

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2024-2025)]
[Constituted under Section 21B of the Chartered Accountants Act, 1949]

Findings under Rule 18(17) and Order under Rule 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007

File No: PR/G/300/22/DD-209/2022-DC/1686/2022

In the matter of:

Sh. Mangal Ram Meena
Dy. ROC, NCT of Delhi and Haryana
Ministry of Corporate Affairs
4th Floor, IFCI Tower, 61, Nehru Place,
New Delhi – 110019.

..... Complainant

-Versus-

CA. Vivek Kalani (M. No. 406168)
Flat No.080, Ground Floor
Ferrera Tower, Mahagun Moderne
Noida – 201301.

..... Respondent

Members Present:

CA. Ranjeet Kumar Agarwal, Presiding Officer (in person)
Smt. Rani Nair, Government Nominee (Through VC)
Shri Arun Kumar, Government Nominee (in person)
CA. Sanjay Kumar Agrawal, Member (in person)
CA. Cotha S Srinivas, Member (Through VC)

DATE OF FINAL HEARING : 17th May 2024

Parties Present:

Authorised Representative of the Complainant Department : Shri. Gaurav, Deputy Registrar of Companies, Delhi & Haryana (Through VC)
Respondent : CA. Vivek Kalani (M.No.406168) (Through VC)

1. BACKGROUND OF THE CASE:

1.1 As per the Complainant Department, it had come to the knowledge of the Central Government that certain Chinese Directors or individuals/ Shareholders / entities in the involved companies, had engaged dummy persons as subscribers to MOA and as Directors and they got registered these Companies with ROC, NCT of Delhi & Haryana using forged documents / falsified addresses / signatures. Director identification Number

(DIN) were obtained by furnishing false/forged document to MCA. The Companies / Chinese individuals or entities directly or indirectly connected with these Companies are found to be engaged in illegal/ suspicious activities, money laundering, tax evasion and non-compliance of various provisions of laws.

- 1.2 Further, certain professionals have connived with these Companies/their directors/subscriber to MOA and Chinese individuals who are acting behind these Companies. The professionals, despite having knowledge of the aforesaid facts incorporated these Companies and are also assisting in running of these Companies for illegal/ suspicious activities in violation of various laws.
- 1.3 They also certified various Reports/ E-Forms filed with Ministry of Corporate Affairs on MCA 21 Portal with false information or by concealing the material facts/ information to hide the real identity of Chinese person behind the Companies particularly at the time of incorporation. They also allegedly filed financial statements without attaching the annexure of Borrowing/ Loan & Advances/Investments/Inventories and Notes to Accounts for hiding material information.
- 1.4 The Professionals (CA) were 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 could 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 the said Company.

2. CHARGES IN BRIEF:

- 2.1 Against the aforesaid background, the Complainant Department informed that on examination of the Form INC-22 (Notice of Situation or change of situation of Registered Office) of M/s Meghmausam Café Private Limited (hereinafter referred to as 'Company') submitted to effect the change in Registered Office Address of the Company and after physical verification of such Registered Office, the Company was not found at the Registered Office Address as disclosed in Form INC-22 filed by the Company and certified by the Respondent.
- 2.2 The subject company had changed its registered office address from Flat No. 19, DDA SFS Flats, Niti Bagh New Delhi-110049 to Plot No. 55, 2nd Floor, Lane-2, Westend Marg, Saidulajab, Near Saket Metro Station. The Company had declared registered office at changed address w.e.f. 01.11.2019, whereas rent agreement was made on 13.11.2019 for mentioned address which is self – contradictory and raises doubt on the authenticity of disclosures.
- 2.3 Further, it is observed that Company had furnished copy of utility bill and NOC dated 13.11.2019 duly signed by Mr. Nitin Khatri in the capacity of Licensor of Team Co-work (a proprietorship concern owned by Mr. Nitin Khatri) wherein he clearly stated that he had taken out the premises from Mr. Arvind Kumar Yadav on leave and license basis, but he has neither furnished original leave and license agreement taken out from original occupier of the premises nor provided consent from the original occupier to further sublet the above premises for commercial use during furnishing copy of Form INC-22 for change of registered office of subject company.

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- 2.4 During physical examination done by the Complainant Department on 11.01.2022 for other similar company registered at above address, the Complainant's team met with Mr. Nitin Khatri at the time of verification and he had represented himself as the owner of the said premises, but he had no knowledge of subject company having office at the said premises and no sign board displaying the name of subject company was found available there nor any concerned person/ employee of the subject company was available. The company had not painted or affixed its name and address at the location where business is carried on. There is no evidence of the existence of its office at the address provided in its incorporation documents.
- 2.5 On examination of incorporation Form filed by the Company, it was observed that the professional had furnished his utility bill for Registered office of subject company at the time of incorporation and later he was appointed as the Statutory Auditor of the subject company and was maintaining book of accounts of the company in electronic form in his office till date, even after change of registered office (INC-22) was filed by the company w.e.f. 01.11.2019. Hence, the certifying professional and auditor of the company played vital role in certification and maintaining books of account of subject company by concealing which was seemingly used for illegal and suspicious activities with regards to maintaining books of account of the company.
- 2.6 Thus, it is stated that the Respondent had made a false declaration during the incorporation and declared Company's registered office at an address which belonged to a private individual and are using his address without his consent with fraudulent intentions. The Respondent failed to perform the minimum due diligence as a certifying professional, certified fabricated documents and appears to be involved in suspicious and illegal activities and aiding the incorporation of the company.

3. THE RELEVANT ISSUES DISCUSSED IN THE PRIMA FACIE OPINION DATED 7th NOVEMBER 2022 FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF, ARE GIVEN BELOW:

S. No.	Allegation	View of Director (Discipline)
1.	Registered Office not found on physical Inspection, No Signboard /No employee of Company was found on physical inspection and the effective date on Rent agreement was different from the date certified by the Respondent.	Guilty
2.	Original Rent Agreement between Mr. Nitin Khatri and the real owner of Premise was not furnished with INC-22 certified by the Respondent.	Not Guilty
3.	Statutory Auditor of the Company during incorporation provided his premises to the Company as its registered office address and also maintained its books of accounts and submission of false information in incorporation documents by the certifying professional.	Not Maintainable
4.	General allegation of connivance with directors to involve in illegal activities.	Not Guilty

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3.1 The Committee noted that the Director (Discipline), in the Prima Facie Opinion dated 7th November 2022, inter-alia, observed as under (with respect to allegation at S.no. 1 of Para 3 above): -

- a) The Company was incorporated on 01-07-2015. The Company in November 2019 shifted its Registered Office Address to 55, 2nd Floor Lane -2, Westend Marg, Saidulajab, Near Saket Metro, South Delhi, New Delhi-110030 vide Form- INC-22 certified by the Respondent on 15-11-2019. The Complainant Department, initiated enquiry against the alleged companies and as part of such enquiry, the Registered Office Address of the Company was physically inspected on 11-01-2022 as stated by the Complainant in Form-I.
- b) Though the Respondent had declared in INC-22 that he had personally visited the premises of the proposed Registered Office given in such Form and that he verified the said proposed Registered Office of the Company would be functioning for the business purposes of the Company, however, he in his written statement was noted to had given the following statements:

"As confirmed I have signed the INC 22 on the basis of NOC issued by owner of Team Co-works, wherein the Company moved their Registered Office and authorization recorded by Board vide Board Resolution dated 01.11.2019 "

"I had no association with the Company after that so I cannot comment on the status on the date of inspection."

- c) From the above defence of the Respondent, it was noted that he though, mentioned that on the basis of NOC of the owner of the premise and Board Resolution of the Company, signed INC-22 to effect the change in Registered Office Address of the Company and further to refute the allegations of the Complainant that no sign board displaying the name of subject Company was found available there nor any concern person/employee of the subject Company was available, the Respondent mentioned that after such change of address he had no association with the Company but nowhere had he mentioned that before certifying such Form he personally visited the premise for its verification.
- d) When specifically asked at Rule 8(5) of the CA Rules 2007 to the Respondent to clarify as to how did he ensure the genuineness of Registered Office at the time of certifying INC-22 of the Company and was asked to confirm whether he visited the premise before certification, he in point no.1 and 6 of his reply dated 07-09-2022 mentioned the following:

"It is a matter of record that a board resolution was duly passed in a meeting of the Board of Directors on 01.11.2019 for the change of Registered Office of the Company. The Board Resolution passed by the Board of Directors approves the change in the Registered Office of the Company with effect from 01.11.2019. The copy of the Board Resolution is enclosed."

It is a matter of record that NOC was issued by the Proprietor of Team Co-work, Mr. Nitin Khatri and the copy of NOC is enclosed.

The Proprietor of Team Co-work, Mr. Nitin Khatri had furnished a self-certified copy of his utility bill as proof of address. The copy of the utility bill is enclosed.

We had verified the existence of Team Co-work through independent research and their website (<https://teamco.work/>), which contains their office locations and their business of letting out space for representative and virtual offices. We also had telephonic confirmation from Mr. Nitin Khatri.

We have relied on the NOC of the business owner and the utility bill as proof of address, along with telephonic confirmation of Mr. Nitin Khatri. We have detailed our standard verification process in point 1 and 2 above."

- e) From the above statements of Respondent, it was apparent that he on the basis of documents only viz. utility bill in the name of Mr. Nitin Khatri, Proprietor of Team Co-work and his NOC issued in favour of the Company and on the basis of telephonic confirmation with him (Mr. Nitin Khatri), certified INC-22 but never visited the Registered Office of the Company to confirm its functioning for business purpose. Thus, the declaration while certifying INC 22 was incorrect, false and misleading.
- f) A clarification in the matter from Mr. Nitin Khatri, proprietor of Team Co-Work and the owner/leaseholder of the premise of Registered Office, was also called for at Rule 8(5) of the CA Rules 2007 and he vide his letter dated Nil received in this office on 12-09-2022 mentioned the following:
- "We have provided Sharing and Virtual Office for business registration purpose to Company MEGHMAUSAM CAFÉ PRIVATE LIMITED whose director is Ms. SUNITA GUPTA with effective date of Agreement was 14/11/2019 and expired on 13/11/2020. They were not able to renew due to Covid and requested to relocate the Company address soon."*
- g) Mr. Nitin Khatri along with the above clarification had also put forth the copy of the Rent Agreement executed between his entity 'Team Co-Work' and the Company with regard to such premise. In the above statement though Mr. Nitin Khatri vouched for the statement of the Respondent that the Company once was maintaining its Registered Office at the address mentioned in INC-22 certified by the Respondent however, it was noted that the statement of Mr. Nitin Khatri and the copy of Rent Agreement put forth by him raise certain doubt about the clarity in the matter at this stage due to the following:
- i. He stated that Company was not able to renew the rent agreement (initial agreement between 13-11-2019 to 14-11-2020) due to Covid and requested to relocate the Company address soon while examination of Company's account on MCA portal it was noted that the Company had been maintaining its Registered Office on such premise of Mr. Nitin Khatri till 01-04-2022.

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- ii. The rent agreement put forth by Mr. Nitin Khatri for the period between 14-11-2019 to 13-11-2020 is not notarized as per the requirement of Companies Act, 2013.
 - iii. The rent agreement was not found signed either by Ms. Sunita Gupta who is mentioned in the agreement as party on behalf of the Company nor by any witness.
 - iv. Rent agreement is executed without any consideration as consideration price is mentioned as zero while as per Section 25 of the Contract Act, 1872, an agreement without consideration is void.
 - v. The date of start of the rent agreement though mentioned as 14-11-2019 therein however, has been mentioned as w.e.f. 13-11-2019 in the NOC issued and signed by Mr. Nitin Khatri himself.
- h) Hence, in view of the above lapses on record regarding Rent Agreement put forth by Mr. Nitin Khatri starting from the same period certified by the Respondent in INC-22, it was viewed that though Mr. Nitin Khatri confirmed to this Directorate that the Company took his premise on rent for its Registered Office from 14.11.2019 to 13.11.2020, it cannot be taken as conclusive statement against the allegation of the Complainant keeping in view the fact that the Respondent did not visit and physically verified the proposed Registered Office Address before confirming / declaring the same in Form INC 22.
- i) Since the Company was already in existence at the time of filing of INC-22 on 15-11-2019 and as per the declaration of the Respondent the Company was working at such particular place w.e.f. 01-11-2019, on the date of certification of such INC-22 i.e. on 15-11-2019 the Sign board of the Company must have been put up/displayed at such premise as per requirement of Section 12(3) of Companies Act, 2013 which however, was not found by the Complainant Department during their physical inspection which signifies at this stage that the Company had not been actually working from such place.
- j) Since the Respondent without physically verifying the Registered Office Address of the Company and without ensuring that the premises would actually be used as Registered Office purpose relied only upon the documents produced before him by the Directors and on the contrary certified in such INC-22 that he had visited the premise physically, he has not performed his duty of certification of INC-22 with due diligence. Accordingly, the Director (Discipline) in terms of Rule 9 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, held that the Respondent is 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 in 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—
(7) does not exercise due diligence or is grossly negligent in the conduct of his professional duties."*

3.2 The Committee at its meeting held on 7th December 2022, on consideration of the Prima Facie Opinion of the Director (Discipline) dated 7th November 2022, concurred with the reasons given against the charge(s) and thus, agreed with the Prima Facie Opinion of the Director (Discipline) that the Respondent is GUILTY of Professional Misconduct falling under Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949, and decided to proceed further under Chapter V of these Rules.

4. DATE(S) OF WRITTEN SUBMISSIONS/PLEADINGS BY PARTIES:

4.1 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 in Form 'I' filed by the Complainant	15 th March, 2022
2.	Date of Written Statement filed by the Respondent	11 th June, 2022
3.	Date of Rejoinder filed by the Complainant	04 th August, 2022
4.	Date of Prima facie Opinion formed by Director (Discipline)	7 th November, 2022
5.	Written Submissions filed by the Respondent after Prima Facie Opinion	15 th March, 2023
6.	Written Submissions filed by the Complainant after Prima Facie Opinion	---

5. WRITTEN SUBMISSIONS FILED BY THE RESPONDENT :-

The Committee noted that the Respondent in his submissions dated 15th March 2023, in response to the Prima Facie Opinion, inter-alia, stated as under: -

5.1 He had followed due process which complies with the ROC Guidelines and accepted professional practice and stands true to the test of 'substance over form'. The Respondent also provided the copy of the Utility bill and NOC from Mr. Nitin Khatri, Proprietor of Team Co-works and the licensor.

5.2 Mr. Nitin Khatri has also confirmed in his reply to the Disciplinary Directorate that:

- a) He is an authorized occupant of the premises.
- b) He has provided Sharing and Virtual Office for business registration purpose to the said Company
- c) He also provided a copy of the rent agreement and NOC along with such reply.

5.3 There is a difference between the effective date of change in Registered Office as per Company records evidenced by the Board Resolution and intimated to the ROC (01.11.2019) and the date of issue of NOC (13.11.2019) which is a matter between the Company and the issuer of NOC.

- 5.4 The Respondent implemented appropriate safeguards and caution and had relied upon the Company records, documents from the licensor and confirmation from the licensor.
- 5.5 The change in Registered Office was certified by the Respondent vide Form INC-22 filed on 15th November 2019 and the said Form was processed and accepted by the ROC without any objection.
- 5.6 The Company and the Licensor/ authorized occupant both have confirmed the veracity of the documents and the licensing arrangement and that the Registered Office indeed existed at the same address on the date of certification.
- 5.7 The Complainant only conducted a physical inspection on 11th January 2022 and the status of the Registered Office on that date has no connection or bearing on the certification by the Respondent.
- 5.8 The copy of the rent Agreement submitted by Mr Nitin Khatri, the Licensor and authorized occupant, seems to be an afterthought as he had provided an NOC stating that he had entered into an agreement with the Company on 13.11.2019 while the rent agreement is made on 14.11.2019. Further, the rent agreement states that the client is not permitted to use the address as registered office address, and the rent agreement is neither signed on behalf of the Company, nor notarised. Further, it has been confirmed by the Company that no such rent agreement as furnished has been signed, which is also apparent from the copy of rent agreement furnished. This contradiction in dates between the Company and Licensor is a matter between those two parties and the Respondent is not a party/aware of this matter. It is important to note the fact that both parties agree and accept that the registered office existed at the address on the date of certification and had confirmed the same to the Respondent.

6. BRIEF FACTS OF THE PROCEEDINGS:

- 6.1 The Committee noted that the instant case was placed before it for consideration on the following dates: -

S.No.	Particulars	Date(s) of meeting	Status
1.	1 st Hearing	20.04.2023	Part Heard and Adjourned.
2.	2 nd Hearing	23.04.2024	Adjourned at the request of the Respondent.
3.	3 rd Hearing	17.05.2024	Heard and concluded.

- 6.2 On the day of first hearing held on 20th April 2023, the Respondent was present and was administered on Oath. Thereafter, the Committee enquired from the Respondent as to whether he was aware of the charges alleged against him. On the same, the Respondent replied in the affirmative and pleaded Not Guilty to the charges leveled against him. Thereafter, looking into the fact that this was the first hearing and in the absence of any representation from the Complainant Department, the Committee decided to adjourn the hearing to a future date.

- 6.3 On the day of second hearing held on 23rd April 2024, the authorised representative of the Complainant Department was present before the Committee through video conferencing. The Committee further noted that the Respondent vide his email dated 22nd April 2024, requested for an adjournment on the ground that since he was travelling for a family matter, he became aware of the communication of the date of hearing on his return only and thus, he needs time for preparation of the case. Since the request for adjournment had been made for the first time by the Respondent, thus, keeping in view the principle of natural justice, the Committee acceded to the request for adjournment of the Respondent. Accordingly, the hearing in the case was adjourned at the request of the Respondent.
- 6.4 Thereafter, on the day of third hearing held on 17th May 2024, the Committee noted that the Authorized representative of the Complainant Department and the Respondent were present before it through video conferencing. Since there had been the change in the composition of the Committee since the last hearing, the same was duly informed to the Authorized representative of the Complainant Department and the Respondent who were present before the Committee.
- 6.5 Thereafter, on being asked by the Committee to substantiate their case, the Authorized Representative of the Complainant Department referred to the contents of Complaint made in Form 'I' against the Respondent and informed that subsequent thereto no examination has been conducted by ROC. Subsequently, the Respondent presented his line of defence, inter-alia, reiterating the written submissions made by him on the Prima Facie Opinion. He confirmed on Oath that he personally visited the premises of the Company which was a co-working space. Whatever Companies were there, they had put their small Boards and had seats there. The mailbox was also there to receive and send communication. The basic co-working space arrangement was also there.
- 6.6 The said submission of the Respondent was not rebutted by the Authorized Representative of the Complainant Department who was present during the hearing. On consideration of the submissions made by the Authorized Representative of the Complainant Department and the Respondent, the Committee posed certain questions to them which were responded by them. Thereafter, the Committee, on considering the documents on record and the oral and written submissions of the parties to the case vis-à-vis facts of the case, decided to conclude the hearing in the case.

7. FINDINGS OF THE COMMITTEE: -

- 7.1 The Committee noted that the charge leveled against the Respondent is that without physically verifying the Registered Office Address of the Company and without ensuring that the premises would actually be used for the purpose of the Registered Office of the Company, he relied only upon the documents produced before him by the Directors of the Company and certified in Form INC-22 that he had visited the premise physically, in respect of the said Company.
- 7.2 The Committee noted that the Respondent was engaged by the Company for the limited purpose of certification of Form INC-22 only i.e. Notice of situation or change of address of the Registered Office of the Company.

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- 7.3 The Committee on perusal of Form INC-22 observed that the Respondent while certifying the said Form, had declared 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 attachment(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;

- i. 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;*
- ii. all the required attachments have been completely and legibly attached to this form,*
- iii. I further declare 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."*

- 7.4 The Committee also noted that as per Instruction Kit for Form INC-22 issued by MCA, the following two attachments are mandatory in all cases:

- a) Proof of Registered Office address (Conveyance/Lease deed/ Rent Agreement etc. along with the rent receipts).
- b) Copies of the utility bills (proof of evidence of any utility service like telephone, gas, electricity etc. depicting the address of the premises not older than two months is required to be attached).
- c) Altered Memorandum of association. This is mandatory to attach in case of shifting of Registered Office from one state to another within the jurisdiction of same ROC or from one state to another outside the jurisdiction of existing ROC.
- d) A proof that the Company is permitted to use the address..... Authorization from the owner or occupant of the premises along with proof of ownership or occupancy and it is mandatory if Registered Office is owned by any other entity/ person (not taken on lease by company).
- e) Certified copy of order of competent authority. It is mandatory to attach in case of shifting of Registered Office from one ROC to another within the same state or from one state to another within the jurisdiction of same ROC or from one state to another outside the jurisdiction of existing ROC.
- f) List of all the companies (specifying their CIN) having the same Registered Office address, if any.

Any other information can be provided as an optional attachment(s).

- 7.5 The Committee noted that the Respondent brought on record the copy of the following documents verified by him for the purpose of certification of Form INC-22:
- a) Copy of the Board resolution dated 1st November 2019 resolving to change the registered office of the Company and authorizing one of the incoming shareholders and authorised signatory of the Company to enter into agreement and complete all formalities related to taking the premises on lease by the Company.
 - b) Copy of the NOC/Letter of Consent dated 13th November 2019 issued by the occupier of Team Co-works to ROC for the use of the address as Registered Office address for the business of the Company.
 - c) Copy of the utility bill (MTNL telephone bill) dated 7th October 2019 in the name of Team Co-works (Prop. Nitin Khatri)
- 7.6 The Committee also noted that under Rule 8(5) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, in response to the communication from the Disciplinary Directorate, Mr. Nitin Khatri, the Licensor brought on record, the copy of the rent Agreement dated 14th November 2019. However, the same was signed by only the Licensor and not signed by any representative of the Company. Also, the rent Agreement is dated 14th November 2019. Whereas, the No Objection Certificate/Letter of Consent issued by the occupier of Team Co-works to ROC for the use of the address as Registered Office address for the business of the Company is dated 13th November 2019 which had been verified by the Respondent at the time of certification. Even the Respondent in his written submissions at Prima Facie Stage stated that the copy of the Rent Agreement was not made available to him at the time of certification. Since the said Rent Agreement was not signed by any representative of the Company, it did not bind the Company and was not provided to the Respondent at the time of certification, accordingly, the same was not taken into view by the Committee while examining the conduct of the Respondent and arriving at its Findings.
- 7.7 The Committee also noted that the Respondent, during the hearing of the case held on 17th May 2024, confirmed on Oath that he personally visited the premises of the Company which was a co-working space. Whatever Companies were there, they had put their small Boards and had seats there. The mailbox was also there to receive and send communication. The basic co-working space arrangement was also there. However, he did not take any picture of the same. The Committee also noted that the said submission of the Respondent was not rebutted by the Authorized Representative of the Complainant Department who was present during the hearing.
- 7.8 The Committee also noted that the Company was registered on 1st July 2015. The Respondent filed the said Form INC-22 for the change in Registered Office of the Company on 1st November 2019 whereas the Complainant Department had physically verified the Registered Office of the Company on 11th January 2022. Thus, the Committee noted that there is a clear gap of more than two years between the date of certification of the Form INC-22 by the Respondent and the physical verification by the Complainant Department.

- 7.9 The Committee further noted that the Complainant Department did not bring on record the report of physical verification of the Registered Office of the alleged Company. Also, no further investigation had been conducted by the ROC in respect of the alleged company subsequent to the filing of the instant case.
- 7.10 The Committee also noted that the Company is active as per MCA records with the last Balance Sheet filing till 31st March 2023. Also, as per MCA records, the registered office of the Company was again changed on 1st April 2022 for which INC-22 Form has also been filed.
- 7.11 The Committee also noted that Respondent was engaged by the Company for the limited purpose of certification of Form INC-22 only for which he charged Rs. 1,000/- as his Professional Fee which was duly paid to him. Considering the facts and circumstances of the case, the Committee was of the view that although, the Respondent did not bring on record any direct evidence to establish the correctness of the declaration made by him regarding personally visiting and verifying the proposed registered office of the Company while certifying Form INC-22, there are other corroborative evidence like confirmation dated 13th June 2022 by the proprietor of Team Cowork brought on record by the Respondent, another confirmation by the proprietor of Team Cowork addressed directly to the Disciplinary Directorate and received on 12th September 2022 and the NOC/Letter of Consent dated 13th November 2019 issued by the occupier of Team Co-works to ROC for the use of the address as Registered Office address for the business of the Company which establish the correctness of the declaration made by the Respondent regarding personally visiting and verifying the proposed registered office of the Company while certifying Form INC-22. Thus, there exists no conclusive evidence to establish that the declaration made by the Respondent as regard the change in the registered office address of the company while certifying Form INC-22 was not correct.
- 7.12 The Committee was also of the view that although the Respondent has not been able to bring on record any direct evidence of his personal visit to the registered office of the Company prior to certification of Form INC-22, however, on account of corroborative evidence as regard the existence and maintenance of the registered office of the Company at the premises certified by the Respondent, no objection raised by the Complainant Department as to the express admission on Oath during the hearing by the Respondent as to the visit to the registered office of the Company prior to certification of Form INC-22 and the time gap between the date of certification by the Respondent and the date of physical inspection by the Complainant Department, the Committee was inclined to hold that required diligence was exercised by the Respondent while certification of Form INC- 22. Accordingly, the Committee was of the view that no case of misconduct was made out against the Respondent and thus, decided to hold the Respondent **NOT GUILTY** with respect to the charges alleged.
- 7.13 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:-

- 8.1 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 2.6 as given above	Paras 7.1 to 7.12 as given above	NOT GUILTY – Item (7) of Part I of Second Schedule

In view of the above observations, considering the submissions and documents on record, the Committee holds the Respondent **NOT GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

9. ORDER:-

Accordingly, in terms of Rule 19 (2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee passes an Order for closure of this case against the Respondent.

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Sd/-
(CA. RANJEET KUMAR AGARWAL)
PRESIDING OFFICER

Sd/-
(MRS. RANI S. NAIR, I.R.S. RETD.)
GOVERNMENT NOMINEE

Sd/-
(MR. ARUN KUMAR, I.A.S., RETD.)
GOVERNMENT NOMINEE

Sd/-
(CA. SANJAY KUMAR AGARWAL)
MEMBER

Sd/-
(CA. COTHA S SRINIVAS)
MEMBER

DATE: 10th February 2025
PLACE: New Delhi

राही प्रतिलिपि होने के लिए प्रमाणित
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गीता अनिलध कुमार / GEETHA ANIRUDHA KUMAR
कार्यकारी अधिकारी / Executive Officer
अनुशासनशास्त्रक निदेशालय / Disciplinary Directorate
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