges levelled and the same may be taken as read. On being asked as to whether the Respondent pleaded guilty on the charges levelled, he pleaded not guilty and opted to defend the case. The Respondent also submitted that all the

documents submitted earlier be taken on record. Thereafter, the Committee decided to adjourn the hearing to a future date. The witnesses were also informed about the same. Accordingly, the matter was part heard and adjourned.

- 7.7 During the hearing held on 18.07.2024, the Committee noted that the Respondent along with his Counsel appeared through videoconferencing. The Committee also noted that the authorized representative on behalf of the Complainant department was also present through Video Conferencing. Thereafter, the Counsel for the Respondent was asked to make their 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.

The Counsel for the Respondent also requested to examine the witnesses in the matter. On consideration of the request, the Committee directed that on the next date of hearing, the first opportunity to examine the witnesses will be given to the Counsel for the Complainant and thereafter, the Counsel for the Respondent may examine them. Thereafter, the Committee decided to adjourn the hearing to a future date. The witnesses were also informed about the same. Accordingly, the matter was part heard and adjourned.

- 7.8 During the hearing held on 26.09.2024, the Committee noted that the Authorized Representative (AR) of the Complainant and the Respondent, along with their counsel, were present via video conferencing. The Committee also noted that certain witnesses were also present through Video Conferencing. The Committee then requested the AR of the Complainant to proceed with the examination of witnesses from the Complainant's side. The AR, however, sought additional time to prepare, stating that he was not adequately ready for the examination. Hence, the witnesses were not called upon during the hearing. The Committee, accordingly, acceded to his request and granted him the additional time to do the examination of witnesses in the next hearing on 15/10/2024. With this, the hearing in the matter was part-heard and adjourned.

During the hearing held on 15.10.2024, the Committee adjourned the hearing in the absence of the Representative of the Complainant Department.

- 7.9 During the hearing held on 26.08.2025, the Committee noted that the Authorized Representative on behalf of the Complainant Department and the Respondent along with his Counsel(s) were present before it for the hearing. The Committee apprised 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. On the same, the Counsel(s) for the Respondent opted for de-novo hearing and accordingly the proceedings to the case were initiated afresh keeping on record the documents/submissions already available in the matter. Accordingly, the Respondent 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 Committee asked him whether he was aware of the charge(s) levelled against the Respondent firm to which he replied in

affirmative. On being asked as to whether the Respondent pleaded guilty on the charges levelled, he pleaded Not Guilty and opted to defend the case.

The Committee also noted that certain witnesses were also present through Video Conferencing. The Committee further noted that since the Respondent opted for de-novo hearing hence the witnesses were not called upon during the hearing. The Committee also directed the office to inform the witnesses accordingly. Thereafter, the Committee decided to adjourn the hearing to a future date. Accordingly, the matter was part heard and adjourned.

- 7.10 During the hearing held on 08.09.2025, the Committee noted that the Representative of the Complainant was present before it for the hearing. The Committee further noted that the Respondent along with his Counsel(s), were also present before it through video conferencing. The Committee also noted that certain witnesses were also present through Video Conferencing. Thereafter, 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. Thereafter, the Committee asked the Representative of the Complainant Department to make submissions on the matter. On the same, the Representative of the Complainant Department submitted that they have already submitted all the documents and has nothing further to submit.

Thereafter, the witnesses were called one by one for their examination by the Counsel for the Respondent and the Representative of the Complainant Department. Accordingly, Mr. B Anil Kumar, Mr. Narasimha and Mr. J Subba Reddy were examined by the both the parties.

The Committee noted that there was some technical problem during examination of Mr. P Venkata Dinesh making it difficult for the Counsel for the Respondent to cross examine him. Further one witness was appearing with the display name of "DCHL System" and when the said id was called upon for examination and was asked to introduce himself, it was noted that he was not responding despite several attempts. Thereafter, the Counsel for the Respondent submitted that he had already examined three witnesses out of the witnesses present for hearing and their examination itself proves conduct of the Respondent and there was no need to examine more witness as the witnesses examined had already corroborated version of the Respondent. The representative of the Complainant Department also submitted that he had no further questions for the witnesses. The Committee, accordingly, after examining the three witnesses decided to discharge all the witness called in the case.

The Committee further examined the Respondent on the facts of the case. Considering the submissions of the parties, the Committee directed the Counsel for the Respondent to submit further submissions/ documents in the matter with a copy to the Complainant Department. Thereafter, the Committee decided to adjourn the hearing to a future date.

- 7.11 During the hearing held on 19.11.2025, the Committee noted that the Representative of the Complainant department was present before it for the hearing. The Committee further noted

that the Respondent along with his Counsel(s), were also present before it through video conferencing. Thereafter, the Committee asked the Counsel for the Respondent to make submissions on the matter. On the same, the Counsel for the Respondent submitted that they have already submitted all the documents and also examined the witnesses in the previous hearing and therefore, has nothing further to submit.

The Counsel for the Respondent reiterated that the witness statements recorded by the Complainant Department appear to be copied and pasted. Upon this submission, the Committee asked the Representative of the Complainant Department to respond to the said contention; to which he replied that he is new to the case and has no information about the development in the matter.

Upon this, the Committee directed the Representative of the Complainant Department to submit written submissions in the matter, if any within next 7 days with a copy to the Respondent and the Respondent was directed to submit his reply on the submissions of the Complainant Department, if any within next 7 days of receiving the same. With these directions, the hearing in the instant matter was concluded and judgment was reserved.

7.12 Thereafter, this matter was placed in meeting held on 24<sup>th</sup> January 2026, for consideration of facts and decision by the Committee. The Committee noted that pursuant to its direction given in the last hearing held on 19<sup>th</sup> November 2025, the Complainant Department did not submit any further submissions. Accordingly, in absence of any further submissions, the Committee decided on merits on the basis of documents and submissions available on record.

8. **FINDINGS OF THE COMMITTEE: -**

8.1 The Committee noted that the charges had been levied by the Complainant against the Respondent. On consideration of the documents on record and the oral and written submissions of the parties to the case vis-à-vis facts of the case, the Committee arrived at the following view:

8.1.1 **First Charge as mentioned in S.no. 1 of Para 2 above, that the Respondent actively participated in the audit of M/s DCHL by assisting CA. Mani Oommen, signing partner and Statutory Auditor of M/s DCHL. During the period from 30.06.2012 to 31.07.2012 and also from 30.09.2012 to 31.10.2012, the Respondent had manipulated the entries in the General Accounts Ledgers in the accounting system of M/s DCHL by replacing original JV entries by way of preparing back dated online vouchers, manually, thereby adjusting the advertisement revenues with newly created entity i.e. M/s DC Marketeers. The Respondent made manipulative entries in the accounting system by way of online vouchers in accounting system of M/s DCHL:**

8.1.2 With respect to charge alleged by the Complainant Department against the Respondent that he assisted CA. Mani Oommen, Statutory Auditor of M/s DCHL during the period from

30.06.2012 to 31.07.2012 and also from 30.09.2012 to 31.10.2012 and manipulating the entries in the General Accounts Ledgers in the accounting system of M/s DCHL by replacing original JV entries by way of preparing back dated online vouchers, manually, thereby adjusting the advertisement revenues with newly created entity i.e. M/s DC Marketeers. The Committee noted that the Respondent was partner in M/s C B Mouli & Associates which had audited the financial statements of M/s. DCHL during the period ended 31.03.2003 to 30.06.2013. Though the Respondent had not signed the audit report and audited financial statements of M/s. DCHL but it has been alleged that during year 2012, the Respondent has posted various backdated online vouchers and manipulated the entries which had significantly manipulated the balance sheet of M/s. DCHL from 31.03.2008 onwards.

8.1.3 The Committee further noted that the Complainant Department with their complaint at PFO stage had brought on record statement of various witnesses recorded under Section 161 of Cr.P.C. wherein the witnesses have deposed against the conduct of the Respondent while being part of audit team of M/s DCHL.

8.1.4 The Committee further noted that on the request of the Respondent to produce witnesses in the instant matter, the Complainant Department (CBI) vide letter dated 9<sup>th</sup> August 2021 had mentioned that they relied on statements of seven persons. The Complainant Department vide letter dated 6th January 2023 also submitted their addresses for calling them as their witnesses. The Committee noted that, out of the seven persons, communication could not be effected upon one person, namely Mr. T. Venkateshwarlu, as the correspondence sent to him was returned undelivered. As regards remaining six persons, the Committee noted their role in M/s DCHL is as under:

- a) Mr. B Anil Kumar – Statement dt. 19.04.2015 and 26.06.2015 - He is qualified CA and joined DCHL on 29.09.2002 as Assistant Manager (Accounts). He was promoted to Senior Manager (Accounts) in 2005, as AGM (Accounts) in 2007 and thereafter as DGM (Accounts) in July 2009.
- b) Mr. M Venkateswar Rao – Statement dt. 12.04.2015 – He is qualified M. Sc. (Tech) in Applied Electronics from Osmania University, Hyderabad. He joined DCHL in November 1988 as a Junior Electronics Engineer. Later he was promoted as Electronics Engineer, manager and General Manager. He is working as General Manager (Systems) with DCHL from 2002 onwards. His nature of duties in DCHL is to maintain hardware, computers, printers, routers, switches, and electronic items, editorial workflow, total networking (LAN and WAN), internet, prepress systems like Computer to plate machines plate processors and other related works.
- c) Mr. Narasimha - Statement dt. 01.08.2014 and 12.04.2015 – He is qualified B Com from Government City College, Hyderabad in 2005. He joined DCHL as Executive (Accounts). He works in General Accounts Department of DCHL at Head Office at Secunderabad.

- d) Mr. P Venkata Dinesh - Statement dt. 12.04.2015, 19.04.2015 and 19.05.2015 – He completed Chartered Accountancy in 2009. He joined DCHL on 05.12.2009 as a Senior Manager (F&A). He resigned from the Company on 31.05.2013.
- e) Mr. V Harish Kumar – Statement dt. 17.04.2015 – He completed B Tech in 2010 from PBR VITS College, Kavali, Nellore District. He joined DCHL as Software Engineer. He is working under Mr. J Subba Reddy, DGM (Software) since 2011.
- f) Mr. J Subba Reddy – Statement dt. 08.04.2015, 17.04.2015 and 26.06.2015 – He joined DCHL on 01.07.1998 as Jr. Software Engineer. His duties were to develop software required for partnership firm M/s. Deccan Chronicle which was printing and publishing news papers. In April 2007, he got promoted to the post of DGM (Software).

8.1.5 The Committee further noted that on 8<sup>th</sup> September 2025, out of above six witnesses called four witnesses of Complainant namely Shri Anil Kumar B (working as DGM (Accounts) with M/s DCHL), Shri G. Narsimha (working as Executive (Accounts) with M/s DCHL), Shri J Subba Reddy (working as DGM (Software) with M/s DCHL) and Shri Venkata Dinesh (working as Senior Manager (F&A) with M/s DCHL) were available for examination. The Committee noted that Mr. B Anil Kumar, Mr. Narasimha and Mr. J Subba Reddy were examined by the both the parties. However, due to some technical problem during examination of Mr. P Venkata Dinesh making it difficult for the Counsel for the Respondent to cross examine him. Further one witness was appearing with the display name of "DCHL System" and when the said id was called upon for examination and was asked to introduce himself, it was noted that he was not responding despite several attempts. Thereafter, the Counsel for the Respondent submitted that he had already examined three witnesses out of the witnesses present for hearing and their examination itself proves conduct of the Respondent and there was no need to examine more witness as the witnesses examined had already corroborated version of the Respondent. The representative of the Complainant Department also submitted that he had no further questions for the witnesses. The Committee, accordingly, after examining the three witnesses discharge all the witness called in the case.

8.1.6 The Committee further noted that from the depositions of these witnesses, no evidence was brought on record which may directly link the role of Respondent with the alleged manipulation of accounting entries at M/s DCHL. These witnesses including Shri J Subba Reddy deposed that their earlier statements made by him before CBI implicating the Respondent were recorded under pressure. Some witnesses even went further to clarify that their statements recorded by CBI were standardised or imposed on them, rather than their voluntary depositions. Witnesses further disclosed that they were asked to sign common statements without their input. The Counsel for Respondent further drew the attention of the Committee to the statements recorded, which were significantly standardised and similar.

8.1.7 The Committee noted that the Complainant Department relied upon letter/ statement/ documents submitted by Shri BVS Subramanyam Gade, Ex-GM, M/s DCHL to question the conduct of the Respondent. However, during the hearing, the Complainant failed to bring on

record any documentary evidence to correlate the conduct of the Respondent with the alleged charge of manipulation of entries in the books of account of M/s DCHL. The Committee further noted that technical aspects of the ERP system also suggest that manipulations, if any, would have left digital footprints which were never presented by the Complainant Department. The Committee further noted that no documentary or digital evidence was produced by the Complainant Department to show Respondent's involvement in altering ERP entries.

8.1.8 The Committee further noted that the Respondent was discharged from the criminal proceedings by Learned XXI Additional City Civil and Sessions Judge and Principal Special Judge for CBI Cases, Bengaluru vide order dated 16<sup>th</sup> December 2022. The Committee further noted that the Complainant Department challenged the said order before the Hon'ble High Court of Karnataka vide Crl. Petition No. 3410/2023, however, the said petition is still pending consideration. The statement relied upon by the Complainant department, on being examined have denied those statements and stated that they were common standardised statement, signed by them under pressure.

In light of above and on overall examination of the facts and documents produced on record, the Committee observed that the Complainant department failed to establish its allegations with the evidence that the Respondent has manipulated the entries in the General Accounts Ledgers in the accounting system of M/s DCHL by replacing original JV entries by way of preparing back dated online vouchers, manually, thereby adjusting the advertisement revenues with newly created entity i.e. M/s DC Marketeers. The Committee further noted that the deposition of witnesses and lack of supportive material proves that the Respondent cannot be held liable for charge of manipulating journal vouchers through computer entries. Accordingly, the Committee was of the considered view that the Respondent is **Not Guilty** of Professional and Other Misconduct falling within the meaning of Item (5), (6), (7), and (8) of Part-I of Second Schedule and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

9. **CONCLUSION:**

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 8.1.1 to Para 8.1.8 as above	<b>Not Guilty</b> - Item (5), (6), (7), and (8) of Part-I of Second Schedule and Item (2) of Part IV of the First Schedule

10. 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 and Other Misconduct falling within the meaning of Item (5), (6), (7), and (8) of Part-I of Second Schedule and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

**ORDER**

11. 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.

*by*

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

Sd/-  
[DR. K RAJESWARA RAO]  
MEMBER, (GOVT. NOMINEE)

Sd/-  
[CA. PIYUSH S CHHAJED]  
MEMBER

Sd/-  
[CA. ABHAY CHHAJED]  
MEMBER

DATE: 11<sup>th</sup> February, 2026  
PLACE: NEW DELHI

*Nehika Gupta*  
सीए. निहिका गुप्ता / CA. Nihika Gupta  
सहायक निदेशक / Assistant Director  
अनुशासनमालक विभाग / Disciplinary Directorate  
भारतीय चार्टर्ड अकाउंटन्ट्स संस्थान  
The Institute of Chartered Accountants of India  
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