IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 08-04-2026

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THE HON'BLE MR JUSTICE M.DHANDAPANI

WP No. 12228 of 2025
and W.M.P.Nos.13794 & 13797 of 2025

M.K.Ananthanarayanan

..Petitioner(s)

Vs

1. The Institute Of Chartered Accountants Of India
   Through Its President, ICAI Bhavan,
   Nungambakkam High Road, Thousand Lights
   West, Thousand Lights, Chennai-600 006

   Also At:
   Icai Bhavan, Block C, Sector 1, Noida,
   Uttar Pradesh-201 301.

2. Director Discipline,
   The Institute Of Chartered Accountants Of India,
   ICAI Bhawan,
   C-1, Block C, Sector 1,
   Noida, -201 301
   Uttar Pradesh

3. Disciplinary Committee Bench III
   Through Its Secretary,
   The Institute Of Chartered Accountants Of India,
   ICAI Bhawan,
   C-1, Block C, Sector 1,
   Noida-201 301
   Uttar Pradesh

..Respondent(s)

Prayer: Petition filed under Article 226 of the Constitution of India praying for issuance of a Writ of Mandamus to call for the records and quash the impugned PFO of Respondent No.2 being the *Prima facie* opinion dated November 25, 2024 bearing no.PPR/P/382/2017-DD/01/INF/2018, and all proceedings arising therefrom and related thereto, including the Impugned communication of Respondent No.2 dated February 19, 2025 bearing No.PPR/P/382/2017-DD/01/INF/2018-DC/1963/2025 and all proceedings pursuant thereto.

For Petitioner(s): Mr.J.Sivanandaraaj, Senior Counsel assisted by Mr.Adityavikram Bhatt

For Respondent(s): Mr.Sankaranarayanan, Senior Counsel assisted by Mr.S.Rajesh Ramanathan for RR-1 to 3

ORDER

The present Writ Petition has been filed challenging the decision of the Disciplinary Committee to proceed further against the petitioner by initiating Disciplinary Proceedings in connection with the alleged professional misconduct.

2. The petitioner is a Senior Citizen aged about 72 years and a retired Chartered Accountant who has been leading a retired life since 2017. He was formerly a partner in a reputed audit firm namely M/s.Deloitte Haskins & Sells ("DHS") and had served as a statutory auditor of Subhiksha Trading Services Limited ("STSL") for the period from 2002-03 to 2006-07. It is the specific case

of the petitioner that, during the said period, he neither conducted audit of the said Company nor was he associated with STSL in any other capacity. However, an order came to be passed by the Ministry of Corporate Affairs (MCA") on 23.07.2010 directing an investigation into the affairs of the STSL which was subsequently entrusted to the Serious Fraud Investigation Office (SFIO) under the provisions of Companies Act, 1956.

3. Pursuant thereto, after conducting a detailed investigation upon issuing a due notice to the petitioner, the SIFO submitted its investigation report to the 1st respondent vide letter dated 14.07.2017 which was thereafter forwarded to the 2nd respondent. Based on the said report, the 2nd respondent passed the present impugned order dated 25.11.2024 holding the petitioner guilty of professional misconduct in his capacity as Statutory Auditor for the period from 2002-03 to 2006-07. Consequently, the impugned communication dated 19.02.2025 was issued stating that disciplinary proceedings would be initiated against the petitioner in respect of the alleged professional misconduct with reference to the aforesaid order dated 25.11.2024. Challenging the aforesaid orders as to the initiation of disciplinary proceedings, the petitioner has come forward with the present Writ Petition.

4. When the matter is taken up, learned senior counsel appearing for the petitioner submitted that the issue involved in the instant Writ Petition is no longer *res integra* squarely covered by the order passed by the Division Bench of this Court in W.A.No.1663 of 2023 dated 12.10.2023 wherein, it is held that initiating disciplinary proceedings against the delinquent would not be appropriate in view of the inordinate delay in conducting the enquiry relating to the alleged professional misconduct and accordingly, the learned counsel prayed for similar relief.

5. Heard the learned counsel for the respondents on the aforesaid contention.

6. For better appreciation, this Court deems its appropriate to extract the relevant paragraphs of the order passed in W.A.No.1663 of 2023 dated 12.10.2023, wherein in a similar circumstances, the Division Bench of this Court has held as under:-

> *"**11.** In support of his submissions, the learned Senior counsel relied upon the judgment of a learned Single Judge of the High of Court of Delhi in **Wholesale Trading Services P. Ltd., Vs. Institute of Chartered Accountants of India and Ors.**[2] **,** more specifically relying upon paragraph No.18 of the said judgment.*
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> ***12.** We have considered rival submissions made on either side and perused the material records of the case. In matters of disciplinary proceedings: (I) If there is an*

inordinate and unexplained delay in initiation of the disciplinary proceedings; (ii) if there is an undue delay in conduct of the disciplinary proceedings; (ii) if the delay results in prejudice to the delinquent employee disabling him from mustering such evidence at his command to persuade the disciplinary authority to come to the conclusion that he is not guilty of the delinquency complained; (iv) or if by the huge efflux of time he is not in a position to marshal the facts by remembering the details and particulars in respect of the charge, especially in matters where the nature of charge is such that it would require the recollection of those day-to-day details, then the same is a ground for interfering in the disciplinary proceedings. The basis is that the delinquent should have a fair opportunity to defend himself in the disciplinary proceedings. Useful reference in this regard can be made to the Judgments of the Supreme Court of India in ***State of Punjab and Ors.Vs.Chaman Lal Goyal***[3] *(delay in initiatio) and* ***State of Madhya Pradesh Vs. Bani Singh and Anr.***[4] *(delay in conduct)***.**

13. *With this position in mind, if the case on hand is considered, even though is a plausible explanation for the initiation of the proceedings by the respondents in the year 2014 as the delinquency itself had come to light only after the forensic audit, the delay in conduct of the enquiry after the writ petitioner submitted his explanation in the year 2015 and till the decision on the preliminary findings in the year 2019, by itself is more than three years which is unexplained. Given context of the case in which the delinquency complained is of the year 1998-2002, such delay of more than three years is inordinate. The writ petitioner is 87 years of age. The delinquency complained is about the negligence while handling the accounts of the Company. The same would require remembering of particulars which the Company has furnished and it relates to day-to-day working of the Chartered Accountant firm, by which, the accounts have been dealt with. In view of the* *huge efflux of time of more than 17 years (more precisely 12 years for initiation and another 5 years for further proceedings), the writ petitioner would not be in a position to muster all the materials in his support nor marshal the facts so as to effectively defend himself. Therefore, any enquiry conducted at this stage will not be a fair opportunity to the writ petitioner.*

14.*In view thereof, no exception whatsoever can be taken to the conclusions of the learned Single Judge that the enquiry cannot be dismissed. There will be no order as to costs. Consequently, C.M.P.No.14813 of 2023 is closed."*

7. Following the ratio laid down above, this writ petition stands allowed and accordingly, the impugned orders dated 25.11.2024 and 19.02.2025 are hereby quashed. The 2nd respondent is directed not to proceed with the Disciplinary Proceedings against the petitioner in connection with the impugned orders. There shall be no order as to costs. Consequently, connected Miscellaneous Petitions are closed.

08-04-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
NHS

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