



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 (2025-2026)]
[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/8/2022-DD/74/2022-DC/1696/2022]

In the matter of:

**Smt. Kamna Sharma,
O/o ROC, NCT of Delhi and Haryana
Ministry of Corporate Affairs
4th Floor, IFCI Tower, 61, Nehru Place,
New Delhi -110019**

.... Complainant

Versus

**CA. Manoj Dudeja (M. No. 514885)
C/o A.J.M.D. & Co.,
Chartered Accountants
D-15/160, 2nd Floor, Sector- 3, Rohini,
New Delhi – 110085**

.... Respondent

MEMBERS PRESENT:

- 1. CA. Prasanna Kumar D, Presiding Officer (In person)**
- 2. Ms. Dakshita Das IRAS (Retd.), Government Nominee (Through VC)**
- 3. Adv Vijay Jhalani, Government Nominee (In person)**
- 4. CA. Mangesh P. Kinare, Member (In person)**
- 5. CA. Satish Kumar Gupta, Member (In person)**

DATE OF HEARING: 21st January 2026

DATE OF ORDER: 11th February 2026

- 1. That vide Findings dated 05th January 2026 under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of**



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Cases) Rules, 2007, the Disciplinary Committee was inter-alia of the opinion that **CA. Manoj Dudeja (M. No. 514885)** (hereinafter referred to as the **Respondent**) is **GUILTY** of Professional and Other Misconduct falling within the meaning of Clause (2) of Part IV of First Schedule and Clause (7) of Part I of Second 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 21st January 2026.

3. The Committee noted that on the date of hearing on 21st January 2026, the Respondent was present through video conferencing and made verbal submissions on the findings of the Committee. An opportunity was given for the submission of written representations; however, the Respondent failed to file any written response/submissions. The Committee noted that the Respondent, in his submissions, inter alia stated, as under: -

- An affidavit from the Director, Mr. Gopal, has been filed, and that disclosures under AS-18 were omitted under a bona fide belief based.
- There was no deliberate omission, and the lapse was merely technical.

4. The Committee considered the reasoning as contained in Findings holding the Respondent 'Guilty' of Professional and Other Misconduct vis-à-vis verbal submissions 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 verbal submissions of the Respondent on the Findings, the Committee noted with respect to first charge that although Schedule-5 and other Notes/Schedules were specifically referred to in the Balance Sheet for FY 2018-19 but were not filed on the MCA-21 portal along



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with Form AOC-4 certified by the Respondent. The plea of Inadvertent omission due to technical error was not accepted, as the Respondent failed to establish that the schedules were actually uploaded with AOC-4. The Notes to Accounts and Schedules are integral and mandatory parts of financial statements under Sections 129 and 137 read with Schedule III of the Companies Act, 2013, certifying AOC-4 as complete without these attachments amounting to wrong certification. Thus, the Respondent failed to attach Schedules and Notes to Accounts while filing Form AOC-4. These Schedules (5 and 10) revealed material related-party transactions, namely short-term borrowings of Rs. 1.60 crore and short-term loans and advances of Rs. 2.02 crore, constituting 79% and 62% respectively of the balance sheet size. These transactions were neither properly disclosed in Note-17 'Related Parties' of the financial statements as required under AS-18 'Related Party Disclosures', nor were reported as qualifications or observations in the Audit Report by the Respondent.

6. The Committee noted with respect to second charge, the Respondent's involvement in the formation of shell company with dummy directors on the basis of the sworn statement of Mr. Gopal a promoter and director of the company. The statement established that Mr. Gopal was employed by the Respondent, The Committee noted that the Respondent was accompanying Mr. Gopal at the time of recording of his aforesaid statement and his statement was finally signed by the Respondent as one of the 'Witnesses' and this fact further corroborated the complainant's evidence. The Committee observed that the Respondent had not denied/objected to his signatures as witness on Mr. Gopal's statement under oath. Therefore, the Committee viewed the affidavit of Mr. Gopal submitted by Respondent on the date of hearing on 09.10.2025, as an afterthought. The Committee noted that the Respondent even failed to bring on record any appointment letter issued by the Company or any communication he made with the directors of the Company sought by the Disciplinary Directorate at PFO stage. The Committee further held that the Respondent failed to demonstrate due diligence in verifying the genuineness of the company's directors. The Committee concluded that in fact, the statements of Mr. Gopal clearly indicate the involvement of the Respondent in the formation of companies with dummy directors thereby suggesting collusion with the directors and other

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व्यक्ति के द्वारा जारी किया गया है।
The Institute of Chartered Accountants of India
Disciplinary Directorate
New Delhi
The Institute of Chartered Accountants of India
(C.A.) 100105-100105-100105-100105-100105
(P.U.) 100105-100105-100105-100105-100105

CAK



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parties in the fraudulent transactions and also being auditor of such company, resulting in compromising his professional integrity which is expected of a Chartered Accountant. Hence, the Professional and Other Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 05th January 2026 which is to be read in consonance with the instant Order being passed in the case.

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

8. Thus, the Committee upon considering the seriousness of charges and the gravity of the matter, ordered that the Respondent i.e. CA. Manoj Dudeja (M. No. 514885), New Delhi be REPRIMANDED and removed his name from the Register of Members for a period of one (01) month and also imposed a fine of Rs. 1,00,000/- (Rupees One lakh only) upon him, which shall be paid within a period of 60 (sixty) days from the date of receipt of the order.

Sd/-
(CA. PRASANNA KUMAR D)
PRESIDING OFFICER

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

Sd/-
(ADV VIJAY JHALANI)
GOVERNMENT NOMINEE

Sd/-
(CA. MANGESH P. KINARE)
MEMBER

Sd/-
(CA. SATISH KUMAR GUPTA)
MEMBER

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy
Charan Singh
Charan Singh / Charan Singh
कार्यकारी अधिकारी / Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
आई.सी.ए.आई. भवन, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – IV (2025-2026)]

[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/8/2022-DD/74/2022-DC/1696/2022]

In the matter of:

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...Respondent

MEMBERS PRESENT:

**CA. Prasanna Kumar D, Presiding Officer (in person)
Ms. Dakshita Das, I.R.A.S (Retd.), Government Nominee (in person)
Adv. Vijay Jhalani, Advocate Government Nominee (in person)
CA. Mangesh P Kinare, Member (in person)
CA. Satish Kumar Gupta, Member (in person)**

DATE OF FINAL HEARING : 09th October 2025

PARTIES PRESENT:

**Authorized Representative of Complainant's Department : Mr. Vyomesh Seth
(through VC)**

Respondent : CA. Manoj Dudeja (through VC)

Counsel for Respondent : CA. Princy Kumar Singhal (through VC)

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1. Background of the Case:

1.1. The Respondent was Statutory auditor of 'M/s. Ormang Overseas Private Limited' for the FY 2018-19 and has also certified Form AOC-4 for FY 2018-19.

2. Charge(s) in brief:

2.1. The subject Company in its Financials for the year ended 31-03-2019 has been showing Rs. 1,60,50,000 as Short-term Borrowings and Rs. 2,02,50,000 as Short-term Loans & Advances and the details of the parties from whom amount are borrowed was mentioned in its Schedule No. 05 (Short Term Borrowing) but the Respondent, auditor of the Company who had filed/certified its AOC-4 also vide SRN R21860416 dated 04.12.2019 had not attached Schedule- 5 including other Schedules/ Notes to Accounts while filing AOC-4 in order to hide the suspicious transactions of the said shell Company. Thus, it is also alleged that dummy directors and promoters have been found to be rotating funds through the subject Company and the Respondent has failed to disclose such details in his audited financial statements filed with MCA.

2.2. A Promoter cum Director namely Mr. Gopal had given statement on oath that he had no knowledge about the affairs/ business of the company as he was hired by Respondent, the auditor of the Company on salary of Rs. 20,000 P.M. Further, on summon, the other Directors of the Company namely Mr. Akshay and Mr. Armaan did not appear before the Investigating Officer of the Complainant Department which indicates as they are dummy directors and wilfully hiding their identity from the authorities.

3. The relevant issues discussed in the Prima Facie Opinion dated 19th September 2022 Formulated by the Director (Discipline) in the matter, in brief, are given below:

3.1. It was noted that in respect of **first leg of first charge**, it is noted that Schedule No. 5 – 'Short Term Borrowings' has been referred in the Financials as on 31-03-2019 under the main heading 'Current Liabilities' however, as alleged no such Schedule – 5 is found as part of the Financials and in fact none of the Schedules as referred in the Balance Sheet and Profit and Loss Account along with notes to accounts have been found in the set of Financials submitted by the Complainant as filed by the Company

along with AOC-4. It was evident that the complete set of Financials along with its Notes to Accounts and schedules required annexures have not been filed on MCA portal.

- 3.2. Further, the instruction kit for filing such AOC - 4 uploaded by MCA on its portal along with form AOC-4 clearly mentioned the Financial Statements as duly authenticated as per Section 134 (including Board Reports, Auditor Report and Other documents). It was beyond any doubt that Notes to Accounts form an integral part of Financials of any Company and further it was viewed that the Schedule/Annexures to the Financials since find mention/reference in the Financials are also required to be attached along with the AOC-4 being an integral part of such financial statements. Hence, it was viewed that the Respondent by not attaching the Notes to Accounts and Schedules/Annexures along with the Financials as an attachment to AOC-4 had given the wrong certification in such AOC that all the required attachments were attached and thereby he has not performed his professional duty diligently making him prima facie **Guilty** of 'Professional Misconduct falling within the meaning of Clause (7) of Part-I of Second Schedule to the Chartered Accountant Act, 1949.
- 3.3. Regarding the **second leg** of this charge that the Respondent had not attached such Schedules/Notes to Accounts to hide some suspicious transactions of the shell company and failed to disclose the rotating entries of the Directors/Promoters through the Company in his Audit Report, it was noted that the Short Term Loan and Advances of Rs.2,02,50,000/- which is noted to be a material amount of balance sheet being 79 % of its total assets is shown under the heading 'Current Assets' in the Balance Sheet, and in its relevant Schedule-10 'Short-Term Loans and Advances' has been shown as "Loans and advances from Related Parties". In this regard, it was noted that such amount however, has not been disclosed in line with Schedule III to the Companies Act 2013 as "Loans and advances to Related Parties" rather has been mentioned as received 'from' Related Party under the head "Current Assets" of the Balance Sheet.
- 3.4. In addition to above, the parties viz. M/s Beyond Tele Pvt. Ltd. and M/s Jain Bandhu Associates to whom such loans and advances of Rs.2,02,50000 have been stated as given in such Schedule -10, have been mentioned as related parties however, no mention of such related parties or any transactions made with such parties

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(Loan/Advances given) is noted to have been made in Note – 17 'Related Parties' of Notes to Accounts of the Financials for the year ended 31-03-2019 as per the requirement of AS-18.

- 3.5. It was further observed that this liability has been described in such Schedule-5 as 'Loans and Advances from Related Parties – Gourav Hardware and Electricals' while the said amount in AOC-4 (C-8) has been disclosed as "Other Loans and Advances" instead of specific head mentioned there "Loans and advances from Related Parties" (just one row above the head 'Other loan and Advances') in form AOC-4 under the heading "Details of short-term borrowings (unsecured). Further, it is observed that the name of 'M/s Gourav Hardware and Electricals' though shown as related party in Schedule – 5 as mentioned above, however, no mention of such related party or any transactions made with such party (Loan taken) is noted to have been made in Note – 17 'Related Parties' of Notes to Accounts of the Financials for the year ended 31-03-2019 as per the requirement of AS-18.
- 3.6. Further, in respect of this short term borrowing of Rs.1,60,50000/- (Rs.1.60Crores), from the perusal of Statement of Oath of Mr. Gopal one of the Promoter and Director of the Company, it was is observed that such short - term borrowings of Rs.1.60 Crores which is noted to be a material Current liability being its 71% and being 62% of the Total Liabilities of the Company has been admitted by the director (Mr. Gopal) of the Company before the Complainant department as routed from M/s Gaurav Hardware and Electricals Ltd (stated as Director's proprietorship firm) by the way of entries through broker. Though the purpose of such transaction is not clear at this stage however apparently has raised doubt about its nature.
- 3.7. Thus, at this stage when the Company has not disclosed the material amount of its transactions made with related parties in its Notes to accounts as per the requirement of AS-18 'Related Party Disclosures' as discussed in para 10.1.7 above and the Respondent being statutory auditor of the Company failed to report such non-compliance in his Audit Report and when the statement of one of the Subscribers/Directors Mr. Gopal is on record which apparently raises doubt about such material entry of Rs.1,60,50,000/- in the book of the Company and gives an impression that some material suspicious entries were routing/passing through the Companies with the involvement of some unknown brokers coupled with the fact that

the Respondent being the statutory auditor and certifying professional for AOC-4 has neither submitted Schedule – 5 to disclose the details of such entry to the Complainant department (along with AOC-4) nor has submitted any clarification (as discussed above) to this Directorate inspite of the fact on record that he was present with Mr. Gopal at the time of his statement being recorded by the Complainant department, it appeared that the Respondent in order to hide such suspicious material transactions had not attached the Schedules to AOC-4 and also did not report the suspicious nature entries in the Balance Sheet of the Company and his connivance with the Directors and other unknown persons in the fraudulent activities can also not be ruled out at this stage. Accordingly, the Respondent in respect of this leg of the allegation is held prima facie Guilty of Other Misconduct falling within the meaning of Clause (2) of Part-IV of the First Schedule.

- 3.8. Regarding **second charge** of involvement of the Respondent in the formation of said shell company with dummy Directors of the Company on the basis that Mr. Gopal, one of the Promoter/Director of the subject Company in his statement on oath dated 12-03-2021 given before the Complainant department recorded under Section 207(3) of Companies Act, 2013 submitted that he was hired by the Respondent on salary of Rs. 20,000/- P.M. Mr. Gopal in his statement on Oath stated that he on the advice of Mr. Mohit earlier opened 4-5 Companies and resigned after their incorporation for a consideration of Rs.6,000/- per company clearly signifies that he was into the nature of acting, on the direction of others, as dummy Director of Companies for money/consideration and further his statement that currently (on the date of statement 12-03-2021) he was working for Respondent as field boy for Rs.20,000/- while it is on record that the Respondent had audited the account for the year 2018-19 of such Company wherein Mr. Gopal was Director, indicates that the Respondent was fully aware of the fact that Mr. Gopal was a dummy Director in the Company.
- 3.9. Further, the statement of Mr. Gopal that the other Directors of the Company namely Mr. Arman and Mr. Akshay were his friends also gives an impression that these two Directors too were dummy and were working on the directions of others however, not known at this stage.
- 3.10. It was also noted that the Respondent at the time of Statement on Oath being given by Mr. Gopal before the Complainant department, was accompanying him (Mr. Gopal),

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he (Respondent) in his Written Statement is noted to have been thoroughly silent in respect of this allegation and also about the statement of Mr. Gopal which further raises serious doubt on the intention and conduct of the Respondent behind the incorporation and running of the subject Company. In addition when the Respondent was specifically asked by this Office vide its letter dated 12th August 2022 (D-1) to reply on various matters relating to the Company like his engagement letter from the Company or copy of his communication he exchanged with the Directors of the Company, copy of his working papers w.r.t. audit of the Company, he has failed to respond which clearly indicates that he has nothing to controvert in the matter and he has not put forward complete and correct facts to this Directorate. Thus, the Respondent was held prima facie Guilty of Other Misconduct falling within the meaning of Clause (2) of Part-IV of First Schedule to the Chartered Accountant Act, 1949.

3.11. Accordingly, the Director (Discipline) in his Prima Facie Opinion dated 19th September 2022 opined that the Respondent was prima facie **Guilty** of Professional and Other Misconduct falling within the meaning of Clause (2) of Part IV of First Schedule and Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949. The said Clauses of the Schedule to the Act, states as under:

Clause (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:

x x x x x
(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."

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

3.12. The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 26th December 2022. 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 prima facie **GUILTY** of Professional and Other Misconduct falling within the meaning of Clause (2) of Part-IV of First Schedule and Clause (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. **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:

S.No.	Particulars	Dated
1.	Date of Complaint in Form 'I' filed by the Complainant	03 rd January 2022
2.	Date of Written Statement filed by the Respondent	17 th May 2022
3.	Date of Rejoinder filed by the Complainant	25 th July 2022
4.	Date of Prima Facie Opinion Formed by Director (Discipline)	19 th September 2022
5.	Written Submissions filed by the Respondent after PFO	03 rd October 2024
6.	Affidavit of Mr. Gopal received from Respondent dated	9 th October 2025

5. **Further Written Submissions filed by Respondent: -**

The Respondent vide letter dated 3rd October 2024 inter-alia, made the submissions which are given as under:-

- (i) MCA has not withdrawn the DIN allotted to the Directors of the said company. This is evident from the MCA record itself.
- (ii) As per MCA, the bogus documents were used for obtaining DIN number, then no action has been taken for cancellation of said DIN till date. This clearly shows that complaint is based only on the basis of surmises and conjectures and not supported by the record of the MCA/ROC.
- (iii) The company was audited by CA Manish Kumar having M.No. 547730 in the F.Y. 2020-2021 and so-called dummy Directors signed that Balance Sheet and said report

was duly uploaded on the portal of MCA but till date said audit report was not rejected by the MCA/ROC. Further, no steps being taken by MCA/ROC for removing the said books of accounts from the MCA portal.

- (iv) MCA/ ROC is accepting the reports of the company as no steps has been taken to remove from the MCA portal. On the other hand, ROC/MCA is stating in the complaint that company was formed using bogus documents as well as dummy directors.
- (v) MCA/ROC website clearly shows till date that the company is active the copy of Master Data is enclosed herewith for your kind information and record
- (vi) MCA/ROC has not given any opportunity for cross-examination of Mr. Gopal, whose statement is used for filing this complaint.
- (vii) Inter Corporate Deposits from party C LI Zhenghua but no such transaction occurred in the F.Y. 2018-19. Since the ROC/MCA has levied a charge on the same, must have documentary evidence in their possession/record. The same be produced before this Hon'ble Committee to derived true picture because as per our knowledge no transaction with the said company in the F. Y. 2018-19.
- (viii) It is completely denied that the Respondent has hired Mr. Gopal on salary of Rs. 20,000/- per month and the Respondent is involved in the formation of said shell company with dummy directors and said company has been used for rotation of funds because the Respondent audited the said company for F. Y. 2018-19 only and thereafter the said company was audited by another CA firm.
- (ix) If ROC/MCA has the record showing the cash payment of Rs. 20000/- per month to Mr Gopal by the Respondent, the same should be produced before this Hon'ble Committee to bring out true picture.

The Respondent vide email dated 09th October 2025 submitted the affidavit of Mr. Gopal stating that he is the owner of the company.

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

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6.1 The details of the hearing(s)/ meeting(s) fixed and held/adjourned in said matter is given as under:

S.No.	Date of meeting(s)	Status
1	05 th June 2023	Part heard and adjourned.
2	23 rd April 2024	Adjourned due to paucity of time.
3	28 th May 2024	Adjourned in the absence of the Respondent.
4	18 th June 2024	Adjourned due to paucity of time.
5	15 th July 2024	Adjourned in the absence of the Respondent.
6	29 th July 2024	Adjourned in the absence of the Respondent.
7	21 st August 2024	Adjourned at the request of the Respondent.
8	18 th September 2024	Part heard and adjourned.
9	09 th July 2025	Adjourned at the request of the Respondent.
10	29 th July 2025	Part heard and adjourned.
11	26 th August 2025	Adjourned at the request of the Respondent
12	12 th September 2025	Part heard and adjourned at the request of the Respondent.
13	09 th October 2025	Hearing concluded & decision taken

6.2. On the day of hearing on 05th June 2023, the Committee noted that the Complainant and Respondent along-with his Counsel were present through Video conferencing mode. Thereafter, they gave a declaration that there was nobody present except them from where they were appearing and that they would neither record nor store the proceedings of the Committee in any form. Being the first hearing of the case, the Respondent was put on oath. Thereafter, the Committee enquired from the Respondent as to whether he was aware of the charges and 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. 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 later date. With this, the case was part heard and adjourned.

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- 6.3. On the day of hearing on 23rd April 2024, consideration of the subject case was deferred by the Committee due to paucity of time.
- 6.4. On the day of hearing on 28th May 2024, The Committee noted that the Respondent was not present for the hearing and notice of listing of the case has been served upon him. The Committee adjourned the case to a future date with a view to extend one final opportunity to the Respondent to defend the charges. The Committee directed the office to inform the Respondent to appear before it at the time of next listing and in case of his failure to appear, the matter would be decided ex-parte based upon the documents and materials available on record. The Committee also directed the office to hand deliver the notice of meeting for the next hearing to the Respondent / partner in his firm at his professional address available in the record of ICAI. Further, the Committee directed to write to the partner of the Respondent that the Respondent is not responding to the notices of the Committee and not appearing before it. Thus, the case was adjourned to a future date in the absence of the Respondent.
- 6.5. On the day of hearing on 18th June 2024, consideration of the subject case was deferred by the Committee due to paucity of time.
- 6.6. On the day of hearing on 15th July 2024, the Committee noted that the Respondent was not present for the hearing and notice of listing of the case has been served upon him. The Committee adjourned the case to a future date with a view to extend one final opportunity to the Respondent to defend the charges. The Committee directed the office to inform the Respondent to appear before it at the time of next listing and in case of his failure to appear, the matter would be decided ex-parte based upon the documents and materials available on record. Thus, the case was adjourned to a future date in the absence of the Respondent.
- 6.7. On the day of hearing on 29th July 2024 the Committee noted that the Respondent was not present for the hearing and notice of listing of the case has been served upon him. The Committee adjourned the case to a future date with a view to extend one final opportunity to the Respondent to defend the charges. The Committee directed the office to inform the Respondent to appear before it at the time of next listing and in case of his failure to appear, the matter would be decided ex-parte based upon the documents and materials available on record. Thus, the case was adjourned to a future date in the absence of the Respondent.

- 6.8. On the day of hearing on 21st August 2024, the Committee noted that in the captioned case, the Respondent vide mail dated 21.08.2024 had sought an adjournment on account that his Counsel has prior professional commitments, and the Respondent is also not feeling well. Acceding to the above request of Counsel for the Respondent, the Committee adjourned the captioned case to a future date. The Committee also directed the office to inform the Respondent to appear before it at the time of next listing and in case of his failure to appear, the matter would be decided ex-parte based upon the documents and materials available on record.
- 6.9. On the day of hearing on 18th September 2024, the Committee noted that the authorized representative of the Complainant was present through VC. The Respondent along with Counsel was also present through VC and appeared before it. The Committee noted that the Respondent was put on oath on 05.06.2023. Thereafter, the Committee asked the Counsel for the Respondent to make submissions.
- 6.10. The Counsel for the Respondent submitted that the Respondent had certified Form AOC – 4 of the Company for Financial Year 2018-2019 but due to technical error, the schedules to Financial Statement could not be attached with the said Form. The Counsel for the Respondent requested the Committee to provide time to file his written submissions and thereafter, he will make his arguments on merits of the case. The Committee asked the authorised representative of the Complainant to make submissions. The authorized representative of the Complainant Department submitted that he has no further submissions to make and that the matter be decided on merits of the case. In view of request of the Counsel for the Respondent, the Committee adjourned the case and directed the Counsel for the Respondent to file his written submissions within 10 days. The Committee directed the Respondent to file his written submissions within permitted time and to appear before it at the time of next listing and in case of his failure to appear, the matter would be decided ex-parte based upon the documents and materials available on record. With this, the case was part heard and adjourned.
- 6.11. On the day of hearing on 9th July 2025, the committee noted that the respondent had sought an adjournment vide email dated 07.07.2025 on account of ill health of his authorized representative committee adjourned the case with a view to extend one final and last opportunity to the respondent to defend the charges.

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6.12. On the day of hearing on 29th July 2025, the Committee noted that the Respondent was present through VC along with his Counsel and appeared before it. However, the Complainant was not present despite the fact that notice of the hearing was duly served upon him. The Committee enquired from the Respondent/Counsel for the Respondent that since the composition of the Committee had changed subsequent to the last hearing held on 18/09/2024 in this case, whether he wished to have a de-novo hearing or may continue from the stage it was last heard. The Counsel of the Respondent opted for de-novo hearing and accordingly the Respondent was administered 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 'Not Guilty' to the charges levelled against them.

6.13. The Committee directed the Respondent/Counsel for the Respondent to make the submissions. The Counsel for the Respondent submitted that he had filed detailed reply on charges vide letter dated 03/10/2024. He further submitted that he was Statutory Auditor of the Company and due to technical glitches, Schedules to Short term borrowings and other Schedules/Notes to Accounts could not attached with Form AOC – 4 filed with Registrar of Companies. He further submitted that he knows Mr. Gopal as Director of the Company, but he never employed him in his office. The Committee drew attention to statement of Mr. Gopal recorded by the Complainant Department and same was witnessed by the Respondent, wherein Mr. Gopal had admitted that he was working as a field boy on salary basis for Rs. 20,000/- for the Respondent.

6.14 The Counsel for the Respondent stated that they do not have with them copy of relevant page of statement of Mr. Gopal which was witnessed by the Respondent and desired that copy of same may be provided to him. The Committee directed the office to provide the relevant pages of Statement on Oath dated 12/03/2021 of Mr. Gopal given before the Complainant Department to the Respondent. The Counsel for the Respondent sought adjournment and submitted that he would file counter reply on these documents as well as queries posed by the Committee at the hearing, after receipt of the same. The Committee acceded the request of the Counsel for the

Respondent and adjourned the case to a future date. With this, the case was adjourned.

- 6.15. On the day of hearing on 26th August 2025, the committee noted that, vide email dated 25.08.2025, the respondent had sought adjournment on the ground that his Authorized Representative was preoccupied with an audit engagement and requested that the matter be adjourned. The committee, acceding the request of the respondent, adjourned the case to a future date with a view to extend one final and last opportunity to the respondent to defend the charges. The Committee decided that in case failure of Respondent to appear before it, the Committee shall proceed to consider and adjudicate the matter ex-parte (in the absence of Respondent) based on all documents/ materials available on record.
- 6.16. On the day of hearing on 12th September 2025, the Committee noted that the Respondent had sought multiple adjournments in the past and had again requested another adjournment in the present meeting, citing the unavailability of his Authorized Representative due to audit commitments. Although in last hearing dated 26th August, the Respondent was informed that in case of his failure attend the next hearing the case will be decided ex-parte, the Committee still decided to grant one final adjournment as a principle of natural justice. The Committee decided that in case failure of Respondent to appear before it, the Committee shall proceed to consider and adjudicate the matter ex-parte (in the absence of Respondent) based on all documents/ materials available on record.
- 6.17 The Authorised Representative of the Complainant stated that the matter pertained to the filing of AOC-4 without Notes to Accounts, which constituted non-compliance. She further mentioned that during their inquiry, it was revealed that the Director of the company was allegedly a "Dummy Director" and was employed by the Respondent.
- 6.18. On the day of hearing on 09th October 2025, the committee noted that the Authorised Representative of the Complainant and the Respondent along with his counsel were present through VC and appeared before it. Thereafter, the Committee directed the parties to make submissions. As regards the allegation related to non-disclosure of AS-18, the counsel for Respondent stated that the auditor did not qualify the audit report due to a bonafide belief that AS-18 was not applicable to the company. The auditor relied on the ICAI's guidance note, which mandates AS-18 only for enterprises

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with listed securities or a turnover exceeding Rs.50 crore. The company, classified as a Level 2 entity fell below this threshold. The auditor maintained that the non-disclosure was neither deliberate nor intentional. The Authorised Representative for the Complainant Department submitted that the Respondent was negligent and engaged in malpractice, including the formation of shell companies with dummy directors for fund rotation. He highlighted that the Respondent denied hiring Mr. Gopal on a salary of Rs.20,000 per month, despite Mr. Gopal's statement being recorded in the presence of the Respondent. The counsel for Respondent submitted an affidavit from Mr. Gopal, asserting that he was the owner of the company.

6.19 Based on the documents/material and information available on record and the oral and written submissions made by the Respondent, and on consideration of the facts of the case, the Committee concluded the hearing in subject matter and took the decision on the conduct of the Respondent.

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

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

7.1 The Committee noted that the **first leg of first charge** states that although 'Schedule No. 5' is referred against Short Term Borrowings" disclosed under the main heading "Current Liabilities," of the Balance Sheet as on 31-03-2019, no such Schedule or other referenced Schedules and Notes to Accounts were found in the Financial Statements filed by the Company on MCA-21 portal along with Form AOC-4 certified by Respondent. The Committee noted the submission of counsel for Respondent that the omission referred to, was purely inadvertent and occurred due to a technical/software error and there was no deliberate or intentional act involved. He also stated that the complete set of documents, including the balance sheet and related schedules, had already been submitted along with his Written Statement before the Disciplinary Directorate at PFO stage. Therefore, the allegation made is stated as unfounded and lacks merit. The Committee observed that while the Respondent claimed to have attached Schedule No. 5 along with the Income Tax Return and has also submitted to ICAI along with his Written Statement at PFO stage, he failed to address the specific allegation regarding whether these documents were

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filed on the MCA portal along with AOC-4, which he had certified. The Committee viewed that the Notes to Accounts and Schedules in accordance with the provisions of Section 137, Section 129 read with Schedule – III of the Companies Act, 2013, form an integral part of Financial Statements and are mandatorily required to accompany Form AOC-4. The Committee further viewed that the Respondent, by omitting these attachments yet certified in Form AOC-4 that all required documents were attached/filed, has furnished a wrong certification in Form AOC-4. The Committee also observed that considering the quantum of the Short Term Borrowings with respect to the Total Current Liabilities and the size of Balance Sheet, the omission is very much material and would certainly amount to negligence on the part of the Respondent. The Committee thus concluded that the Respondent has not performed his professional duty diligently and finds him **Guilty** of Professional Misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949 .

- 7.2. The Committee noted that the **second leg of first charge** states that the Respondent had not attached Schedules/Notes to Accounts to hide some suspicious transactions of the shell company and failed to disclose the rotating entries of the Directors / promoters through the company in his Audit Report. In this regard the Committee in continuation to its previous observation in first leg of first allegation that no 'Schedules'/'Notes' of the Financial Statements for the year ended 31-03-2019 were submitted on MCA-21 portal, noted that the Schedules/Notes have been brought on record by the Respondent subsequently at the time of filing his Written Statement at PFO stage to the Disciplinary Directorate. The Committee further noted that Schedules 5 and 10 of the Balance Sheet detailed out the Short Term Borrowings of Rs.1,60,50,000 and Short term Loans and Advances of Rs.2.02 crore respectively which were incurred during the year 2018-19 and pertained to related parties viz. 'Gourav Hardware and Electricals' , 'Beyond Tele Pvt. Ltd' and 'Jain Bandhu Associates'. However, the company did not disclose such short-term borrowings and lending 'from' and 'to' the related parties in Note- 17 'Related Parties' of the Financials as required under Accounting Standard (AS) 18- 'Related Party Disclosures', and the Respondent also did not report this violation of AS-18 in his Audit report on those financials for the F.Y.2018-19. .

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The Committee further noted that the above stated Short-term Borrowing and Short-term lending incurred during the year 2018-19 were not even disclosed appropriately as 'Related Party Transactions' under proper head in Form – AOC-4 certified by the Respondent.

7.2.1 The Committee observed that the value of Short-Term Borrowings of Rs. 1,60,50,000/- and of the Short-term Loan & Advance (lending) of Rs.2,02,50,000/- as material amount of the Balance Sheet size as on 31-03-2019 being 79% and 62% of the total balance sheet size.

7.2.2 In respect of above-stated short-term borrowing of Rs.1,60,50,000/-, the Committee also noted the Statement of Mr. Gopal, one of the Promoter and Director of the Company, taken on Oath under Section 207 of the (3) of the Companies Act,2013 by the Complainant department:

"Q12. Name of the Company/Person from whom the short-term borrowings of Rs. 1.60 crores is taken?"

*ANS. I need to see the statements of the Company before commenting. I have seen the statement and money is **received from Gaurav Hardware and Electricals Ltd which is my proprietorship firm. The money has been routed from the proprietorship firm to this company by the way of entries through broker.** I don't know the name of the broker who arranged the money." (Emphasis added)*

7.2.3 The Committee noted the submission of the Respondent's counsel that the omission was due to a bona fide belief that AS-18 was not mandatory for Level-2 companies with a turnover of Rs.9 crore. The counsel for Respondent claimed that the omission was not deliberate or intentional but based on a bonafide belief regarding the applicability of AS-18. The complainant's authorised representative argued that the Respondent was negligent in discharging professional duties and failed to comply with AS-18. The Complainant emphasized that the failure to report the omission of related party disclosures in the financials, was a professional misconduct. Regarding Respondent's argument in respect of applicability of AS-18 to the subject Company, the Committee observed that the Company in its Financials as on 31-03-2019 instead of disclosing the fact of availing exemption of AS-18 disclosures, vide its Note-17 'Related Parties' (AS-18), had given few disclosures under AS-18 'Related Parties to the Company'. However, 'Transactions with Related Parties' made during the year

were shown as 'NIL' which is considered as incomplete disclosure in the light of provisions of AS-18 and the related party borrowings and lending of Rs.1,60,50,000 and 2,02,50,000 by the Company during the year with related parties. Regarding the incomplete disclosure under AS-18, the Committee was of the view that if the Company had chosen to make the disclosures under AS-18, the entire disclosures should have been made in accordance with the provisions of AS-18 so as to avoid any misleading information to the stakeholders of the financial statement. Thus, the plea of the Respondent in respect of non-disclosure of material related parties' transaction by the Company, was not accepted by the Committee.

7.2.4 Thus, the Committee observed that the Respondent failed to attach the relevant Schedules and Notes to Accounts to the Company's financial statements, thereby concealing the information concerning certain material transactions with related parties. In addition, the Committee also noted that the concealment of such material information in Form-AOC 4 was certified by Respondent. Further, the Committee also took a note of the violation of disclosure requirements of AS-18 in Note -17 of the Financials and its non-reporting by the Respondent in his Audit Report for the F.Y.2018-19.

7.2.5 The Committee concluded that Respondent's failure to report in his Audit Report the violation of the provisions of Section 137, Section 129 read with Schedule – III of the Companies Act, 2013 and AS-18, constituted professional negligence as the omission of material related party transactions undermines the transparency and reliability of financial reporting. The statement of one of the Company's Directors, Mr. Gopal (especially the portion referred in para 7,2,4 above) in respect of the material short-term borrowing and statement by Mr. Gopal that he was employed in the office of the Respondent further casts doubt on the legitimacy of the Rs.1,60,50,000/- entry and conduct as well as involvement of the Respondent in this regard. The Committee viewed that the failure on the part of Respondent to attach the relevant Schedules and Notes to Accounts and also failure to report the violation of material related party transactions in his Audit report is certainly an attempt to conceal suspicious financial activities which is unbecoming of a Chartered Accountant. The Committee therefore finds the Respondent **Guilty** of Other Misconduct falling within the meaning of Clause (2) of Part IV of First Schedule to the Chartered Accountants Act, 1949.

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7.3 The **Second charge** is related to involvement of Respondent in the formation of shell company with dummy directors of the company. The Committee further noted that this allegation is based on the sworn statement of Mr. Gopal, a promoter and director of the company, given on 12th March 2021 under Section 207(3) of the Companies Act, 2013. In his statement, Mr. Gopal revealed that he was employed by the Respondent for a monthly salary of Rs. 20,000. The Committee noted the further revelations of Mr. Gopal in his statement that, following the advice of one Mr. Mohit, he had previously incorporated four to five companies for a payment of Rs. 6,000 per company and that the other directors of the Company viz. Mr. Armaan and Mr. Akshay, were his friends, suggesting that they too were likely dummy directors acting under someone else's instructions. The Committee noted the relevant paras of Mr. Gopal's above stated deposition recorded on oath as below:

"Q2. As per your consent CS. Shailendra Kumar (M no 25823) and CA Manoj Dudeja are accompanying you while your interrogation is going on. Do you have consent for the same.

Ans. Yes"

"Q22. What are you doing presently?

ANS. Working as a field boy on salary basis for Rs. 20,000 from Mr Manoj Dudeja."

"Q17. Have you heard about HIPOPEX TRAVEL AGENCY SERVICES PRIVATE LIMITED, DUBERO TOUR AND TRAVEL SERVICES PRIVATE LIMITED?

ANS. No. but I recall that I have opened 4-5 companies on the advice of someone Mr. Mohit and resigned from them after incorporation. And I got Rs. 6,000 per company."

Q29. Any other information of the company you want to add?

ANS. The company has ceased its operations since f.y. 2019-20.

Q3. When did you join the company and in which capacity?

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ANS. Promoter of the company with Mr. Arman who has resigned in 2018. Mr. Akshay has joined in 2018; both are my friends."

- 7.3.1 Going by the statement of Mr. Gopal, the Committee noted that the stated pattern of appointment of Mr. Gopal as 'Directors' in various companies clearly suggest that Mr. Gopal under the direction of others including Respondent used to act as a dummy director in companies, for financial consideration.
- 7.3.2 The counsel for Respondent stated that the audited company was still active on the MCA portal and that subsequent audits were conducted by other firms. Against this, the complainant's representative argued that the respondent was involved in the formation of shell companies with dummy directors and fund rotation practices. The Complainant emphasized the seriousness of the allegations and the need for strict action to uphold the integrity of the CA profession.
- 7.3.3 The Committee noted the submission of the Counsel for Respondent pointing out the alleged discrepancy in the Statement on Oath of Mr. Gopal dated 12-03-2021 recorded under Section 207(3) of the Companies Act, 2013 as it was not signed by the concerned Inspector under the para written as "Oath Administered By". On this, the Committee however, noted that the official of the concerned Department has duly appended her signatures below the signatures of Mr. Gopal on the other part of said Statement on Oath.
- 7.3.4 Regarding the statement of Mr. Gopal, the Counsel for Respondent denied employing Mr. Gopal as a field man on a salary of Rs. 20,000 per month. The Counsel for the Respondent denied the employment relationship and the involvement of the Respondent in the formation of a shell company. The Respondent also submitted an affidavit dated 09-10-2025 from Mr. Gopal, stating that he was the director of the company in question. On the submissions of Respondent's Counsel, the Complainant's authorised representative argued that the Respondent's denial was inconsistent with the fact that he (Respondent) was present with Mr. Gopal at the time of recording of statement as evident from Question-Answer – 2 of such statement of Mr. Gopal. Thus, this inconsistency is stated as raising concern about the integrity of the Respondent's submissions. The Committee took note of the fact that the

Respondent was accompanying Mr. Gopal at the time of recording of his aforesaid statement and his statement was finally signed by the Respondent as one of the 'Witnesses' and this fact further corroborated the complainant's evidence. The Committee observed that the Respondent had not denied/objected to his signatures as witness on Mr. Gopal's statement under oath. Therefore, the Committee viewed the affidavit of Mr. Gopal submitted by Respondent on the date of hearing on 09.10.2025, as an afterthought. The Committee noted that the Respondent even failed to bring on record any appointment letter issued by the Company or any communication he made with the directors of the Company sought by the Disciplinary Directorate at PFO stage. The Committee emphasized the importance of due diligence expected from an auditor to know the identity and the genuineness of the directors of the company being audited and also emphasized the importance of maintaining the integrity of CA profession and the need to address any malpractice. The Committee observed that the Respondent also failed to bring on record any evidence to show that necessary diligence was exercised on his part to know the genuineness of the directors of the Company he audited.

7.3.5 In view of the foregoing discussion, the Committee concluded that the Respondent's signature as a witness to Mr. Gopal's statement corroborated the Complainant's evidence and rendered the later affidavit submitted by the Respondent as an afterthought. The Committee further held that the Respondent failed to demonstrate due diligence in verifying the genuineness of the company's directors, The Committee concluded that, in fact, the statements of Mr. Gopal clearly indicate the involvement of the Respondent in the formation of companies with dummy Directors thereby suggesting collusion with the Directors and other parties in the fraudulent transactions and also being auditor of such Company, resulting in compromising his professional integrity which is expected of a Chartered Accountant. Thus, the Committee held the Respondent **Guilty** of Other Misconduct falling within the meaning of Clause (2) of Part IV of the First Schedule to the Chartered Accountants Act 1949.

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:

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Charges (as per PFO)	Findings	Decision of the Committee
Para 2.1 as above	Para 7.1 to 7.2.7 as given above	GUILTY - Clause (2) of Part IV of First Schedule and Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.
Para 2.2 as above	Para 7.3 to 7.3.5 as given above	GUILTY - Clause (2) of Part IV of First Schedule to the Chartered Accountants Act, 1949.

9. In view of the above observations, considering the oral and written submissions of the party and material on record, the Committee held the Respondent **GUILTY** of Professional & 'Other' Misconduct falling within the meaning of Clause (2) of Part IV of First Schedule and Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

Sd/-
(CA. PRASANNA KUMAR D)
PRESIDING OFFICER

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

Sd/-
(Adv. VIJAY JHALANI)
GOVERNMENT NOMINEE

Sd/-
(CA. MANGESH P. KINARE)
MEMBER

Sd/-
(CA. SATISH KUMAR GUPTA)
MEMBER

DATE : 05th January 2026

PLACE : Noida

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

Anju Grover

अंजू ग़ोवर / Anju Grover

सहायक सचिव / Assistant Secretary

अनुशासनात्मक निदेशालय / Disciplinary Directorate

भारतीय सनदी लेखाकार संस्थान

The Institute of Chartered Accountants of India

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