



# 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/284/22/DD/199/2022/DC/1799/2023]**

**In the matter of:**

**Shri Nitin Phartyal, Dy. ROC,  
NCT of Delhi & Haryana,  
Ministry of Corporate Affairs, 4<sup>th</sup> Floor, IFCI Tower,  
61, Nehru Place,  
New Delhi – 110 019**

**...Complainant**

**Versus**

**CA. Lukesh Kumar Sethi (M. No. 524293)  
4/27, 1<sup>st</sup> Floor,  
Madanpuri Road,  
Gurugram – 122 001**

**...Respondent**

**MEMBERS PRESENT:**

1. CA. Ranjeet Kumar Agarwal, Presiding Officer (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 : 11<sup>th</sup> DECEMBER 2024**

**DATE OF ORDER : 20<sup>th</sup> January 2024**

1. That vide Findings dated 15.10.2024 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. Lukesh Kumar Sethi (M. No. 524293)** (hereinafter referred to as the **Respondent**) is **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part (I) of the Second Schedule to the Chartered Accountants Act, 1949.



# भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

## THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

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 him thereby granting an opportunity of being heard in person/ through video conferencing and to make representation before the Committee on 11<sup>th</sup> December 2024.

3. The Committee noted that on the date of the hearing on 11<sup>th</sup> December 2024, the Respondent was present through video conferencing. The Respondent verbally reiterated his written representation dated 04<sup>th</sup> November 2024 made by him on the Findings of the Committee, which, inter alia, are given as under:-

(a) Promoters of the Company had submitted two sets of documents; one set was incomplete (not signed by lessee) and other set was complete (signed by both parties).

(b) While attaching the rent agreement with Form INC – 22, his staff had uploaded an unsigned rent agreement.

(c) It was an inadvertent mistake that unsigned rent agreement was uploaded and same had come to notice, when subject complaint was filed by the Registrar of Companies.

(d) As regards the rent agreement for the subsequent two years, he tried to reach out to the Directors of the Company but was unsuccessful. Thereafter, he approached the authorized representative of M/s. Fume Infotech Private Limited (i.e. Lessor), who has given the declaration to the Respondent regarding existence of the Company at its registered office address at Plot No. 76D Udyog Vihar, Phase-IV, Gurugram, Haryana, India – 122001 (The Respondent brought on the record the copy of such declaration vide email dated 06<sup>th</sup> November 2024).

(e) The Respondent had personally visited at Plot No. 76D Udyog Vihar, Phase-IV, Gurugram, Haryana, India - 122001 and had met Mr. Jatin Nagpal, landlord/owner of the premises, before filing of INC-22 with ROC.

(f) The Respondent could not keep any proof or evidence of his visit to the registered office of the Company, but Mr. Jatin Nagpal was present during his personal visit to the premises.

4. The Committee considered the reasoning as contained in the Findings holding the Respondent 'Guilty' of Professional Misconduct vis-à-vis written and verbal representation of the Respondent. The Committee noted that the issues/ 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 written and verbal representation of the Respondent on the Findings, the Committee observed that the Respondent had adopted casual approach while certifying Form INC-22, wherein he had given a declaration to have personally visited the proposed registered office, though no valid rent agreement was entered into by the Company on said date. Further, the



# भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

Respondent failed to bring on record the rent agreement(s) of subsequent years. Further, he could not substantiate the fact with documentary evidence that he had personally visited and verified the registered office of the Company and that the registered office of the Company actually existed at the given address. The Committee thus observed that there was failure on the part of the Respondent for not verifying the requirements of provisions of Section 12 of the Companies Act, 2013 read with Rule 25 of the Companies (Incorporation) Rules, 2014. Therefore, the Professional Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 15<sup>th</sup> October 2024 which is to be read in consonance with the instant Order being passed in the case.

6. 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.

7. Thus, the Committee ordered that the Respondent i.e., CA. Lukesh Kumar Sethi (M. No. 524293), be REPRIMANDED, under Section 21B(3)(a) of 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

सही प्रतिलिपि 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  
आई.सी.आई. भवन, विप्लव मार्ग, खानदारा, दिल्ली-110032  
ICAI Bhawan, Viplav Marg, Khandaara, Delhi-110032

**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/284/22/DD/199/2022/DC/1799/2023]**

**In the matter of:**

**Shri Nitin Phartyal, Dy. ROC,  
NCT of Delhi & Haryana,  
Ministry of Corporate Affairs, 4<sup>th</sup> Floor, IFCI Tower,  
61, Nehru Place,  
New Delhi – 110 019**

**...Complainant**

**Versus**

**CA. Lukesh Kumar Sethi (M. No. 524293)  
4/27, 1<sup>st</sup> Floor,  
Madanpuri Road,  
Gurugram – 122 001**

**...Respondent**

**MEMBERS PRESENT:**

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

**DATE OF FINAL HEARING : 23<sup>rd</sup> April 2024**

**DATE OF DECISION TAKEN : 28<sup>th</sup> May 2024**

**PARTIES PRESENT:**

**Complainant : Mr. Gaurav, Dy. ROC – Authorized Representative of the  
Complainant (through VC)  
Respondent : CA. Lukesh Kumar Sethi (through VC)  
Counsel for Respondent : Mr. Ritesh Dhir (Counsel for the Respondent (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 willfully 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 the Instant case, the Respondent had certified Form INC-22 (notice of situation of registered office) in respect of M/s. Progressus Service Private Limited (hereinafter referred to as "Company").

2. **Charges in brief:**

- 2.1. The Company does not have any registered office as disclosed in its incorporation documents:
  - a) The Company has not painted or affixed its name and the address at the location where business is carried on. Further, there is no evidence of the existence of its office at the address provided in its incorporation documents.
  - b) No Company employee/ official was observed.
  - c) The guard of the premises expressed no knowledge of existence of this Company on the said location.
  - d) Thus, it shows that false details were furnished during the incorporation of the Company.
- 2.2. Form No. INC-22 has been filed and notice is given that the Registered Office of the Company is situated on said address w.e.f. 22.01.2021(sic 22.01.2020) whereas, it has come to the notice that the Company has made rent agreement for its registered office i.e.,

Ⓜ

Ⓜ

Plot No 76D, Sector 18, Udyog Vihar, Phase-IV; Gurgaon, Haryana, 122001, India on 22.06.2021 and furnished wrong details.

3. **The relevant issues discussed in the Prima Facie Opinion dated 23<sup>rd</sup> January 2023 formulated by the Director (Discipline) in the matter, in brief, are given below:**

- 3.1. The Complainant had brought on record a copy of rent agreement which was entered on 22<sup>nd</sup> June 2020 between M/s. Fume Infotech Private Limited and the Company (M/s Progressus Service Private Limited). Upon perusal of the same, it was noted that the said rent agreement was not signed by the Company (M/s. Progressus Service Private Limited) (lessee). Since, said rent agreement was not signed by the lessee, it was legally invalid.
- 3.2. Form INC-22 w.r.t. the Company was certified by the Respondent wherein at point 4(a), the address of the registered office of the Company is stated to be situated with effect from 22.01.2020. However, the rent agreement was entered on 22<sup>nd</sup> June 2020 for said premises.
- 3.3. The Respondent had adopted careless approach while certifying the said Form INC-22, wherein he had given a declaration to have personally visited the proposed registered office though no valid rent agreement was entered by the Company. It also raises doubt on the contention of the Respondent that he had personally visited and verified the registered office of the Company and that the Registered office of the Company does actually exist at the given address.
- 3.4. Accordingly, the Director (Discipline) in his Prima Facie Opinion dated 23<sup>rd</sup> January 2023 opined that the Respondent was *prima facie* Guilty of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949. The said item of the Schedule to the Act, states as under:

**Item (7) of Part I of the Second Schedule:**

"A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct if he:

x                    x                    x                    x                    x                    x

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

- 3.5. The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 11<sup>th</sup> July 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 (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	15 <sup>th</sup> March 2022
2.	Date of Written Statement filed by the Respondent	Dated 'Nil' received on 03.08.2022
3.	Date of Rejoinder filed by the Complainant	---
4.	Date of Prima Facie Opinion formed by Director (Discipline)	23 <sup>rd</sup> January 2023
5.	Written Submissions filed by the Respondent after PFO	21 <sup>st</sup> August 2023
6.	Written Submissions filed by the Complainant after PFO	---

5. **Brief of further Written Submissions filed by the Respondent:**

The Respondent vide letter dated 21<sup>st</sup> August 2023 had filed his written submissions inter alia stating as under:

- a. The Respondent was approached by one Ms. Nutan Sachan, to incorporate a Company in November 2019.
- b. The documents required for the incorporation of the Company were provided by Ms. Nutan Sachan. The Company was initially formed at address "House No 1280, Sector-9A, Near ESI Hospital, Gurgaon". The address provided was only a correspondence address. It was conveyed by the Respondent to the promoters that a registered address is mandatory requirement which is to be met within 15 days of incorporation of the company. The promoters provided the Respondent an address as "Plot No 76D, Udyog Vihar, Phase IV, Gurugram- 122001" and conveyed that they have made rent payment with the property owners. The promoters in addition, provided the payment receipt of the rent paid which was made from the promoter, Ms. Nutan Sachan's account.
- c. The Respondent on receipt of rent payment, visited the said address on 24<sup>th</sup> January 2020 and personally verified the physical existence of the address/premises. The

property was a coworking space and many other entities were operating from the said premises. The Respondent visited the "cubicle" allotted to the newly formed Company. Further, Mr. Jatin and Ms. Nutan, promoter/Directors of the Company assured the Respondent that the formal rent agreement between the Company and the owner would be done at an earliest.

- d. The co-working space owners asked for KYC documents from the promoters in February 2020 for drafting of the rent agreement. Due to Lockdown imposed, the promoters could only supply the documents for the purpose of KYC on 21<sup>st</sup> June 2020. On 22<sup>nd</sup> June 2020, the Co-Working property owners sent a draft rent agreement to the promoters. The final agreement was executed on the same date i.e., 22<sup>nd</sup> June 2020. The documents were uploaded by the staff of Respondent on 07<sup>th</sup> July 2020. However, while filing the Form INC-22, the date of the change of address was entered as 22<sup>nd</sup> January 2020 instead of 22<sup>nd</sup> June 2020 which is a typographical error.
- e. The Company may have moved from the premises or may even have stopped functioning all together for which the incorporating professional is not liable.
- f. Upon the visit by the Respondent, there were promoters and few employees also available at the registered office address of the Company. The Respondent also met the owner of the property who confirmed the presence of the Company. In year 2020, the Company very much existed and was functional from the said address/premises. Moreover, the documents such as Adhaar, PAN etc. supplied by the promoters were duly checked and were verified by the Respondent.

## 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 <sup>st</sup> hearing	05 <sup>th</sup> September 2023	Part heard and adjourned.
2 <sup>nd</sup> hearing	10 <sup>th</sup> April 2024	Deferred due to paucity of time.
3 <sup>rd</sup> hearing	23 <sup>rd</sup> April 2024	Hearing concluded and Judgment Reserved.
	17 <sup>th</sup> May 2024	Deferred due to paucity of time.
	28 <sup>th</sup> May 2024	Decision taken.

6.2 On the day of first hearing on 05<sup>th</sup> September 2023, the Committee noted that the Respondent along with Counsel were present in person and appeared before it. The office apprised the Committee that the Complainant was not present and notice of listing of the case has been served upon him. Being first hearing of the case, the Respondent was put on Oath. Thereafter, the Committee enquired from the Respondent as to whether he was aware



of the charges, and then charges against the Respondent were read out. On the same the Respondent replied in the affirmative and pleaded Not Guilty to the charges levelled against him.

- 6.3 In the absence of the Complainant and 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.
- 6.4 On the day of hearing on 10<sup>th</sup> April 2024, consideration of the subject case was deferred by the Committee due to paucity of time.
- 6.5 On the day of final hearing on 23<sup>rd</sup> April 2024, the Committee noted that the Complainant and the Respondent along with Counsel were present for the hearing through video conferencing. 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. The Committee noted that the case was part heard and the Respondent was already on oath. The Committee noted that the Respondent had filed a Written Statement dated 21<sup>st</sup> August 2023.
- 6.6 Thereafter, the Committee asked the Counsel for the Respondent to make submissions. The Committee noted the submissions of the Respondent's Counsel which, inter alia, are given as under –
- a) The Respondent visited the registered office address of the Company given in Form INC-22 and personally verified the physical existence of the address. The property was a co-working space, and many other entities were also operating from the said premises.
  - b) While filing Form INC-22, the date of the change of address was entered as 22 Jan 2020 instead of 22 June 2020 which is a typographical error.
  - c) Upon his visit, the Respondent found that the promoters and few employees of the company were present, and that the Respondent had also met the owner of the property, who confirmed the presence of the Company. The Company was in existence in the year 2020 and also functional from the said address. Moreover, the relevant documents such as Adhaar, PAN, etc. supplied by the promoters were duly checked and verified by the Respondent.
  - d) The Company may have shifted from the said premises or may even have stopped functioning at a later date for which the professional, who had incorporated the company, was not responsible.

- e) The Respondent cannot be held responsible for any activity undertaken by the Company post its lawful incorporation.
- f) The rent agreement of the Company for the subsequent two years would be submitted by the Respondent.

On other side, the Complainant submitted that the rent agreement was not signed by the lessor and that the submissions of the Respondent in this regard were not satisfactory.

6.7 Based on the documents and material available on record and after considering the written and oral submissions made by the Complainant and Counsel for the Respondent, the Committee concluded the hearing in the matter and judgment was reserved.

6.8 Also, the Committee directed the Respondent to submit rent agreement(s) of the Company for the subsequent two years within 7 days.

6.9 On 17<sup>th</sup> May 2024, the subject case was fixed for taking decision in the matter. However, consideration was deferred by the Committee due to paucity of time.

6.10 Thereafter, on 28<sup>th</sup> May 2024, the subject case was again fixed for taking decision. The Committee noted that during the hearing held on 23.04.2024, the Respondent was directed to submit rent agreement(s) of the Company for the subsequent two years within 7 days. In this regard, the Respondent vide letter/mail dated 30.04.2024 submitted certain documents/information, viz.:

1. Rent Agreement dated 22/06/2020.
2. Rent payment made in January 2020 by the Company.
3. Email communication between the landlord (Fume coworking) and company (Progressus) regarding payment of rent.
4. Kotak Mahindra Bank communication to address for sending of cheque books.
5. Rent payment made by the Company in June 2021.
6. WhatsApp communication between Fume coworking and one of the Director's representatives regarding renewal of rental agreement.

The Committee noted that the rent agreement(s) for the subsequent years as directed by it were not produced by the Respondent.

②



6.11. After detailed deliberations, and on consideration of the facts of the case, various documents on record as well as oral and written submissions made by the parties before it, the Committee took the decision on the conduct of the Respondent.

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

7.1 Based upon various documents on record and submissions of the Complainant and the Respondent, the Committee noted that the allegations against the Respondent, are related to non-existence of registered office address of the Company and furnishing of wrong details in Form INC-22, which has been explained in para 2.1 and 2.2 above.

7.2 The Committee noted the written as well as oral submissions of the Respondent (explained in para 5 and 6.6 above) made before it. The Committee also considered the submissions of the Complainant made during the hearing, wherein, it was submitted that the rent agreement was not signed by the lessor and that the submissions of the Respondent in this regard were not satisfactory.



7.3 In view of submissions of the parties as above, the Committee noted that in Form No. INC-22 certified by the Respondent, it was mentioned that the registered office of the Company is situated at Plot No. 76 D, Sector 18, Udyog Vihar, Phase IV, Gurgaon, Haryana, 122001 w.e.f. 22.01.2020, whereas rent agreement for its registered office was made on 22.06.2020. The Respondent had filed with the Complainant Department E-Form No. INC-22 (i.e., Notice of situation or change of situation of registered office) digitally certified by him on 27/06/2020 with respect to the Company pursuant to Section 12(2) & (4) of the Companies Act, 2013 and Rule 25 and 27 of the Companies (Incorporation) Rules 2014.

7.4 The Committee noted the relevant extracts of Section 12 of the Companies Act, 2013 read with Rule 25 of the Companies (Incorporation) Rules, 2014 stipulates as under:

"12. Registered Office of Company

(1) *A Company shall within thirty days of its incorporation and at all times thereafter, have a registered office capable of receiving and acknowledging all communications and notices as may be addressed to it.*

(2) *The Company shall furnish to the Registrar verification of its registered office within a period of thirty days of its incorporation in such manner as may be prescribed."*

  Rule 25 of the Companies (Incorporation) Rules, 2014 states as under:-

*"25 Verification of Registered Office*

*(1) The verification of the registered office shall be filed in Form No.INC.22 along with the fee, and*

*(2) There shall be attached to said Form, any of the following documents, namely:-*

*(a) the registered document of the title of the premises of the registered office in the name of the company; or*

*(b) the notarized copy of lease or rent agreement in the name of the company along with a copy of rent paid receipt not older than one month;*

*(c) the authorization from the owner or authorized occupant of the premises along with proof of ownership or occupancy authorization, to use the premises by the company as its registered office; and*

*(d) the proof of evidence of any utility service like telephone, gas, electricity, etc. depicting the address of the premises in the name of the owner or document, as the case may be, which is not older than two months."*

7.5 On perusal of copy of Form INC-22, the Committee noted that the Respondent had certified as under:

*"I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of The Companies Act, 2013 and rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachments (s)) from the original records maintained by the Company which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that :*

- 1. The said records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of The Companies Act, 2013 and were found to be in order;*
- 2. All the required attachments have been completely and legibly attached to this form;*
- 3. I further declared that I have personally visited the registered office given in the form at the address mentioned herein above and verified that the said registered office of the Company is functioning for the business purposes of the Company." (emphasis added).*

7.6 Further, on perusal of copy of rent agreement which was entered on 22<sup>nd</sup> June, 2020 between M/s. Fume Infotech Private Limited and the Company, the Committee observed that the said rent agreement which was enclosed with the complaint was not signed by any

*P* <sup>®</sup>

representative on behalf of the (Company) M/s. Progressus Service Private Limited (lessee). Further, the Committee noted that the Respondent brought on record, copy of rent agreement dated 22/06/2020 which was signed by the lessee (the Company) vide e-mail dated 30/04/2024. However, the Committee observed that the Respondent failed to bring on record rent agreement(s) of subsequent two year(s) as directed by it.

- 7.7 In view of this, the Committee was of the opinion that since the said rent agreement attached to Form INC – 22 submitted on records at the time of incorporation of Company did not bear the signatures of lessee (the Company) and hence the same cannot be construed to be a valid rent agreement. Moreover, Form INC-22 w.r.t the Company was certified by the Respondent wherein at point 4(a), the address of the registered office of the Company is stated to be situated with effect from 22.01.2020. However, the rent agreement was entered on 22<sup>nd</sup> June, 2020. Although, the Respondent during the hearing submitted that said date 22.01.2020 was wrongly selected instead of 22.06.2020, the Committee noted that the Respondent has not made any rectification application with the Complainant Department after noticing said mistake. Moreover, as agreed by the Respondent during the hearing to provide the rent agreement of the Company for the subsequent two years, he had failed to produce the same on record.
- 7.8. In view of above facts, the Committee observed that the Respondent had adopted careless approach while certifying the said Form INC-22, wherein he had given a declaration to have personally visited the proposed registered office though no valid rent agreement was entered by the Company on said date. Further, he could not substantiate the fact that he had personally visited and verified the registered office of the Company and that the registered office of the Company actually existed at the given address. Hence, failure on the part of the Respondent for not verifying the requirements of provisions of Section 12 of the Companies Act, 2013 read with Rule 25 of the Companies (Incorporation) Rules, 2014 shows that the Respondent has not performed his professional duties diligently.
- 7.9. On the basis of above facts, the Committee was of the view that the Respondent is **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 certification of e-Form INC 22 which has been examined by the Committee.

8 **Conclusion:**

In view of the findings stated in 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 as given above	Paras 7.1 to 7.9 as given above	<b>GUILTY</b> – Item (7) of Part I of the Second 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 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: 15/10/2024

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  
आईसीएआई भवन, विश्वनाथ नगर, बहावन  
ICAI Bhawan, Vishwanath Nagar, Bahawan