

BOARD OF DISCIPLINE

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

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

FILE No: PR/G/315/2017/DD/354/2017/BOD/738/2024

CORAM: (PRESENT IN PERSON)

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

IN THE MATTER OF:

**Shri Ghanshyam Rai
Superintendent of Police, Central Bureau of Investigation
Economic Offences –I, 3rd Floor, A-Wing,5-B
CGO Complex, Lodhi Road
New Delhi..... Complainant**

Versus

**CA. Ankur Gupta (M. No. 098209)
E5/41 2nd Floor, Sector-16, Rohini
New Delhi.....Respondent**

**Date of Final Hearing : 09th December 2025
Place of Final Hearing : ICAI Bhawan, New Delhi**

PARTY PRESENT (IN PERSON):

**Respondent : CA. Ankur Gupta
Respondent's Counsel : CA. Mohita Khanna**

FINDINGS:

BACKGROUND OF THE CASE:

1. The present case originates from a written complaint dated 08.01.2015 submitted by Shri T. C. Ahuja, Chief Manager, Central Bank of India, MCFB Branch, Faridabad. Based on this complaint, the Complainant Department registered a case under Sections 120-B read with 420, 467, 468 and 471 of the Indian Penal Code and Section 13 (2) read with Section 13 (1)(d) of the Prevention of Corruption Act, 1988, against M/s V S International, its partners Mr. Vijender Singh Ahlawat and Mr. Surender Singh Ahlawat, Mr. S. N. Kathuria, then AGM of Central Bank of India, and other unknown private persons. This factual position is reflected in the Self-Contained Note dated 25.08.2017 of CBI, submitted along with the complaint.

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2. Subsequently, upon completion of investigation, the Complainant Department filed a charge sheet on 30.06.2016, wherein the name of the Respondent was also included as an accused, in his capacity as an employee of M/s Adigear International, a partnership firm. The charge sheet further names the partners of M/s Adigear International, namely Mr. Sanjay Khanna and Mr. Sandeep Khanna, among others. As per the prosecution case, the loan proposal of M/s Adigear International was initially declined by the Central Bank of India. Thereafter, it is alleged that Mr. Sanjay Khanna and Mr. Sandeep Khanna, in conspiracy with a bank official, floated a new firm under the name and style of M/s V S International by inducting Mr. Vijender Singh Ahlawat and Mr. Surender Singh Ahlawat as partners. Through this newly constituted firm, a loan of ₹15 crores was allegedly sanctioned and disbursed by the Central Bank of India in September 2012. The said loan account subsequently became irregular and was classified as a Non-Performing Asset (NPA) with effect from 01.05.2014.

CHARGES ALLEGED:

3. The Complainant has alleged that the Respondent, in criminal conspiracy with the partners / promoters of M/s V S International and M/s Adigear International, namely Mr. Vijender Singh Ahlawat, Mr. Surender Singh Ahlawat, Mr. Sanjay Khanna, Mr. Sandeep Khanna and Mr. Sameer Khanna, and with the bank official Mr. S. N. Kathuria, intentionally facilitated the creation of a paper/fake firm, M/s V S International. It is alleged that the Respondent assisted in preparing and arranging forged financial statements and other fabricated documents based on which a credit facility of ₹15 crores was fraudulently obtained from Central Bank of India. Despite having full knowledge that the factory premises at 253, Sector-6, IMT Manesar had already been taken on rent by M/s Adigear International, the Respondent allegedly prepared and submitted a credit proposal for M/s V S International for the same premises. Further, he is accused of preparing another credit proposal for ₹23.50 crores in the name of M/s Adigear India and submitting it to Oriental Bank of Commerce against the very same factory premises, thereby fraudulently projecting one factory for multiple firms to obtain simultaneous credit facilities from different banks, evidencing malafide intent.
4. It is further alleged that after the loan was sanctioned and disbursed in favour of M/s V S International, the loan proceeds were siphoned off through various companies controlled by Mr. Sanjay Khanna, Mr. Sandeep Khanna and Mr. Sameer Khanna, who were promoters/partners of M/s Adigear International. The Respondent is alleged to have played an active role in facilitating this diversion of funds, thereby contributing to the wrongful loss caused to the lending banks and corresponding unlawful gain to the accused entities.
5. The Director (Discipline), vide his Prima Facie Opinion bearing reference No. PR / G / 315 / 2017 / DD/354/2017 dated 16th April 2024, has held the Respondent Guilty in respect of the first allegation of having formed M/s V S International on the basis of forged documents and of having fraudulently availed credit facilities from the Central Bank of India as well as Oriental Bank of India. It was further observed that the same factory was dishonestly shown in the names of two partnership firms, namely M/s Adigear International and M/s V S International, while the Respondent represented M/s V S International. In view of the foregoing, the Respondent has been prima facie held Guilty of "Other Misconduct" falling within the meaning of Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

BRIEF OF PROCEEDINGS HELD:

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

S. No.	Date of Hearing	Status of hearing
1.	18 th August 2025	Adjourned at the request of Respondent.
2.	28 th October 2025	Adjourned at the request of Respondent.
3.	09 th December 2025	Matter Heard and Concluded.

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SUBMISSION OF THE RESPONDENT:

7. The Respondent has categorically denied the charge of "Other Misconduct" under Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949, contending that the conclusions drawn in the PFO are factually incorrect, legally untenable, and based on an erroneous appreciation of material on record. It is asserted that the disciplinary proceedings must strictly adhere to the procedural safeguards prescribed under the Chartered Accountants Act and the Rules framed thereunder and that any deviation therefrom vitiates the inquiry.
8. The Respondent submits that his limited association with M/s Adigear International was purely in the capacity of an employee handling routine accounting functions, and that he had no role whatsoever in the sanction, appraisal, processing, disbursement, or operation of the loan availed by M/s V S International. He was neither an applicant, beneficiary, signatory, certifier, nor verifier of any document connected with the impugned loan transaction. His presence during a few factory visits by bank officials, after the loan had already been sanctioned and disbursed, was due to compelling circumstances arising from his employment-related commitments and cannot, by itself, be construed as connivance or complicity in any alleged fraud. Importantly, the Respondent emphasizes that he was not named in the original bank complaint or the initial CBI FIR and was implicated only at a later stage, which, according to him, demonstrates the absence of any contemporaneous suspicion regarding his conduct.
9. The Respondent further challenges the evidentiary basis of the Prima Facie Opinion, contending that it impermissibly relies on statements recorded under Section 161 Cr.P.C., including those of co-accused persons. It is argued that such statements are not substantive evidence, are legally inadmissible against a co-accused, and cannot form the foundation of a finding of misconduct in disciplinary proceedings. The Respondent relies upon settled judicial precedents to submit that neither statements of co-accused nor his own alleged Section 161 statement can be used to establish guilt or misconduct in the absence of independent, corroborative, and admissible evidence. He further points out that there is no allegation or proof of any financial gain, money trail, or participation by him in the alleged siphoning or diversion of loan funds.
10. The Respondent also submits that the material on record, including the CBI charge sheet and internal bank documents, clearly indicates serious procedural lapses and violations by senior bank officials and promoters of the borrowing firms, which were wholly beyond his control or involvement. He contends that misconduct, being quasi-criminal in nature, must be proved beyond reasonable doubt and cannot be presumed based on suspicion or conjecture. In the absence of any direct evidence linking him to the alleged fraud or bringing disrepute to the profession, the Respondent prays that no case of "Other Misconduct" is made out against him and that the proceedings before the Board of Discipline be dropped in the interest of justice.

OBSERVATIONS OF THE BOARD:

11. At the outset, the Board noted that the Prima Facie Opinions (PFO) dated 16th April 2024 of the Director (Discipline) was concurred by it with the reason given against the charges that the Respondent is Prima Facie Guilty of Other misconduct falling within the meaning of item (2) of Part IV of the First Scheduled to the Chartered Accountants Act, 1949 in respect of only one allegation, namely, Formation of M/s V S International on the basis of forged documents and availment of credit facility from Central Bank of India as well as from M/s Oriental Bank of India for the same factory fraudulently shown in the name of two partnership firms namely M/s Adigear International and M/s V S International and represented M/s V S International. Further, in respect of the Second allegation, the allegation was viewed as not maintainable against the Respondent. Therefore, the inquiry of the Board was only limited to the first charge alleged against the Respondent.
12. The Board also noted that despite opportunities given to the Complainant, neither the Complainant nor any authorized Representative from the Complainant Department was not present and there was no information about their non-appearance. The Respondent expressly conveyed that he had no objection to the matter being heard in the absence of the Complainant. Accordingly, the Board proceeded to hear the matter ex-parte without the presence of the Complainant.

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13. The Board upon careful consideration of the documents/ submissions on record, noted that the Respondent was an employee of M/s Adigear International and resigned from its services in February 2013. The role of the Respondent as an employee was limited only to occasionally assist in filing forms based on the documents given to him. The Board further noted that the Respondent was neither an applicant, nor a beneficiary, nor a signatory, nor a certifier or a verifier of any documents pertaining to the loan under question.
14. Further, the Board noted that the Respondent has attended three meetings of the Company along with partners of the organization with the Bank officials after he resigned from the Company as well as after sanction and dispersal of the loan. The Board finds that no documentary evidence has been brought on record by the Complainant to establish that the Respondent has fabricated, forged, or certified any document forming part of the loan transaction.
15. The Board further notes that the Respondent's attendance in three meetings with bank officials, after the loan had already been sanctioned and disbursed, by itself cannot be construed as evidence of mala fide Intent or complicity in the alleged fraudulent procurement of loan facilities. Mere presence in meetings or interaction with bank officials, in the absence of corroborative evidence demonstrating active participation in forgery, misrepresentation, or diversion of funds, is insufficient to sustain a charge of "Other Misconduct" under Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949. The Board also finds that the Complainant has failed to adduce any independent or cogent evidence to prove that the Respondent was "hand in glove" with the principal accused or that his conduct brought disrepute to the profession.
16. The Board also relied on the case ICAI v. H.S. Ghia (Bombay High Court, 2004) and further was of the considered opinion that suspicion, however strong, cannot take the place of proof. The standard required to establish misconduct, being quasi-criminal in nature, has not been met in the present case. Accordingly, the Respondent is held Not Guilty of the charges levelled against him, and the proceedings stand concluded.

CONCLUSION:

17. Thus, in conclusion, in the considered opinion of the Board, the Respondent is 'Not Guilty' of Other Misconduct under Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949. Accordingly, the Board passed an Order for closure of the case in terms of the provisions of Rule 15 (2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.
18. Ordered Accordingly. The Case stands disposed of.

Sd/-

CA. Rajendra Kumar P
Presiding Officer

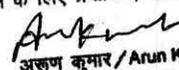
Sd/-

Dolly Chakrabarty, IAAS (Retd.)
Government Nominee

Sd/-

CA. Priti Savla
Member

Date:31-01-2026

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

अरुण कुमार / Arun Kumar
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
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