



भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

[DISCIPLINARY COMMITTEE [BENCH-IV (2024-2025)]]

[Constituted under Section 21B of the Chartered Accountants Act, 1949]

ORDER UNDER SECTION 21B(3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 19(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007.

File No: [PR/G/410/2022/DD/280/2022/DC/1782/2023]

In the matter of:

Sh. Mangal Ram Meena
Deputy Registrar of Companies
Registrar of Companies,
NCT of Delhi & Haryana,
Ministry of Corporate Affairs
4th Floor, IFCI Tower, 61, Nehru Place,
New Delhi – 110019

...Complainant

Versus

CA. Meena (M.No.527021)
M/s. HNS & Co.
Chartered Accountants
617, Near Dayal Market,
Alipur,
Delhi– 110 036

...Respondent

MEMBERS PRESENT:

1. **Shri Jiwesh Nandan, I.A.S (Retd), Presiding Officer and Government Nominee (In person)**
2. **Ms. Dakshita Das, I.R.A.S. (Retd.), Government Nominee (Through VC)**
3. **CA. Mangesh P Kinare, Member (In person)**
4. **CA. Abhay Chhajer, Member (In person)**

DATE OF HEARING : 06th January 2025

DATE OF ORDER : 20th January 2025

1. That vide Findings dated 16.10.2024 under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Disciplinary Committee was inter-alia of the opinion that **CA. Meena (M. No. 527021)** (hereinafter referred to as the **Respondent**) is **GUILTY** of Professional Misconduct falling within

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the meaning of Item (7) of Part I of Second Schedule and Item (9) of Part I of First Schedule to the Chartered Accountants Act, 1949.

2. That pursuant to the said Findings, an action under Section 21B(3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and a communication was addressed to her thereby granting an opportunity of being heard in person/ through video conferencing and to make representation before the Committee on 06th January 2025.

3. The Committee noted that on the date of the hearing on 06th January 2025, the Respondent was present in person at ICAI Bhawan, New Delhi. During the hearing, the Respondent accepted her mistake, stating that that the format of profit and loss account of the Company was wrongly selected by her and subscription money was received in the bank account of the Company on 03/04/2021 during next Financial Year i.e. 2021-2022. These mistakes could not get her attention and the same remained unnoticed.

4. The Committee considered the reasoning as contained in Findings holding the Respondent 'Guilty' of Professional Misconduct vis-à-vis verbal representation of the Respondent. The Committee noted that the submissions made by the Respondent as aforesaid have been dealt with by it at the time of hearing under Rule 18.

5. Thus, keeping in view the facts and circumstances of the case, material on record including verbal representation of the Respondent on the Findings, the Committee noted that though the Revenue from Operation was shown in the Statement of Profit and Loss, the effect of the same has not been reflected in the Balance Sheet under the head Reserves & Surplus nor its effect has been reflected in the form of increase in cash / debtor / bank in the balance sheet. This fact was not reported by the Respondent in her Audit Report. Further, there is nothing on record to show the reason of casual vacancy i.e. whether it was due to death, resignation and disqualification. Further, the Respondent has failed to prove that the compliance of Section 139(8) of the Companies Act, 2013 was made in her appointment as Statutory Auditor of the Company i.e. whether her appointment was approved at General Meeting of the Company within three months.

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6. The Committee further noted that the Respondent, being the statutory auditor has brought on record the bank statement and during the hearing had admitted that the amount of subscription money was received on 03/04/2021 in the Bank account of the Company, which showed that she was aware of the fact that the said amount of Rs. 1,00,000/- of subscribed share capital was received in the financial year 2021-2022 and not in the financial year 2020-21. Despite this vital fact, the Respondent has not made any disclosure about this fact in her audit report for the said financial year 2020-2021. Moreover, in the financial statements of the Company for Financial Year 2020-2021 audited by the Respondent, the disclosure regarding the amount of share capital receivable was not shown appropriately/separately. Hence, the Professional Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 16th October 2024 which is to be read in consonance with the instant Order being passed in the case.

7. Accordingly, the Committee was of the view that the ends of justice would be met if punishment is given to him in commensurate with his Professional Misconduct.

8. Thus, the Committee ordered that the Respondent i.e. CA. Meena (M. No. 527021), Delhi be REPRIMANDED under Section 21B(3)(a) of the Chartered Accountants Act 1949.

Sd/-

(SHRI JIWESH NANDAN, I.A.S. (RETD.)
(PRESIDING OFFICER AND GOVERNMENT NOMINEE)

Sd/-

(MS. DAKSHITA DAS, I.R.A.S. (RETD.)
GOVERNMENT NOMINEE

Sd/-

(CA. MANGESH P KINARE)
MEMBER

रादी प्रतिविधि होने के लिए प्रमाणित
Certified to be true copy

मीनू गुप्ता / Meenu Gupta
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया
The Institute of Chartered Accountants of India
आईसीएआई भवन, विश्वास नगर, शाहदरा, दिल्ली-110032
ICAI Bhawan, Vishwas Nagar, Shahdara, Delhi-110032

Sd/-

(CA. ABHAY CHHAJED)
MEMBER

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – IV (2024-2025)]

[Constituted under Section 21B of the Chartered Accountants Act, 1949]

Findings under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

File No: [PR/G/410/2022/DD/280/2022/DC/1782/2023]

In the matter of:

Sh. Mangal Ram Meena
Deputy Registrar of Companies
Registrar of Companies,
NCT of Delhi & Haryana,
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4th Floor, IFCI Tower, 61, Nehru Place,
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617, New Dayal Market,
Alipur,
Delhi– 110 036

...Respondent

MEMBERS PRESENT:

CA. Ranjeet Kumar Agarwal, Presiding Officer (in person)
Ms. Dakshita Das, IRAS (Retd.), Government Nominee (through VC)
CA. Mangesh P Kinare, Member (through VC)
CA. Abhay Chhajed, Member (through VC)

DATE OF FINAL HEARING : 03rd June 2024

PARTIES PRESENT:

Complainant : Mr. Gaurav, Dy. ROC - AR of the Complainant (through VC)
Respondent : CA. Meena (through VC)
Counsel for Respondent : CA. C.V Sajan (through VC)

1. Background of the Case:

- 1.1 As per the Complainant Department, certain information had come to the knowledge of Central Government that Foreign Nationals/ individuals/ entities with the help and support of

professional were involved in formation of Companies wherein dummy persons were engaged as subscribers to MOA & Directors by furnishing forged documents with falsified addresses / signatures, Director Identification Number (DIN) to MCA.

- 1.2 It is stated that some companies/individuals/entities who were directly or indirectly connected with the above Company were found to be engaged in illegal/ suspicious activities, money laundering, tax evasion and non-compliance of various provisions of laws.
- 1.3 The Complainant Department stated that certain professionals in connivance with such individuals/directors/subscriber to MOA have assisted in incorporation and running of these Companies for illegal/suspicious activities in violation of various laws by certifying e-forms/various reports etc. on MCA portal with false information concealing the real identities of such individuals.
- 1.4 It was further stated that professionals are duty bound to discharge their duties as per law and certify / verify documents / e-forms or give certificate / Report after due diligence so that compliance to the provisions of law shall be ensured. However, they had failed to discharge their duties and wilfully connived with directors / company / shareholders / individuals in certifying e-forms knowingly with false information / documents / false declaration / omitting material facts or information in said Company.
- 1.5 In instant case, M/s Boathouse Café Private Limited (hereinafter referred to as “**Company**”) was incorporated on 18th December 2020 and the first subscribers to the Memorandum of Association/ Articles of Association were Mr. Gaurav Sharma and Mr. Himanshu Kumar having 5000 shares each. The amount subscribed by the First Subscribers to the Memorandum of Association/ Articles of Association was credited to the bank account on 03.04.2021 and these details were witnessed by CA. Mohit Kumar (M. No. 513874). Thereafter, the Directors of the Company were changed on 24th September 2021 and new Directors namely Mr. Nitin Bansal (DIN: 07999792) and Mr. Rahul Kumar (DIN: 09332471) were appointed by the Company by filing DIR-12 on 03.10.2021. The new Directors of the Company appointed the Respondent as Statutory Auditor of the Company for the Financial Year 2020-2021.

2. **Charges in brief:**

- 2.1. On conducting spot inspection by the Complainant department, the Registered office of the Company was not found at the address mentioned in the documents submitted to the Complainant Department. Even no board was found, thereby substantiating that the Company had not been maintaining its registered office. The Company was also not

maintaining its books of accounts as per the requirement of laws and the said Company was a shell Company which was solely incorporated for mala-fide purpose.

2.2. The Company has attached copies of cheques of Rs. 50,000/- each with Form INC-20A duly signed by Shri. Gaurav Sharma and Shri. Himanshu Kumar, against the subscriber's proof of payment. However, it does not prove that the said amount has been credited to the account of the Company. Therefore, the Company has given a false statement and is liable for penal action.

3. **The relevant issues discussed in the Prima Facie Opinion dated 11th November 2022 formulated by the Director (Discipline) in the matter, in brief, are given below:**

3.1. The Respondent being the Statutory Auditor of the Company has the right to access the Books of Accounts of the Company, however the Respondent has not visited the Registered office of the Company to conduct the audit of the Company as stated / accepted by her in the written statement.

3.2. With regard to the operations of the Company, the Respondent has given contradictory statement as she has stated that the Company did not have any business transactions, and she merely relied on the bank statement, however in the "Statement of Profit and Loss", audited by the Respondent, Revenue from Operation amounting to Rs. 1,78,206/- was disclosed.

3.3. The Respondent had also failed to report that the Company had not disclosed/booked the rent expenses during the financial year 2020-2021, however, the Company had taken the registered office address premises on rent from CA. Mohit Kumar.

3.4. There was a question on the authenticity of the appointment of the Respondent as from the appointment letter on record, it was noted that the resolution was passed in the EGM held on 16th October 2021 appointing the Respondent as the Statutory Auditor of the Company, but as per letter, the Respondent was appointed before passing the Resolution i.e., on 12th October 2021.

3.5. The Respondent has failed to exercise due diligence in auditing the Financial Statement of the Company as she merely relied upon the documents produced before her that too without visiting the registered office of the Company and had also failed to qualify her report with regard to the irregularities in the financial statement of the Company for the financial year 2020-2021.

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

3.10. The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 09th June 2023. The Committee on consideration of the same, concurred with the reasons given against the charges and thus, agreed with the Prima Facie Opinion of the Director (Discipline) that the Respondent is **GUILTY** of Professional Misconduct falling within meaning of Item (9) of Part I of First Schedule and Item (7) of Part I of Second 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. **Dates of Written submissions/ Pleadings by the Parties:**

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 | 25 th April 2022 |
| 2. | Date of Written Statement filed by the Respondent | 11 th July 2022 |
| 3. | Date of Rejoinder filed by the Complainant | --- |
| 4. | Date of Prima Facie Opinion formed by Director (Discipline) | 11 th November 2022 |
| 5. | Written Submissions filed by the Respondent after PFO | 26 th October 2023 |
| 6. | Written Submissions filed by the Complainant after PFO | --- |

5. **Written Submissions filed by the Respondent:**

The Respondent vide letter dated 26th October 2023 had, inter alia, made the submissions which are given as under -

- a. A formatting error had occurred in the Profit and Loss account and remained undetected. The Company had no business activities during Financial Year 2020-2021. There was no revenue of Rs. 1,78,206/- during the Financial Year 2020-2021. The Company relied upon the previous format for preparing the financial statements and the same was not carefully done. Therefore, the amount of Rs 1,78,206/- that was in the format which was relied upon, got unintentionally carried to the financial statements of the Company for the Financial Year 2020-2021. The Respondent

admitted having failed to notice this inadvertent mistake in the profit and loss account. The Respondent tendered sincere apologies for this oversight mistake.

- b. The Respondent being an auditor does not have authority to comment, whether a Company was required to pay rent for the premises which was used as its registered office. There were no transactions in this regard in books of accounts of the Company.
- c. There was delay in getting the amounts credited into the Bank account of the Company because of delay on the part of the Banks in executing the transfer requests, despite the shareholders submitted request for transfer. The amount of share capital was realized in the bank account on 3rd April 2021. The delay was because of annual closing in the Banks. Therefore, in effect the transactions were cheques deposited but not credited and had remained unpaid.
- d. There was no legal obligation or compulsion for an auditor to access the Company records by physically visiting the registered office of the Company. Maintenance of records in electronic mode and their accessibility from anywhere in India are prescribed in Company (Accounts) Rules, 2014 and also in Section 128 of the Companies Act, 2013. The books of accounts in the instant case were nothing but a record with one transaction regarding induction of share capital, and that too was maintained in a computer. Other statutory records were also maintained in the computerized system. Therefore, the place of maintenance of books of accounts was not relevant as far as the auditor was concerned. Section 128 of the Companies Act, 2013 applies to the Company and an auditor may choose to access records according to his convenience. There were no legal restrictions in this respect. Hence, there was no merit in alleging failure of the Respondent to visit the registered office of the Company to examine the books of accounts.

6. **Brief facts of the Proceedings:**

6.1 Details of the hearing(s) fixed and held/ adjourned in the said matter are given as under –

| Particulars | Date of Meeting(s) | Status |
|-------------------------|------------------------------|---|
| 1 st hearing | 18 th August 2023 | Adjourned at the request of the Respondent. |
| 2 nd hearing | 23 rd April 2024 | Part heard and adjourned. |
| 3 rd hearing | 28 th May 2024 | Deferred due to paucity of time. |
| 4 th hearing | 03 rd June 2024 | Hearing concluded and Decision taken. |

6.2 On the day of first hearing held on 18th August 2023, the Committee noted that the Respondent vide an email dated 12th August 2023 had sought adjournment stating that she is preoccupied in her professional work. The Committee noted that the Complainant was not present and the notice of listing of the subject case was duly served upon the Complainant.



The Committee acceded to the request of the Respondent and in the absence of the Complainant, adjourned the matter to a later date.

- 6.3 On the day of the second hearing on 23rd April 2024, the Committee noted that the Complainant and the Respondent were present through Video conferencing mode. Thereafter, they made a declaration that there was nobody present except them from where they were appearing and that they would neither record nor store the proceedings of the Committee in any form. Being the first hearing of the case, the Respondent was put on Oath.
- 6.4 Thereafter, the Committee enquired from the Respondent as to whether she was aware of the charges and then charges against the Respondent were read out. On the same the Respondent replied that she was aware of the charges and pleaded 'Not Guilty' to the charges levelled against her. In view of Rule 18 (9) of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee adjourned the case to a later date.
- 6.5 On the day of the hearing on 28th May 2024, the Committee deferred the consideration of the subject case due to paucity of time.
- 6.6 On the day of final hearing on 03rd June 2024, the Committee noted that the authorized representative of the Complainant and the Respondent along with Counsel were present and appeared before it. The Committee noted that the Respondent was put on oath on 23rd April 2024. The Committee also noted that the Respondent had filed Written Statement dated 26th October 2023.
- 6.7 Thereafter, the Committee asked the Counsel for the Respondent to make submissions. The Committee noted the submissions of the Counsel of the Respondent which, inter alia, were given as under -
- There was a typographical error in the appointment letter of Respondent, wherein the date was wrongly mentioned as 12th October, 2022 instead of 2021, which was acknowledged by the Director of the Company.
 - Company had no business activity during Financial Year 2020-2021.
 - Format relied upon for preparing Financial Statements was wrongly selected which could not be noticed by the Respondent.
 - Respondent sought leniency in the matter.
 - Respondent was not required to visit registered office of the Company as Section 143 of the Companies Act, 2013 does not mandate the Statutory Auditor to visit registered office of the Company.

- Incorporation documents of the Company were certified by CA. Mohit Kumar and Respondent had no role in certification of incorporation documents of the Company. Respondent has made detailed written reply dated 26/10/2023 on the charges.

The authorized representative of the Complainant submitted that he had already submitted all the documents related to this case and has nothing more to submit in this case.

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


7. **Findings of the Committee:**

The Committee noted the background of the case as well as oral and written submissions made by the Respondent, documents/ material on record and gives its findings as under: -

- 7.1 The Committee with regard to the first allegation (as mentioned in para 2.1 above) noted that incorporation documents of the Company were certified by some other professional namely CA. Mohit Kumar and not by the Respondent and hence, there was no role or responsibility of the Respondent in the incorporation of the Company. The Committee observed that the Respondent had audited the Financial Statements of the Company for the financial year 2020-2021 (i.e., for the period of 18/12/2020 to 31/03/2021) since its incorporation.
- 7.2 The Committee noted that the Respondent in her written submissions and during the hearing has submitted before it that there was no legal obligation or compulsion for an auditor to access the Company records by physically visiting the registered office of the Company. In view of this statement of the Respondent, the Committee referred the relevant extract of the Section 143 of the Companies Act, 2013.

*"143. Powers and duties of auditors and auditing standards.— (1) Every auditor of a company shall have a **right of access at all times to the books of account and vouchers of the company, whether kept at the registered office of the company or at any other place** and shall be entitled to require from the officers of the company such information and explanation as he may consider necessary for the performance of his duties as auditor...."*

Noting the above provision, the Committee was of the view that the Respondent has right of access to the Books of Accounts of the Company kept at the registered office or at any other

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place. However, the Respondent has herself stated that she has not visited the registered office of the Company. Even if the records are very few and are computerised, it is essential for an auditor to visit the auditee company at least once to know the Company and its Directors, activities etc. It is very clear from submissions of the Respondent that she was even not knowing the Directors. Thus, it is evident that the Respondent being the Statutory Auditor of the Company has failed to exercise due diligence.

7.3 Further, the Committee noted that the Respondent has taken defence that Company had no business activity during Financial Year 2020-2021 and format relied upon for preparing Financial Statements was wrongly selected which could not be noticed by the Respondent and sought leniency in the matter. The Committee on perusal of audited Financial Statements (Profit & Loss Account) of the Company for Financial Year ending on 31/03/2021 certified by the Respondent has observed that there is revenue of Rs. 1,78,206/- in profit & loss account and profit for the year has been shown as Rs. 1,78,206/- but said profit has not been carried forward to reserve & surplus of the Company. Moreover, basic and diluted earnings per equity share has been calculated Rs. 17.82 per equity share. The Committee also noted that the dual effect of such revenue from operations disclosed in the Profit and Loss account of the Company certified by the Respondent was not taken into consideration in the financial statements of the Company. The Committee observed that though the Revenue from Operation was shown in the Statement of Profit and Loss, the effect of the same has not been reflected in the Balance Sheet under the head Reserves & Surplus nor its effect has been reflected in the form of increase in cash / debtor / bank in the balance sheet. This fact was not reported by the Respondent in her Audit Report. In view of this, the Committee was of the view that it is not just a mistake of format selection as there are multiple glaring accounting lapses in the Financial Statements of the Company, but Respondent failed to take note of the same.

7.4 Thus, the Committee concluded that the Respondent being the Statutory Auditor of the Company has failed to exercise due diligence. Accordingly, the Committee held that Respondent **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

7.5 The Committee observed that the Respondent was held Guilty by Director (Discipline) in Prima Facie Opinion on account of non-compliance with the provisions of Section 139(8) of the Companies Act, 2013 in appointing the Respondent as statutory auditor of the Company. Further, the Committee noted the submissions of the Respondent, wherein she had submitted that there was a typographical error in the appointment letter of Respondent, as the date was wrongly mentioned as 12th October 2022 instead of 12th October 2021, which

was acknowledged by the Director of the Company. The Committee perused the papers available on record and observed that the appointment of the Respondent was made to fill casual vacancy as evident from appointment letter of the Respondent dated 12/10/2022 (sic 12/10/2021). The Committee noted that casual vacancy in the office of Auditor be filled as per the provision of Companies Act, 2013, which are as under –

Section 139(8) of Companies Act, 2013, where casual vacancy arises the term casual vacancy (not defined anywhere in companies act 2013) means vacancy arise due to death, resignation and disqualification of auditor.

Further as per Section 139(8)(i) *“any casual vacancy in the office of an auditor shall - in the case of a Company other than a Company whose accounts are subject to audit by an auditor appointed by the Comptroller and Auditor-General of India, be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the Company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting”*.

7.6 In view of above, the Committee was of the view that there is nothing on record to show the reason of said casual vacancy i.e. whether it was due to death, resignation and disqualification. Further, the Respondent has failed to prove that the compliance of above section was made in her appointment as Statutory Auditor of the Company i.e. whether her appointment was approved at General Meeting of the Company within three months. In view of these facts, the Committee held Respondent **GUILTY** of Professional Misconduct falling within the meaning of Item (9) of Part I of First Schedule to the Chartered Accountants Act, 1949.

7.7. In respect of next allegation (elaborated at para 2.2 above), the Committee noted that the Respondent being Statutory Auditor of the Company should comply with the provisions of Section 10A(1)(a) of the Companies Act, 2013 and Rule 23A of the Companies (Incorporation) Rules, 2014, which are reproduced as under:

“Section 10A:

(1) A company incorporated after the commencement of the Companies (Amendment) Ordinance, 2018 and having a share capital shall not commence any business or exercise any borrowing powers unless—

(a) a declaration is filed by a director within a period of one hundred and eighty days of the date of incorporation of the company in such form and verified in such manner as may be prescribed, with the Registrar that every subscriber to the memorandum has paid the value of the shares agreed to be taken by him on the date of making of such declaration:

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(3) *Where no declaration has been filed with the Registrar under clause (a) of sub-section (1) within a period of one hundred and eighty days of the date of incorporation of the company and the Registrar has reasonable cause to believe that the company is not carrying on any business or operations, he may, without prejudice to the provisions of sub-section (2), initiate action for the removal of the name of the company from the register of companies under Chapter XVIII.]....”*

7.8. From the above provision, it is evident that the subscription amount of the share capital subscribed by the subscribers must be received within 180 days from the incorporation of the Company and the same must be filed with the Registrar of Companies along with the Subscribers proof of payment for value of shares for obtaining certificate of commencement of business. The Committee noted that the Respondent, being the statutory auditor has brought on record the bank statement and during the hearing has admitted that the amount of subscription money was received on 03/04/2021 in the Bank account of the Company, which showed that she was aware of the fact that the said amount of Rs. 1,00,000/- of subscribed share capital was received in the financial year 2021-2022 and not in the financial year 2020-21. Despite this vital fact, the Respondent has not made any disclosure about this fact in her audit report for the said financial year 2020-2021. Moreover, in the financial statements of the Company for Financial Year 2020-2021 audited by the Respondent, the disclosure regarding the amount of share capital receivable was not shown appropriately/separately. The Respondent has failed to qualify the fact that the amount of Share Capital was due to be received as on 31.03.2021. Thus, it is viewed that the Respondent has failed to discharge her duties diligently.

7.9. Accordingly, the Respondent is held **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

7.10 While arriving at its Findings, the Committee also observed that in the background of the instant case the Complainant Department informed that the Company was registered with ROC, NCT of Delhi & Haryana by engaging dummy persons as subscribers to MOA & Directors by furnishing forged documents with falsified addresses / signatures, Director Identification Number (DIN) to MCA. Further, certain professionals in connivance with such individuals/directors/subscriber to MOA assisted in incorporation and running of these Companies for illegal/suspicious activities in violation of various laws by certifying e-forms/various reports etc. on MCA portal with false information concealing the real identities of such individuals. However, no evidence of the involvement of the Respondent to that effect had been brought on record by the Complainant Department. The role of the Respondent was limited to audit of financial statements of the Company for financial year 2020-21 which has been examined by the Committee.

8 **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 |
|-------------------------------------|-----------------------------|--|
| Para 2.1 to Para 2.2 as above | Para 7.1 to 7.9 as above | GUILTY - Item (7) of Part I of the Second Schedule and Item (9) of Part I of 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 **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule and Item (9) of Part I of First Schedule to the Chartered Accountants Act, 1949.

Sd/-

(CA. RANJEET KUMAR AGARWAL)
PRESIDING OFFICER

Sd/-

(MS. DAKSHITA DAS, I.R.A.S.{RETD.})
GOVERNMENT NOMINEE

Sd/-

(CA. MANGESH P KINARE)
MEMBER

Sd/-

(CA. ABHAY CHHAJED)
MEMBER

DATE: 16/10/2024

PLACE: New Delhi

सही प्रतिलिपि होने के लिए प्रमाणित/
Certified to be true copy

नीलम पुंडीर / Neelam Pundir
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
इंस्टिट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया
The Institute of Chartered Accountants of India
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