



# 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/76/2022/DD/98/2022/DC/1780-2023]  
clubbed files: PR/G/277/2022; PR/G/296/2022]

**In the matter of:**

The Registrar of Companies, NCT of Delhi & Haryana,  
Through Sh. Manjit Singh, Deputy ROC,  
O/o The Registrar of Companies,  
NCT of Delhi and Haryana,  
Ministry of Corporate Affairs  
4th Floor, IFCI Tower,  
61, Nehru Place,  
New Delhi – 110 019

...Complainant

Versus

CA. Avik Kedia (M. No. 513943)  
Chartered Accountant  
Plot No. 75, H No. 5-3/2/65,  
Padmavati Colony,  
Survey no. 42,  
Boduppal,  
Hyderabad (Telangana) – 500 092

Residential Address:-

Station Road,  
Post Bishnupur,  
Bankura District,  
Bishnupur (West Bengal) – 722 122 ...Respondent

**MEMBERS PRESENT:**

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

DATE OF HEARING : 06<sup>th</sup> January 2025

DATE OF ORDER : 20<sup>th</sup> 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



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CA. Avik Kedia (M. No. 513943) (hereinafter referred to as the "Respondent") is GUILTY of Professional and Other Misconduct falling within the meaning of Item (7) of Part-I of Second Schedule and Item (2) of Part-IV 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 him thereby granting an opportunity of being heard in person/through video conferencing and to make representation before the Committee on 06<sup>th</sup> January 2025.

3. The Committee noted that on the date of the hearing on 06<sup>th</sup> January 2025, the Respondent was present through video conferencing. During the hearing, the Respondent stated that he had already submitted his written representation dated 05<sup>th</sup> January 2025 on the Findings of the Committee. The Respondent sought leniency in the matter. The Committee also noted the written representation of the Respondent dated 05<sup>th</sup> January 2025 on the Findings of the Committee, which, inter alia, are given as under: -

a) With regards to M/s. Sky Line Innovation Technology India Private Limited –

On 13.03.2021, when Form INC-22 was filed, he was not even present in his office in Gurugram. He accepts his team's mistake of selecting wrongly "own office" button while filing Form INC-22.

b) With regards to M/s. Claravida Finserv Private Limited –

The registered the Company was the official address of the Respondent. Since the promoters were known to him personally, he had no reservations about giving his address to the Company as a registered office address. Further, the list of directorships should be mentioned in the E-Form DIR-2, but same was not given and he accepts this non-compliance.

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c) With regards to M/s. Northlyf Tech Private Limited –

There is no requirement to attach "subscribers sheet" as the e-MOA and e-AOA already contains the details of the subscribers on the last page itself wherein the DSC were attached.

4. The Committee considered the reasoning as contained in the Findings holding the Respondent 'Guilty' of Professional and Other Misconduct vis-à-vis written and verbal representation of the Respondent.

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 noted that the Respondent pleaded himself 'Guilty' to the charges alleged against him before it at the time of hearing and the Committee in terms of Rule 18(8) of Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 accordingly recorded his plea and decided to pursue the case/ take action under Rule 19.

6. The Committee noted the submission of the Respondent in respect of M/s Northlyf Tech Private Limited and observed that declaration given by the Respondent in e-form Spice MOA and e-form Spice AOA was without verifying the details of subscribers and their signatures which was in violation of the requirements of Rule 13(1) of the Companies (Incorporation) Rules, 2014. Further, in respect of the second Company, i.e., M/s Claravida Finserv Private Limited, the Committee noted that the Respondent had accepted that he had given his office premise as registered office to the Company. Further, in respect of third Company i.e. M/s Sky Line Innovation Private Limited that his office team has made mistake of selecting own office as registered office of the Company, the Committee opined that the registered office of the Company as mentioned in Form INC 22 certified by the Respondent was not the address of the Company and as such the Respondent is negligent in discharging his professional duties.

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7. Hence, the Professional and Other Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 16<sup>th</sup> October 2024 which is to be read in consonance with the instant Order being passed in the case.
8. 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 and Other Misconduct.
9. Thus, the Committee ordered that the Respondent i.e. CA. Avik Kedia (M. No. 513943), Hyderabad be REPRIMANDED and also imposed a FINE of Rs. 25,000/- (Twenty-Five thousand rupees only) upon him, which shall be paid within a period of 60 (sixty) days from the date of receipt of this Order.

Sd/-

(CA. RANJEET KUMAR AGARWAL)  
PRESIDING OFFICER

Sd/-

(SHRI JIWESH NANDAN, I.A.S.{RETD.})  
GOVERNMENT NOMINEE

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

नीलम पुंडीर / Neelam Pundir  
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, विसा  
ICAI Bhawan, VISA

**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/76/2022-DD/98/2022 clubbed files:  
PR/G/277/2022; PR/G/296/2022/DC-1780-2023]**

**In the matter of:**

**The Registrar of Companies, NCT of Delhi & Haryana,  
Through Sh. Manjit Singh, Deputy ROC,  
O/o The Registrar of Companies,  
NCT of Delhi and Haryana,  
Ministry of Corporate Affairs  
4th Floor, IFCI Tower,  
61, Nehru Place,  
New Delhi – 110 019**

**...Complainant**

**Versus**

**CA. Avik Kedia (M. No. 513943)  
Chartered Accountant  
Plot No. 75, H No. 5-3/2/65,  
Padmavati Colony,  
Survey no. 42,  
Boduppall,  
Hyderabad (Telangana) – 500 092**

**Residential Address:-**

**Station Road,  
Post Bishnupur,  
Bankura District,  
Bishnupur (West Bengal) – 722 122**

**...Respondent**

**MEMBERS PRESENT:**

**CA. Ranjeet Kumar Agarwal, Presiding Officer (in person)  
Ms Dakshita Das, IRAS (Retd.), (Govt. 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:**

**Respondent : CA. Avik Kedia (in person)**



1. **Background of the Case:**

- 1.1. It was stated by the Complainant that it came to the knowledge of Central Government that certain Directors / Shareholders / entities in the companies namely, M/s. Northlyf Tech Private Limited, M/s. Claravida Finserv Private Limited and M/s. Sky Line Innovation Technology India Private Limited (hereinafter referred to as the "Companies" collectively) have engaged dummy persons as subscribers to MOA and directors, and also registered the Company with ROC, Delhi & Haryana by using forged documents / falsified addresses / signatures.
- 1.2. It was requested by the Complainant department that immediate action should be initiated against the Respondent under the Chartered Accountants Rules for negligence and misconduct in discharging his duties while carrying professional work as Auditors/ Certification of e-form by concealing material facts to hide the identity of persons behind the companies and real transactions relating to the aforesaid companies.

2. **Charges in brief:**

2.1. **Charge in respect of M/s. Northlyf Tech Private Limited**

The Respondent had filed e-Form "SPICe MOA" and "SPICe AOA" without attaching subscribers' sheets to these forms.

2.2. **Charge in respect of M/s. Claravida Finserv Private Limited**

**First leg-** The Respondent had certified Incorporation Form SPICe+ dated 21.12.2020 wherein he declared & certified that he had personally visited the premises but on physical inspection by the Complainant Department of the registered office of the Company, the same was not found at the given address.

**Second Leg-** The directors of the Company, namely Mrs. Shalini Devi Sagar and Mrs. Chidambara Sagar, had given a false statement in their e-form DIR-2, i.e., consent to act as Directors, that they have neither been a Director in any other company nor a managing director, CEO, whole-time director, secretary, CFO, or manager. But as per DIN details available, they were holding Directorships of 22 and 18 other companies, respectively, at the time of the incorporation of the second company. Hence, it has been alleged that the above-mentioned Directors and the Respondent are liable for action.

2.3. **Charge in respect of M/s. Sky Line Innovation Technology India Pvt. Ltd.**

The Respondent made the wrong declaration in the Form INC-22 regarding ownership of the registered office.



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

- 3.1. It was noted that after filing of the Complaint bearing reference no. PR/G/76/22-DD-98/2022 on 20.01.2022, two more Complaints were filed by the Complainant Department against the Respondent on similar nature of allegations vide Form I dated 14.03.2022 and dated 15.03.2022 respectively. Since the subject matter of another two complaints filed by the Complainant Department were found to be substantially the same as of the first complaint, the Complaint bearing reference nos. PR/G/277/2022 and PR/G/296/2022 were clubbed with the first complaint (PR/G/76/22-DD-98/2022) in terms of the provisions of Rule 5(4)(a) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007. The Complainant Department and the Respondent were informed accordingly vide Directorate's letter dated 11.05.2022.
- 3.2. In respect of the First Company, viz. M/s. Northlyf Tech Private Limited, it was alleged against the Respondent that he had filed e-Form SPICe MOA (INC-33) and SPICe AOA (INC-34) without attaching subscribers sheets to these forms. Against the said allegation, in his defence, the Respondent stated that there was no requirement to attach hard copy of subscriber's sheet with any SPICe Forms i.e., INC-33 or INC-34 while registering a company as it only contained the details of the subscribers and the details of authorized capitals and subscribed capitals.
- 3.3. Neither details of name, address, or occupation were given nor were the SPICe MOA signed by the subscribers as required in terms of Rule 13(1) of the Companies (Incorporation) Rules, 2014 but the Respondent witnessed that subscribers had signed before him. The said declaration by the Respondent without any details of subscribers or signatures was incorrect and against the requirements as laid down in Rule 13(1) of the Companies (Incorporation) Rules, 2014. The same indicated that the Respondent adopted a careless approach and failed to exercise due diligence while witnessing the SPICe MOA and AOA. Hence, the Respondent was held 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.
- 3.4. In respect of the second company, viz. M/s. Claravida Finserv Private Limited, it was alleged that the Respondent had certified incorporation form SPICe+ dated 21.12.2020 wherein he declared and certified that he had personally visited the premises, but on physical inspection by the Complainant Department of the registered office of the Company, the same was not found at the given address.

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- 3.5. The Respondent had given his office address to be used as a registered office address by the second company. Though there was no restriction or prohibition on allowing a company to use the Respondent's office address as its registered office address with the permission of the Respondent, however, the Respondent did not bring on record documentary evidence to show that he is owner of the office and the office was having sufficient space or room to accommodate company's staff or set up infrastructure for operation of the Company. Moreover, the Respondent did not provide any documentary evidence with regard to the verification of address as required before signing the SPICe+ Incorporation Form. Thus, the Respondent was prima facie Guilty of Professional and Other Misconduct falling within the meaning of Item (2) of Part IV of the First Schedule and Item (7) of Part-I of Second Schedule to the Chartered Accountant Act, 1949.
- 3.6. In respect of the allegation relating to the false declaration given by Mrs. Chidambara Sagar and Mrs. Shalini Devi Sagar, the Respondent stated that it is generally accepted practice to file e-form DIR-2 without mentioning the list of directorships held by the Directors. The Respondent did not deny that Mrs. Shalini Devi Sagar and Mrs. Chidambara Sagar were not holding interests in any other companies.
- 3.7. In view of the fact that the Respondent himself stated that details of a Directorship held by a person can easily be found on the MCA website, the Respondent was supposed to verify the details of the same with the MCA website. Thus, the Respondent was held prima facie guilty of Professional Misconduct for not exercising due diligence falling within the meaning of Item 7 of Part I of the Second Schedule to the Chartered Accountants Act, 1949.
- 3.8. In case of thlrd Company, viz. M/s. Sky Line Innovation Technology India Private Limited, it was observed that the Complainant alleged that the Respondent made wrong declaration in Form INC-22 regarding ownership of the registered office.
- 3.9. The Respondent had certified in Form INC-22 that the Company owned the registered office, whereas it was not owned by the Company, as evident from the utility bill. Though the Respondent stated that he has done so to help the Director of the Company, who was in urgent need of the address, it could not be denied that the Respondent, despite being aware of the fact that the premises were not owned by the Company, had given incorrect information in Form INC-22. Hence, it was viewed that the Respondent was not only grossly negligent while certifying Form INC-22, but his connivance with the Directors for helping them in their illicit motive can also not be ruled out, and thus, he was held prima facie guilty of professional and other misconduct falling within the meaning of Item (2) of Part IV of the

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

- 3.10. The Director (Discipline) in his Prima Facie Opinion dated 11<sup>th</sup> October 2022 opined that the Respondent was prima facie **Guilty** of Professional and Other Misconduct falling within the meaning of Item (2) of Part IV of First schedule and Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949. The said items of the Schedule to the Act, states as under:

**Item (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:

*(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."*

**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:

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

- 3.11. The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 09<sup>th</sup> 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 and Other Misconduct falling within the meaning of Item (7) of Part – I of the Second Schedule and Item (2) of Part IV of the First 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. **Date(s) of Written submissions/Pleadings by parties:**

The relevant details of the filing of documents in the instant case by the parties are given below:

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S.No.	Particulars	Dated
1	Date of Complaints in Form 'I' filed by the Complainant	20 <sup>th</sup> January 2022, 14 <sup>th</sup> March 2022 and 15 <sup>th</sup> March 2022
2.	Date of Written Statement filed by the Respondent	30 <sup>th</sup> July 2022
3.	Date of Rejoinder filed by the Complainant	12 <sup>th</sup> August 2022
4.	Date of Prima Facie Opinion formed by Director (Discipline)	11 <sup>th</sup> October 2022
5.	Written Submissions filed by the Respondent after PFO	11 <sup>th</sup> August 2023
6.	Written Submissions filed by the Complainant after PFO	---

5. **Written submissions filed by the Respondent:-**

The Respondent vide letter dated 11<sup>th</sup> August 2023, inter-alia, submitted as under:-

(i) **Submissions in respect of the allegation pertaining to M/s. Northlyf Tech Private Limited:-**

- (a) The Respondent stated that there was no such requirement of attaching the subscriber's sheet with the e-forms "Spice MOA" and "Spice AOA".
- (b) Even the e-forms "Spice MOA" and "Spice AOA" themselves do not provide any such option to attach any PDF documents.

(ii) **Submissions in respect of the allegation pertaining to M/s Claravida Finserv Private Limited:-**

- (a) In respect of the allegation regarding the registered office of the Company, the Respondent stated that he had a valid membership agreement with the office space provider in my name for the company address. He further stated that when the ROC officials visited the office at that time, the Company had already moved from that address. The company vacated the office on nearly 30th April 2021.
- (b) In respect of the second part of the allegation, the Respondent admitted his mistake regarding the wrongful disclosure of the total number of Directorships in companies by the Directors of the Company in Form DIR-2.

(a) **Submissions in respect of the allegation pertaining to M/s Sky Line Innovation Technology India Private Limited:-**

The Respondent admitted his mistake with respect to wrongful disclosure of "own property", stated in the Form INC-22 filed by his office staff.

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:

Particulars	Date of meeting(s)	Status
1 <sup>st</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 hearing on 23<sup>rd</sup> April 2024, the Committee noted that the Respondent was present in person and appeared before it. 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 against him and then the charges as contained in Prima Facie Opinion were read out. On the same, the Respondent replied that he is aware of the charges and pleaded 'Guilty' to the charges levelled against him. The Committee noted the submissions of the Respondent which, inter alia, are as under –

- (i) The Respondent, in a year, used to file a few thousand ROC Forms and it is likely that in 3 or 4 ROC Forms, some mistake(s) would have occurred.
- (ii) The Respondent's team had filed the relevant ROC Forms related to entities involved in the present case, but he would assume full responsibility for the mistake(s) that had occurred.
- (iii) In view of the above, he would accept all the charges levelled against him in the present case.

6.3. After recording the plea of the Respondent and in view of Rule 18(8) of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee concluded the hearing in the matter and judgment was reserved.

6.4. On 17th 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.

6.5. Thereafter, in the meeting held on 28<sup>th</sup> May 2024, the Committee noted that the subject case was heard by it in the presence of the Respondent in its meeting held on 23.04.2024. Further, the Committee had concluded the hearing at its meeting held on 23.04.2024 and the judgment was reserved.

6.6. 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 Respondent before it, the Committee took the decision on the conduct of the Respondent.

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

7.1. The Committee noted that the Respondent pleaded himself 'Guilty' before it at the time of hearing. Accordingly, the Committee in terms of Rule 18(8) of Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 recorded his plea and decided to pursue the case/ take action under Rule 19.

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 to Para 2.3 as above	Para 7.1 as above	Guilty- Item (2) of Part IV of the First Schedule and Item (7) of Part-I of Second Schedule

9. In view of the above noted facts and discussion, the Committee held the Respondent **GUILTY** of Professional and Other Misconduct falling within the meaning of Item (2) of Part IV of the First Schedule and 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, IRAS (RETD.)

GOVERNMENT NOMINEE

Sd/-

(CA. MANGESH P KINARE)

MEMBER

Sd/-

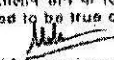
(CA. ABHAY CHHAJED)

MEMBER

DATE: 16/10/2024

PLACE: New Delhi

सही प्रतिलिपि होने के लिए प्रमाणित /  
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नीलम पंडीर / Neelam Pundir  
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer  
अनुशासनान्वयक निदेशालय / Disciplinary Directorate  
इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया  
The Institute of Chartered Accountants of India  
आर्म्स एंड मार्स भवन, विश्वास नगर, शाहदरा, दिल्ली-110032  
ICAI Bhowan, Vishwas Nagar, Shahdara, Delhi-110032