

CONFIDENTIAL

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

File No: - [PR/276/2018/DD/329/2018/DC/1257/2020]

In the matter of:

Sh. Ramesh Sanka
1611B, Magnolias
DLF-5, Golf Course Road
Gurgaon – 122009

.....Complainant

Versus

Shri Jai Bharat Aggarwal*
Kush 502, Agarsen Apartment
66, IP Extension
Delhi - 110092

.....Respondent

* Name of Shri Jai Bharat Aggarwal, Membership Number 092775 has been removed from the register of the members' w.e.f. 01st October 2010 due to non-payment of fees.

MEMBERS PRESENT:

CA. Prasanna Kumar D, Presiding Officer (In Person)
Shri Vijay Kumar Jhalani, Govt. Nominee (In Person)
CA. Mangesh P Kinare, Member (In Person)
CA. Satish Kumar Gupta, Member (In Person)

DATE OF FINAL HEARING : 8th November 2025

PARTIES PRESENT:

Counsel(s) for Respondent: CA. A.P. Singh and CA. Utsav Hirani (Through VC)

1. Background of the Case:

- 1.1 It was stated that on perusal of ICAI records, it was noted that the Respondent was not a member of the Institute from 01st October 2005 to 09th April 2007 and, thereafter, from 01st October 2010 onwards. The name of the Respondent, accordingly, stands removed till date w.e.f. 01st October 2010 from the register of members on account of non-payment of membership fee vide notification dated 3NCA (4)/1/2010-11 dated 5th September 2011. As per Rules, the person should be a member of ICAI on the date of the alleged misconduct. Accordingly, the allegations which were raised by the Complainant are also looked into from the perspective of the period during which the ICAI has disciplinary jurisdiction over the Respondent while his name was entered into the register of members and not beyond. In the extant case, the Respondent has acted as a Director in 16 IREO group Companies.

2. Charges in brief:

- 2.1 The charges alleged by the Complainant in the extant case have been dealt with in detail as under:

S. No.	Allegations	Decision of Director (Discipline) in PFO
1.	Respondent along with Mr. Lalit Goyal, VC & MD of IREO and CA. Nitin Gupta, GM, Finance was instrumental in appointing the non-independent auditors which includes CA. Priyanka Garg who being wife of Mr. Rajesh Garg, (Sr. Executive of IREO) has audited various entities of IREO Group which is violation of Section 143 of the Companies Act, 2013.	<u>Not guilty</u> Respondent was not a member on the date of alleged misconduct.
2.	In Consolidating various group companies, consistency was not maintained and the accounts compiled by the Respondent were not giving True & Fair view. The Respondent was negligent and he wilfully with intent to defraud the foreign investors omitted to consolidate 75	<u>Not Guilty</u>

	companies.	
3.	The Respondent being a director had accounted for accounting of a non-existing land and overlooked all accounting policies and violated all procedures while doing fake accounting of Bhiwadi land	<u>Not Guilty</u>
4.	In case of Corridor project, a duplicate set of payments of land development rights for the land that was already financed, procured and owned by IREO group in 2010-11, was once again made in 2013-14 and thus the Respondent in this regard colluded with the auditors and helped the Management to siphon out the amount of more than Rs. 500 crores.	<u>Not guilty</u> Respondent was not a member on the date of alleged misconduct.
5.	In Consolidation accounts presented by the Respondent, there was a non-disclosure of change in ownership of land holding company having assets of Rs. 10,000 crores as 28 land owning companies have been fraudulently transferred to Lalit Goyal without consideration received by Investors. The Respondent has colluded with Mr. Lalit Goyal to help him doing this fraud as the group accounts continued to show a massive value of these lands and consolidating accounts does not give true and fair view of the affairs of the company.	<u>Not guilty</u>
6.	The Respondent had fraudulently mentioned in the balance sheet of IREO Pvt Ltd that IPL has applied for various licences which is false and misleading to the investors as IPL has never applied for any license and has never been issued any license for land as evident from website of DTPC.	<u>Not guilty</u> Respondent was not a member on the date of alleged misconduct.

7.	The Respondent helped the fraud to occur in consolidation of accounts by non-disclosure of the fact that license were not applied by operating companies of IREO Pvt Ltd (IPL) which had resulted in gross violation of FDI guidelines and investors were kept in dark from this factual position.	<u>Not guilty</u> Respondent was not a member on the date of alleged misconduct.
8.	A company named S V Housing Pvt Ltd was sold off by Mr. Lalit Goyal to Lalwani Group i.e. outside the IREO group in year 2013-14 but neither any revenue nor any cash flow was received by IREO group. Thus, it is alleged that the Respondent did not take any action to report this fraud to investors and was involved in cheating the investors for this massive fraud due to his connivance with Mr. Lalit Goyal.	<u>Not guilty</u> Respondent was not a member on the date of alleged misconduct.
9.	A company named High Responsible Realtors Pvt Ltd, a land owning company for whom the IPL has financed for procurement of licences, land, all tax and duties, has been sold off by Mr. Lalit Goyal to Style Realtors Pvt Ltd. However neither any revenue nor any cash flow was received by IREO Group. The Complainant has thus alleged that the Respondent failed to report the sale of the company and simply omitted the same from Consolidation.	<u>Not guilty</u> Respondent was not a member on the date of alleged misconduct.
10.	SU Estates Pvt Ltd, one of the land owning company of IREO, has sold one of the commercial license of 3.35 acres to Splendor Landbase Pvt Ltd but neither any revenue nor any cash flow had accrued to IREO even though IREO financed both land cost and license cost. The Respondent failed to report this obvious fraud to investors and was involved in cheating the foreign investors for this massive fraud due to his connivance with Mr. Lalit Goyal.	<u>Not guilty</u> Respondent was not a member on the date of alleged misconduct.

11.	Reporting of non-moving loans or land advances in the consolidation of accounts where the advances remained outstanding for several years and huge write offs were made in the group accounts. The Complainant mentioned that from the limited analysis of more than 180 land owning companies floated by Mr. Lalit Goyal, it appears that the write offs / provision for such land advances were given and forgotten without taking any action which amounted to siphoning more than several hundreds crores and the Respondent failure to carry out his duty under Companies Act.	<u>Not guilty</u>
12.	Non-disclosure of transaction with M/s Global Estate (a partnership firm owned 95% by Mr. Lalit Goyal and 5% by Ms. Sapna Goyal) for an amount paid to them of Rs. 175 crores in the annual accounts of IREO Grace Realtech Pvt Ltd. being Related Party Transaction.	<u>Not guilty</u>
13.	Schedules and appropriate disclosures were not given in Annual Accounts of IREO for the largest cost head in the financial statements like project work in progress, inventories etc. Therefore, violation of Schedule VI and Schedule III by not disclosing the details of inventory and its breakup and financial statements of IREO doesn't give true and fair view.	<u>Not guilty</u>
14.	The Payment made to Blueplanet Infra Developers Pvt Ltd of Rs 140 crores was not disclosed in the annual accounts of IREO Grace Realtech Pvt Ltd. Blueplanet Infra Developers Pvt Ltd claimed 285000 sq. ft of apartment to be given in the collaboration agreement of 2012-13 which was subsequently modified to upfront payment of Rs. 140 crores which is paid and apartment to be given for area of 135000 sq ft. He has in this regard alleged that the Respondent colluded with Mr	<u>Not guilty</u> Respondent was not a member on the date of misconduct.

	Lalit Goyal in doing this fraud by making fraudulent agreements and siphoning out the amount.	
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3. The relevant issues discussed in the Prima facie opinion dated 28th August 2019 formulated by the Director (Discipline) in the matter in brief, are given below (in respect of Second, Third, Fifth, Eleventh, Twelfth and Thirteenth allegation in which Respondent was Not Guilty):

3.1 On perusal of the papers on record, viz. the Complaint, Written Statement, Rejoinder and additional documents received from the Respondent, it was observed as under: -

3.1.1 As regards the **Second Allegation**, the Complainant had alleged that, in consolidating various group companies, consistency was not maintained and that the accounts compiled by the Respondent were not giving a true and fair view. He had also alleged that the Respondent was negligent and had willfully, with an intent to defraud foreign investors, omitted to consolidate 75 companies. The Complainant had further mentioned that while consolidating various group companies, certain companies were dropped in some years, whereas their consolidation was done in other years. The Complainant had also alleged that no reason or disclosure was given as to why a particular company was left out from consolidation in subsequent years. The Complainant had further mentioned that five companies, namely Hardcore Realtors Pvt Ltd, Ornamental Buildwell Pvt Ltd, IREO Recreational Club Pvt Ltd, Swapn Ghar Township Pvt Ltd and Adhishwar Real Estate Pvt Ltd, were consolidated and agreed by the Auditors, but from the MCA website, the Complainant could not find the existence of these companies. The Complainant thus alleged that the Respondent had not explained on what basis he had agreed to the consolidation of the aforesaid entities in the group accounts. The alleged non-existence of these companies on the ROC website was stated to be strong proof of fraud and connivance with the management by the Respondent.

3.1.2 On perusal of the records, it was noticed that the Respondent was a Director in 16 IREO Group companies. In this charge, the Complainant had alleged that while consolidating various group companies, consistency was not maintained, as certain

companies were dropped in some years but their consolidation was carried out in other years.

3.1.3 As regards the five companies which, according to the Complainant, were consolidated and agreed by the Auditors, but whose existence could not be found on the MCA website, it was noted that these companies were different from those in which the Respondent had acted as Director till 1st October 2010, which was the date from which he ceased to be a member of ICAI. It was also noted that out of the 79 companies which, according to the Complainant, were consolidated/compiled by the Respondent but allegedly did not give a true and fair view, the Respondent was Director in only three companies involved in this charge, namely Gajraj Buildwell Pvt Ltd, Rich Realtors Pvt Ltd and Surprise Buildwell Pvt Ltd, during the period when he was also holding the membership of the Institute. However, on perusal of the records, it was felt that no documents were made available by the Complainant on record to corroborate, firstly, that there was any requirement for consolidation on account of any relationship such as holding company, subsidiary, associate, joint venture or related party, and secondly, even if it was accepted for argument's sake that such a requirement existed, there was no clear evidence on record to establish that the financial statements were not giving a true and fair view or that the principle of consistency was not followed, as pinpointed instances had not been provided by the Complainant. Thus, in light of the reasoning given above, it was felt that since the extant charge could not be upheld against the Respondent due to lack of documentary evidence, the Respondent was held **Not Guilty** with respect to this charge.

3.2 As regards the **third allegation**, the Complainant had alleged that the Respondent, being a director, had accounted for a non-existing land and had overlooked all accounting policies and violated all procedures while doing fake accounting of the Bhiwadi land. The Complainant had further alleged that it was a clear case of connivance with the management and the auditors to indulge in fraudulent activity to siphon out money, as the Respondent, in collusion with the Statutory Auditors, had participated in the preparation of the valuation report of the Bhiwadi land which was used for impairment.

3.2.1 On perusal of the records, it was noticed that the Complainant had instructed Mr. Tatini Basu, Advocate on record, Supreme Court of India, to conduct legal due diligence of the area of land at Bhiwadi, which was the subject matter of the Transfer of Development Rights Agreement dated 1st November 2010 executed between Misty Meadows Pvt Ltd and Innovative Realtech Pvt Ltd. It was also noticed that the Complainant had engaged M. K. Saraogi & Co., Chartered Accountants, to examine various issues specifically related to the alleged fraud by the management of IREO Pvt Ltd, and in their report, they had mentioned the names of five broker companies to whom money was paid, namely Innovative Realtech Pvt Ltd, Cygnus Propbuild Pvt Ltd, Vision Multiplex Pvt Ltd, Base Realtors Pvt Ltd and Aadi Buildwell Pvt Ltd. It was further noted that the Transfer of Development Rights Agreement was executed between Misty Meadows Pvt Ltd and Base Realtors Pvt Ltd on 7th September 2010. However, as already detailed in the preceding paragraphs, the Respondent was a Director only in 16 IREO Group companies, which, upon comparison, were found to be different from the aforesaid companies involved in this charge and mentioned in the report of M/s M. K. Saraogi & Co.

3.2.2 It was thus noted that there was no evidence brought on record by the Complainant to establish any relationship of the various companies involved in this charge with any of the 16 companies in which the Respondent had held directorship. Thus, it was viewed that since the Respondent was in no way connected with the companies involved in the extant charge, the charge was not maintainable against the Respondent and, accordingly, he was held **Not Guilty** with respect to this charge.

3.3 As regards the **fifth allegation**, the Complainant had alleged that in the consolidated accounts presented by the Respondent, there was non-disclosure of change in ownership of a land-holding company having assets of Rs. 10,000 crores, as 28 land-owning companies had been transferred to the ownership of Mr. Lalit Goyal (82% with him and the balance 18% with his relatives), and thus the ownership and control of these companies were fraudulently transferred to Mr. Lalit Goyal without any consideration received by the investors. The Complainant had further alleged that the Respondent had colluded with Mr. Lalit Goyal to facilitate this fraud, as the group accounts continued to show a massive value of these lands and, as such, the

consolidated accounts were not giving a true and fair view of the affairs of the company.

- 3.3.1 On perusal of records, it was noted that although the Complainant had not provided details of the 28 companies intended to be covered under this allegation, in further documents received on 29th October 2018, he had stated that the Respondent had continued to consolidate Commander Realtors Pvt Ltd in the consolidated accounts of IREO Pvt Ltd, even though the legal ownership and directorship had kept transferring in favour of Mr. Lalit Goyal. It was further alleged that the Respondent had chosen not to disclose to IREO investors that ownership of all land-owning companies owned by Commander Realtors Pvt Ltd had been transferred to Mr. Lalit Goyal, thereby effectively transferring ownership of 337 acres of land valued at Rs. 10,000 crores to Mr. Lalit Goyal. The Complainant had also provided details of relationships of certain companies claimed to be IREO Group companies; however, on perusal, it was noted that the Respondent was not a Director in any of the companies mentioned therein. It was also noted that the Complainant had engaged M/s M. K. Saraogi & Co., Chartered Accountants, to examine various issues allegedly related to fraud by the management of IREO Pvt Ltd, and that firm had submitted its report after review. In the report, it was mentioned that the total assets of Commander Realtors Pvt Ltd (CRPL) were virtually owned by Mr. Lalit Goyal and its 26 subsidiaries, and that management control had shifted to Mr. Lalit Goyal by virtue of his shareholding. On verification of documents available on the MCA website, it was noted that the Respondent was neither a Director nor a Key Managerial Personnel in IREO Pvt Ltd during the year 2010–11 and was later appointed as CFO of the company with effect from 1st January 2016. Although, as per the Complainant, the shareholding had changed prior to 1st October 2010, since the Respondent was neither a Director in IREO Pvt Ltd nor in Commander Realtors Pvt Ltd (CRPL) during the period he held membership of ICAI, this charge could not be upheld against the Respondent. As regards the other part of the allegation that the Respondent had colluded with Mr. Lalit Goyal to facilitate the alleged fraud, it was noted that the Complainant had failed to establish the same with corroborative evidence, and accordingly, the Respondent was held **Not Guilty** with respect to this charge.

3.4 As regards the **eleventh allegation** concerning reporting of non-moving loans or land advances in the consolidation of accounts, where advances had remained outstanding for several years and huge write-offs were made in the group accounts, the Complainant had mentioned that from a limited analysis of more than 180 land-owning companies floated by Mr. Lalit Goyal, it appeared that write-offs or provisions for such land advances were given and thereafter forgotten without taking any action. This, according to the Complainant, amounted to siphoning off several hundreds of crores, and the Respondent had failed to carry out his duties under the Companies Act, as these advances and write-offs were allegedly for the personal gain of Mr. Lalit Goyal and his associated persons.

3.4.1 On perusal of records, it was noted that the Complainant had not initially provided detailed particulars in this respect. However, the report of M/s M. K. Saraogi & Co., Chartered Accountants, had stated that there was a pattern in which money was siphoned off by these companies, wherein funds were first received from abroad and thereafter were given to IREO land-owning companies in which employees of IREO were directors. From these entities, money used to flow to other shell companies by way of advances, from where the money allegedly vanished. The report had mentioned certain companies in this regard, out of which in one company, namely Rich Realtors Pvt Ltd, the Respondent was a Director with effect from 18th February 2010. It had been alleged that Rich Realtors Pvt Ltd had received Rs. 11.56 crores from Orchid Ireo Reality Pvt Ltd in 2007, out of which an advance of Rs. 3.30 crores was paid for land to Rambhakta Niwas Pvt Ltd in 2007, and the same remained unmoved at Rs. 3.30 crores from 2007 till 2017. It was further alleged that inventories amounting to Rs. 9.76 crores had also remained unmoved from 2012 to 2017.

3.4.2 In this regard, it was noted that no documentary evidence had been provided by the Complainant to corroborate the charge that fraud had been perpetrated, as non-movement of inventory in companies engaged in real estate development could not lead to a finding of siphoning of funds, particularly when the amounts had not been written off and were duly reflected in the financial statements. Accordingly, the Respondent, who had merely acted as a Director, could not be held accountable for this charge, as the Complainant had failed to produce evidence to substantiate the allegation. Therefore, the Respondent was held **Not Guilty** with respect to this

charge on account of lack of documentary evidence, as the charge was found to be general in nature and lacking corroboration.

- 3.5 As regards the **twelfth allegation**, the Complainant had mentioned that there was non-disclosure of a transaction with M/s Global Estate, a partnership firm owned 95% by Mr. Lalit Goyal and 5% by Ms. Sapna Goyal, involving payment of Rs. 175 crores in the annual accounts of IREO Grace Realtech Pvt Ltd. It was alleged that this related-party transaction was never disclosed in the financial statements of IREO Grace Realtech Pvt Ltd.
- 3.5.1 On perusal of the MCA website, it was noted that although the Respondent was a Director in IREO Grace Realtech Pvt Ltd with effect from 18th February 2010, considering the allegation that the company had paid Rs. 175 crores to M/s Global Estate without disclosure in its financial statements, the date of such payment was not evident from the facts and details provided by the Complainant. In the absence of corroborative evidence establishing the Respondent's involvement, having regard to his role as a Director and his membership of ICAI only until 1st October 2010, the extant charge lacked clarity and was therefore **not tenable** against the Respondent due to lack of documentary evidence.
- 3.6 As regards the **thirteenth allegation**, the Complainant had mentioned that schedules and appropriate disclosures were not given in the annual accounts of IREO for the largest cost heads in the financial statements, such as project work-in-progress and inventories. The Complainant had thus alleged that the Respondent had grossly violated Schedule VI to the Companies Act, 1956 and Schedule III to the Companies Act, 2013 by not disclosing details of inventory and its break-up, and that the financial statements of IREO did not give a true and fair view of its affairs.
- 3.6.1 On perusal of records, it was noted that the charge was general in nature and lacked clarity with regard to the year involved, the exact company in which such disclosure requirements were allegedly not fulfilled, and the specific instances on the basis of which the Complainant had raised the allegation of violation of Schedule VI to the Companies Act, 1956 and Schedule III to the Companies Act, 2013. Accordingly, it

was viewed that the extant charge appeared to be general in nature and was therefore not tenable against the Respondent due to lack of documentary evidence.

3.7 Accordingly, the Director (Discipline) in his Prima Facie Opinion dated 28th August 2019 opined that the Respondent was Prima Facie **NOT GUILTY** of Professional and Other Misconduct falling within the meaning of Clause (1) of Part II of Second Schedule and Clause (2) of Part IV of the First Schedule to the Chartered Accountant Act 1949. The said Clauses of the Schedule to the Act, states as under:

Clause (1) of Part II of Second Schedule:

A member of the Institute, whether in practice or not, shall be deemed to be guilty of professional misconduct, if he-

X X X X X X X X

“(1) contravenes any of the provisions of this Act or the regulations made thereunder or any guidelines issued by the Council”

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

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

X X X X X X X X

“(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.”

3.8 The Board of Discipline at its meeting held on 06th January 2020 considered the prima facie opinion dated 28th August 2019 of the Director (Discipline) along with the Complaint on record. On consideration of the same, the Board was of the view that given the seriousness of the allegations levelled against the Respondent along with the auditors of the companies under question and the fact of non-submission of Written statement by the Respondent, it would be appropriate to consider the case of the Respondent along with related cases filed by the Complainant against the auditors of the companies under question. Accordingly, **the Board of Discipline did not agree with the view of the Director (Discipline) that the Respondent is Not guilty of Professional and Other Misconduct falling within the meaning of**

Clause (1) of Part II of the Second Schedule and Clause (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949 and referred the matter to the Disciplinary Committee to proceed 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	17 th September 2018
2.	Date of Written Statement filed by the Respondent	---
3.	Date of Rejoinder filed by the Complainant	---
4.	Date of Prima Facie Opinion formed by Director (Discipline)	28 th August 2019
5.	Written Submissions filed by the Respondent after PFO	22 nd September 2025

5. Written Submissions filed by the Respondent:

5.1 The Respondent vide email dated 22nd September 2025, inter-alia, made the submissions which are given as under: -

- a) The Respondent joined IREO on 2nd November 2009 as Financial Controller after a long career in assurance practice and had no prior experience in the real estate sector, which was known and accepted at the time of hiring.

- b) All real estate–related decisions, including land transactions, development, licensing, and capital deployment, were handled by business, legal, and senior management teams, and the Respondent had no role in negotiations or approvals.
- c) The Respondent acted in good faith, within defined functional boundaries, and reported to senior executives, later being elevated to CFO in 2016 based on management recommendation.
- d) The disciplinary framework under the Chartered Accountants Act, 1949 applies only to members of ICAI, and jurisdiction exists only if the Respondent was a member on the date of alleged misconduct.
- e) ICAI records show that the Respondent was not a member during significant periods, including after 1 October 2010, and his name was removed from the Register of Members, placing alleged conduct outside ICAI's disciplinary jurisdiction.
- f) The complaint in Form I dated 17th September 2018 was never served on the Respondent, depriving him of the opportunity to file a written statement or defend himself, in violation of principles of natural justice and Rule 8(1) of the 2007 Rules.
- g) The Board of Discipline's rejection of the Director (Discipline)'s prima facie opinion of "not guilty" and referral to the Disciplinary Committee was procedurally irregular, unsupported by new evidence, and based solely on the alleged seriousness of allegations.
- h) The Board exceeded its jurisdiction by re-characterising vague allegations as definitive charges and acting in a quasi-prosecutorial manner, contrary to the statutory scheme.
- i) The complaint failed to meet mandatory requirements of Form I, as it did not specify clear, structured, and particularised allegations linked to the relevant Schedules of the Act.
- j) Disciplinary proceedings cannot be sustained against a non-member, nor can conduct outside the membership period be examined under the Act or Rules.

- k) The Respondent was not acting as a statutory auditor in respect of the transactions under inquiry and was not bound by obligations under the Chartered Accountants Act at the relevant time.
- l) The referral and continuation of proceedings suffer from jurisdictional error, procedural impropriety, and breach of natural justice, rendering them legally unsustainable.

5.2 Respondent submission on relevant charges is as follows:

Second Charge:

- a. Respondent was not directly involved in financial reporting; consolidation adhered to AS 21 requirements.
- b. Companies allegedly excluded from consolidation were not subsidiaries, associates, or joint ventures; no control exercised by Respondent or IREO.
- c. Complainant failed to provide evidence, financial statements, or audit reports showing inconsistency; allegation is vague and unsupported.
- d. Respondent had no direct involvement in preparation of group consolidated financial statements; Director (Discipline) concluded no evidence of negligence or fraud.

Third Charge:

- a. Respondent had no role in taking or approving decisions on non-refundable deposits; responsibilities limited to Group Reporting.
- b. Adequate financial disclosures were made; independent valuations carried out from FY 2012–2013; provisions for diminution recognized appropriately.
- c. Decisions were commercial, taken by Chairman & Managing Director with Land/Business Development team; Respondent had no role in decision-making.
- d. Complainant failed to provide evidence of connivance, collusion, or misconduct; allegation of fictitious land is unsubstantiated.
- e. Complainant imposes a negative burden of proof on Respondent, which violates principles of natural justice.
- f. Respondent had no control over relevant entities or role in financial reporting; third charge is devoid of merit, not maintainable, and should be dismissed in entirety.

Fifth Charge:

- a. Complainant failed to provide list of 28 companies: restricted allegation to CRPL.
- b. Respondent was neither director, shareholder, nor in control of CRPL or other companies at relevant time; appointed CFO of IREO Pvt. Ltd. only from 1st January 2016.
- c. Alleged collusion is unsupported by documentary or circumstantial evidence.
- d. Forensic report by M.K. Saraogi & Co. lacks legitimacy, was unauthorized, ex parte, and unreliable.
- e. No breach of accounting standards or misstatement demonstrated; statutory audit and board approval in place.

Eleventh Charge

- a. Complaint vague; no specifics of advances, companies, financial years, or accounting treatment; impossible for Respondent to defend.
- b. Only one cited instance involved a company where Respondent was director from 18th February 2010; transactions occurred before tenure or do not establish fraud.
- c. No evidence of Respondent authorising, recovering, or concealing advances; advances reflected in books and statements.
- d. Respondent ceased ICAI membership 1st October 2010; transactions outside membership period; ICAI lacks jurisdiction.
- e. Charge general, unsupported, and jurisdictionally unsustainable; Director (Discipline) correctly held no basis to proceed; Respondent not liable.

Twelfth Charge:

- a. Complainant provided no details of timing, financial statements, board resolutions, or documentation, allegation speculative.
- b. No evidence of Respondent's knowledge, approval, or involvement; no breach of accounting standards or disclosure norms established.
- c. Respondent ceased ICAI membership 1st October 2010; transactions outside membership period; ICAI lacks jurisdiction.
- d. Charge fails factual, procedural, and jurisdictional tests; Director (Discipline) rightly concluded Respondent not liable.

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Thirteenth Charge:

- a. Complainant failed to specify financial year, entity, note, schedule, or accounting head; impossible to defend.
- b. No documentary evidence provided; no audit reports, expert opinions, or comparative analysis presented.
- c. Respondent ceased ICAI membership 1st October 2010; transactions outside membership period; ICAI lacks jurisdiction.
- d. Allegation unsubstantiated, procedurally defective, and jurisdictionally barred; Director (Discipline) rightly held Respondent not liable.

6. Brief facts of the Proceedings:

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

S. No.	Date of meeting(s)	Status
1.	22 nd May 2023	Adjourned in the absence of Complainant and Respondent
2.	29 th July 2025	Adjourned in the absence of Complainant and Respondent
3.	19 th August 2025	Adjourned at the request of the Respondent
4.	26 th August 2025	Part heard and adjourned at the request of the Respondent
5.	23 rd September 2025	Adjourned at the request of the Respondent
6.	28 th October 2025	Adjourned at the request of the Respondent
7.	8 th November 2025	Hearing Concluded and Decision Taken

- 6.2. On the day of first hearing held on 22nd May 2023, the Committee noted that the Respondent was not present, nor any intimation was received from his side for attending the hearing. The office apprised the Committee that the Complainant was not present and notice of listing of the case has been served upon him and an e-mail dated 11/05/2023 was received from Ms. Meghna Sanka (daughter of the Complainant) stating that her father (Complainant) is at present in Gurugram District

Jail, and the subject case be postponed till August, 2023 i.e. as he (complainant) desired to present this case personally. In the absence of the Complainant and the Respondent, the Committee adjourned the matter to a later date.

- 6.3. On the day of hearing held on 29th July 2025, the Committee noted that the Complainant as well the Respondent were not present. In the absence of both parties, the Committee decided to adjourn the subject case to later date and directed the office to inform the Complainant and Respondent to appear before it at next date of hearing and in case of their failure to appear before it, the Committee shall proceed with consideration of the matter ex-parte based on documents on record and decide the matter. With this, the case was adjourned.
- 6.4. On the day of hearing held on 19th August 2025, the Committee noted that the Respondent had sought an adjournment, vide email dated 19/08/2025 received during the hearing, wherein he has requested to list the case after 24th August 2025. The Committee, acceding to the request of the Respondent, adjourned the case to a future date with a view to extend one final and last opportunity to the Respondent to defend the charges. In case of his failure to appear before it, the Committee shall proceed with consideration of the matter ex-parte based on documents on record and decide the matter.
- 6.5. On the day of hearing held on 26th August 2025, the Committee noted that Respondent was present through VC and appeared before it.

The Committee noted the contents of email dated 21/08/2025 of Counsel for the Complainant Ms. Aastha Singh requesting inter-alia for grant of additional time in the instant matter. The Committee considered the email dated 21.08.2025 of the Counsel for the Complainant wherein it was requested that the Complainant may be permitted to present the case in person; and further that two months' time be granted to enable the Complainant to be appear personally before the Committee. The Committee noted that the Complainant is presently in judicial custody and that his appearance before the Committee remains a matter of discretion of the Complainant and grant of permission by competent authorities. The Committee clarified that proceedings cannot be indefinitely delayed due to non-appearance of the

Complainant and was of the view that a detailed written complaint with its annexures are already on record and further clarifications or evidence could be supplemented by Counsel for the Complainant if required in the absence of the Complainant. Further, the Committee noted that this case was last listed on 22/05/2023 and an e-mail dated 11/05/2023 was received from Ms. Meghna Sanka (daughter of the Complainant) stating that her father (Complainant) is at present in Gurugram District Jail, and the subject case be postponed till August, 2023 i.e. as he (complainant) desired to present this case personally. Accordingly, acceding to the request of Ms. Meghna Sanka, the matter was not listed thereafter. In view of this, the Committee was of the view that sufficient opportunity was granted to the Complainant and in his absence, decided to proceed further in the matter.

Being first hearing of the case, the Respondent was put on Oath. Thereafter, the Committee enquired from the Respondent as to whether the Respondent was aware of the charges against him and whether he pleads guilty. On which, the Respondent submitted that he had neither received a copy of the Complaint nor the Prima Facie Opinion from the Institute. He stated that this was his first appearance before the Committee and requested that copies of the Complaint and the Prima Facie Opinion be provided to him, after which he would file a written submission.

The Committee directed the Respondent to submit his updated contact details and address, Government-issued photo identity (such as Aadhaar Card) to establish his identity and for the co-ordination by the office. The Committee also directed the office to provide the Respondent with the Copies of the Complaint and Prima Facie Opinion upon receipt of the aforesaid particulars. The Respondent requested three weeks' time to file his written submissions. With this, the matter was adjourned.

6.6. On the day of hearing held on 23rd September 2025 and 28th October 2025, the Committee noted that the Respondent had sought an adjournment. Acceding to the request of the Respondent, the Committee adjourned the subject case to a future date.

6.7. On the day of final hearing on 8th November 2025, the Committee noted that
8 do Counsels for the Respondent were present through VC and appeared before it.

However, the Complainant was not present despite the fact that notice of the hearing was duly served upon him.

The Counsel for Respondent stated that there was no evidence of any nature to prove the respondent 'guilty' of the alleged acts or omissions. Furthermore, it was stated that the Respondent was not a member of ICAI at the time the alleged incidents occurred, which is a prerequisite for the applicability of the Chartered Accountants Act.

The Counsel also emphasized the complainant's questionable character and history of litigations, citing a separate matter where the complainant was held guilty by the Magistrate of First Class for criminal conspiracy and criminal breach of trust. The Counsel for Respondent argued that there was no evidence to substantiate the guilt of Respondent, and the burden of proving innocence could not be placed on the Respondent.

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

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

7.1 The Committee noted that there are fourteen charges against the Respondent and same has been explained in Paragraph 2.1 above. The Committee further noted the written submissions of the Respondent as detailed in Para 5 above.

7.2 The Committee noted that in respect of **Charge Nos. 1, 4, 6, 7, 8, 9, 10 and 14**, the Respondent ceased to be a member of the Institute of Chartered Accountants of India (ICAI) w.e.f. 1 October 2010, and his name stood removed from the Register of Members thereafter. Under Rule 2(g) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, disciplinary jurisdiction can be exercised only if the Respondent was a member on the date of alleged misconduct.

7.3 The Committee noted that as per Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007:

"Member" means an associate or fellow member of the Institute and includes a person who was a member of the Institute on the date of the alleged misconduct, although he has ceased to be a member of the Institute at the time of filing the complaint, initiation of the inquiry or thereafter;

Thus, it is viewed that since the Respondent was not a member of ICAI on the date of alleged misconduct, accordingly ICAI does not have any disciplinary jurisdiction over the Respondent for this charge.

7.4 Accordingly, in respect of above Charges, the Committee decided not to proceed further with these charges, as the ICAI does not have disciplinary jurisdiction over the Respondent in view of the fact that he was not a member of the Institute on the date of the alleged misconduct.

7.5 Further, the Committee noted that despite being afforded due opportunity, the Complainant neither appeared before the Committee on any of the scheduled dates of hearing nor placed on record any additional documents or evidence after the formation of the prima facie opinion. In the absence of the Complainant's participation and supporting material, the Committee was constrained to consider and decide the matter on the basis of the documents available on record at the stage of prima facie opinion and the written and oral submissions made by the Respondent. It is well settled that the burden to substantiate the allegations rests upon the Complainant. In view of the failure of the Complainant to discharge this onus, the Committee proceeded to consider the based on the documents/material available on record.

7.6 With respect to the **remaining charges**, the Committee noted that the Respondent was a member of ICAI during the alleged period, accordingly, on the basis of the

documents available on record at the stage of prima facie opinion and the written and oral submissions made by the Respondent, records its findings as under:

- 7.7 With regard to **Second Charge**, the Committee observed that the charge regarding omission of consolidation of 75 companies with intent to defraud foreign investors was not substantiated by the Complainant. No material was placed on record to demonstrate that the said entities qualified as Subsidiaries, Associates, or Joint Ventures within the meaning of AS-21 "Consolidated Financial Statements". The Complainant failed to produce any financial statements, consolidation workings, or expert evidence in support of the Charge. Mere assertion that certain companies were "non-existent" on the MCA portal does not, by itself, establish fraud, as such status may arise due to striking off, amalgamation, or change of name.
- 7.8 The Committee further noted that during the relevant period, the Respondent was a Director in only three companies, and no evidence was adduced to show that these entities attracted any requirement of consolidation. In the absence of cogent documentary evidence and in view of the facts on record, the Committee held that the charge was not proved and accordingly found the Respondent **NOT GUILTY** in respect of the said Charge.
- 7.9 With regard to **Third Charge**, the Committee examined the Charge that the Respondent accounted for fictitious Bhiwadi land through collusion in its valuation. It was noted that the transactions concerned entities unrelated to the Respondent, who had no involvement in land acquisition, valuation engagement, or development rights agreements. Further, there was no evidence to prove the land was fictitious, and reliance on an ex parte private forensic report was legally insufficient. In view of the facts and absence of documentary evidence, the Committee holds the Respondent **NOT GUILTY** of the alleged charge.
- 7.10 With regard to **Fifth Charge**, the Committee considered the Charge that the Respondent failed to disclose the transfer of 28 land companies valued at Rs. 10,000 crores. It was observed that the Complainant did not identify the companies, the Respondent was not a Director or KMP of Commander Realtors Pvt. Ltd. during the relevant period, had no controlling role in the alleged transfers, and there was no evidence of collusion with Mr. Lalit Goyal. Further he was appointed as CEO of IREO

Pvt Ltd from 1st January 2016. In view of the facts and lack of documentary evidence, the Committee holds the Respondent **NOT GUILTY** of the alleged charge.

7.11 With regard to **Eleventh Charge**, the Committee examined the Charge that the Respondent siphoned funds through non-moving loans, advances, and write-offs. It is noted that the amounts of loans and advances were duly disclosed in the financial statements, and the same has not been written off. Mere non-movement does not establish siphoning of funds. In view of the facts and absence of documentary evidence, the Committee holds the Respondent **NOT GUILTY** of the alleged charge.

7.12 With regard to **Twelfth Charge**, the Committee considered the Charge that the Respondent failed to disclose a related-party transaction of Rs. 175 crores in the annual accounts of IREO Grace Realtech Pvt Ltd. It was observed that the Complainant did not establish the date of the transaction or the Respondent's involvement, and there was no evidence of the Respondent's approval or concealment. In view of the facts and absence of documentary evidence, the Committee holds the Respondent **NOT GUILTY** of the alleged charge.

7.13 With regard to **Thirteenth Charge**, the Committee considered the Charge of violation of Schedule VI/III disclosure norms regarding inventories and work-in-progress. It is observed that the charge was non-specific, lacked supporting examples or financial statements and appeared entirely general. In view of the facts and absence of documentary evidence, the Committee holds the Respondent **NOT GUILTY** of the alleged charge.

7.14 In view of the above, the Committee held the Respondent **NOT GUILTY** of Professional and Other Misconduct falling within the meaning of Clause (1) of Part II of Second Schedule and Clause (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

8. Conclusion:

In view of the findings stated in above paras, vis-a-vis material on record, the Committee gives its charge wise findings as under:

Charges (as per PFO)	Findings	Decision of the Committee
Para 2.1 as above	Para 7.1 to 7.14 as above	Not Guilty- Clause (1) of Part II of Second Schedule and Clause (2) of Part IV of the First Schedule.

9. In view of the above observations, considering the oral and written submissions of the parties and material on record, the Committee held the Respondent **NOT GUILTY** of Professional and Other Misconduct falling within the meaning of Clause (1) of Part II of Second Schedule and Clause (2) of Part IV of the First Schedule to the Chartered Accountant Act 1949.

10. **ORDER**

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 an Order for closure of this case against the Respondent.

Sd/-

(CA. PRASANNA KUMAR D)
PRESIDING OFFICER


सीए. अंशुल कुमार / CA. Anshul Kumar
सहायक निदेशक / Assistant Director
अनुशासनात्मक निदेशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
आई.सी.ए.आई. भवन, ए-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

Sd/-

(ADV. VIJAY JHALANI)
GOVERNMENT NOMINEE

Sd/-

(CA. MANGESH P KINARE)
MEMBER

Sd/-

(CA. SATISH KUMAR GUPTA)
MEMBER

DATE: 11th February 2026

PLACE: New Delhi