IN THE PUNJAB AND HARYANA HIGH COURT AT CHANDIGARH

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CRM-M-54258-2025(O&M)

VARINDER MOHAN SINGHAL AND ANOTHER
... Petitioners

VERSUS

CENTRAL BUREAU OF INVESTIGATION AND ANOTHER
... Respondents

CRM-M-54386-2025(O&M)

VARINDER MOHAN SINGHAL AND ANOTHER
... Petitioners

VERSUS

CENTRAL BUREAU OF INVESTIGATION AND ANOTHER
... Respondents

CORAM: HON'BLE MR. JUSTICE AMAN CHAUDHARY

Present: Mr. Karan Kaushal, Advocate,
for the petitioners.

Mr. G.S.Wasu, Special P.P. and
Mr. Prateek Gupta, Advocate, for the respondent-CBI.

Mr. Gaurav Goel, Advocate,
for respondent No.2 in CRM-M-54258-2025.

Mr. Rakshit Gupta, Advocate,
for respondent No.2 in CRM-M-54386-2025. (through VC)

AMAN CHAUDHARY, J.

1. The petitioners seek to quash FIR Nos. RC0052020A0011 dated 08.07.2020 and RC0512022S0002 dated 26.05.2022. Since a similar issue is involved in both these petitions, they are being decided together by a common judgment.

2. The categoric case set up by the learned counsel for the petitioners is that they were not named in the complaints made by the respondent banks, whereby the request was for registration of FIR, wherein there were no allegations against them, though was against the Directors, officials of the Bank itself, etc. Further, there is no criminality on their part inasmuch as vague allegations have been made in the Final Report, however the balance sheets prepared by them being Chartered Accountants, were based on the trial balance as provided by co-accused Chittar Mal Saini, Accountant of the borrowing company, who, as alleged by the CBI, had acted on the directions of the Director of the borrowing company and changed the classification of entries in the computer software in CRM-M-54258-2025 and by company itself in CRM-M-54386-2025. Moreover, the Directors of both the borrowing companies had indemnified them, undertaking therein that the books of account stood thoroughly accounted and verified by them, as is apparent from Annexure P-4 in CRM-M-54386-2025 and P-9 in CRM-M-54258-2025. The basis of complaints was a forensic audit conducted by the banks, which also did not indict the petitioners. They acted in their professional capacity and in the transaction between the respondent-Banks and the borrowing companies, stood to gain nothing. The premise for grant of anticipatory bail to them by the Coordinate Bench in case FIR No.RC0052020A0011 dated 08.07.2020 was also the aforesaid. A reference was made to para no.1 of the written statement of the respondent bank-SBI in CRM-M-54386-2025 wherein it has been conceded that no cause of action has accrued to them qua the petitioners.

3. Learned counsel for respondent-CBI submits that the trial Court has rightly taken cognizance after the investigation was conducted, based on which the final report was presented against the petitioners, as they were hand in gloves with other co-accused in forging the balance sheets and stock statements, while learned

counsel for the respondent-Bank states that on the premise of the forensic audit conducted, a complaint was filed, with allegations being levelled against the Directors of having misappropriated funds through other corporate and non-corporate entities, however it was the CBI, which found the petitioners to be involved and not the Bank.

4. Heard

5. A gainful reference can be made to the judgment passed by Orissa High Court in **Kulamani Parida vs. State of Odisha**, CRLMC No.3756 of 2016, decided on 09.11.2022, to which no challenge was made, had observed and held thus:

> "15. <u>In the case in hand, admittedly the present Petitioner is the Chattered Accountant of M/s. Chhotray Suppliers and M/s. Srabani Constructions Pvt. Ltd. In sequel, discharging his professional duty the Petitioner carried out the instructions given by the said firm for being complied with in his professional front. Admittedly, the document, i.e. the "No Objection Certificate" in question supplied by the client to the Petitioner for being annexed with the Form No.17. The declaration submitted in Form No.17 is one at the instruction of the client only.</u> Needless to say that while discharging the professional duty as Chattered Accountant in submitting the compliance before the authority the Petitioner need to depend upon his client in procuring the document such as the statement of the Bank and other documents pertain to the compliance. <u>Consequently, nothing can be attributed that the Chattered Accountant has any role either in preparing or procuring the document for being placed before the authority and to ascertain the genuinity thereof since consequence of supply or procurement of such document would obviously go to the client and not to the professional. It is in such view of the matter when the entire gamut of allegations is summed up would reveal that the action performed by the Petitioner in submitting the Form No.17 before the Registrar of Companies along with the documents such as "No Objection Certificate" is in due discharge of the compliance of the direction of the client and there cannot be a conspiracy allegedly to have been entered into by the Petitioner along with client.</u> It is indeed true that the Court while exercising the jurisdiction under Section 482 Cr.P.C. need to circumspect the overall facts emerging the allegation and to arrive at a conclusion as to if there appears material constituting offence against the Petitioner.

> 16. In such view of the matter, the allegation appearing in the F.I.R. and the complaint of the Bank vis-à-vis the Petitioner does not make out a case constituting the offences under Sections 420/467/468/471/120-B IPC as neither the Petitioner is part of the business transaction allegedly to have conducted by the co-accused persons having interest therein nor that the document in question allegedly to have been forged and fabricated is attributed to the present Petitioner in absence of a material showing his personal interest in any gain/loss of the parties conducting business except that he retains his professional interest. This Court while dealing with the matter is alive of the fact that the offences alleged are the category of offence involving the moral aptitude and detrimental to the society in general but have strong conviction that the act of the Petitioner in discharging his professional duty is above all the allegations alleged save and except discharging part of his professional duty. Consequently, this Court finds no material to proceed against the Petitioner attributing the criminal liability so as to continue the proceeding. The learned court below having not specifically recorded any reasoning vis-à-vis the present Petitioner erroneously travelled in taking cognizance against the Petitioner and is as such liable for being interfered with exercising the jurisdiction under Section 482 Cr.P.C." (emphasis supplied)

6. Similarly, the criminal proceedings initiated against a Chartered Accountant firm were quashed by the Gujarat High Court in **Naman Gyanchand Pipara vs. State of Gujarat and others,** R/Criminal Misc.Application No. 11635-2021, dated 27.09.2023, which was not taken up further, wherein they, based on the material available on record at the relevant time, had verified the documents and pre-audited bills supplied to them by the officers/Staff of the Gujarat State Land Development Corporation, upon which, the amounts were disbursed to the various contractors, but the accused firm was not shown to have benefited therefrom.

7. In **Murali Krishna Chakrala vs. Deputy Director, Directorate of Enforcement,** 2022 LiveLaw (Mad) 495, Madras High Court had, as regards the criminal liability of a professional like Chartered Accountant, quashed the FIR observing therein that, "Even on a demurrer, on a perusal of Form 15CB, we find that a Chartered Accountant is required to only examine the nature of the

remittance and nothing more. <u>The Chartered Accountant is not required to go into the genuineness or otherwise of the documents submitted by his clients. This could be compared with the legal opinion that are normally given by panel lawyers of banks, after scrutinizing title documents without going into their genuinity. A Panel Advocate, who has no means to go into the genuinity of title deeds and who gives an opinion based on such title deeds, cannot be prosecuted along with the principal offender.</u> Applying the same anomaly, we find that the prosecution of Murali Krishna Chakrala, in the facts and circumstances of the case at hand, cannot be sustained." SLP Crl No.-10821-2025, filed against the above judgment was dismissed on 10.11.2025, observing there to be no valid ground to interfere.

8. Reverting to the present case, the documents were furnished to the petitioners by the borrowing companies, regarding authenticity whereof, they themselves took the responsibility, by giving a declaration to that effect, as appended with the respective petitions. Moreover, as mentioned in the impugned summoning order dated 09.01.2024, CBI itself had contended that the changes in the classification of the entries in the computer software of the borrowing company were carried out by co-accused Chittar Mal Saini on the directions of the Director and not the petitioners. Nothing has been brought forward by the CBI in their reply or during the course of hearing to show that the petitioners, being professional-Chartered Accountants, had any reason or otherwise to suspect the genuineness of the documents or contents thereof or had any participative role in deceiving or cheating the Bank, as admitted by the learned counsel or Dior for respondent No.2 in CRM-M-54386-2025. Such being the facts and circumstances, the continuation of proceedings would be an abuse of process of law and ought to be quashed, as held in **Shaileshbhai Ranchhodbhai Patel vs. State of Gujarat,** 2024 SCC OnLine SC 5569.

9. In view of the afore and as a fall out thereof, the present petitions stand allowed and the FIRs alongwith the proceedings arising therefrom are quashed only qua the present petitioners.

10. Pending applications, if any, stand disposed of accordingly.

11. Photocopy of this order be placed on the connected file.

(AMAN CHAUDHARY)
JUDGE

24.04.2026
parveen kumar

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No