



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-III (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

PR/G/148/2023/DD/204/2023/DC/1892/2024

In the matter of:

Shri Sanjay Sood,
ROC, Karnataka,
Ministry of Corporate Affairs
Kendriya Sadan,
2nd Floor, E Wing,
Koramangala,
Bengaluru – 560034

.....Complainant

Versus

CA. Muni Kumar Gubiligari (M. No. 234106)
No.18, Old no. 1612,
2nd Floor, East End,
Main Road, Jayanagar, 9th Block,
Bengaluru – 560069

.....Respondent

MEMBERS PRESENT:

CA. Charanjot Singh Nanda, Presiding Officer
Shri Jiwesh Nandan, Member (Govt. Nominee)
Dr. K Rajeswara Rao, Member (Govt. Nominee)
CA. Piyush S Chhajed, Member
CA. Abhay Chhajed, Member

Date of Hearing: 6th January 2026

Date of Order: 11th February, 2026

1. That vide findings under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 dated 12th November 2025, the Disciplinary Committee was, inter-alia, of the opinion that **CA. Muni Kumar Gubiligari (M. No. 234106)** (hereinafter referred to as the "**Respondent**") was **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.
2. The Committee noted that charge against the Respondent relates to his assistance in incorporation of five Companies during the financial year 2019-2020 at the behest of



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Chinese national. With the said background, the charges wherein the Committee held the Respondent guilty are as under:

- a. That the Respondent has incorporated subject Companies on a single address of Mysore, Karnataka during the year 2019-2020. On physical inspection by the officials of Complainant, no such companies were found at the said addresses and such address was found to be belonging to a Bar/ Restaurant. Thus, the Respondent wrongly certified the incorporation form/ notice of change of situation of registered office with malafide intention to assist the Company to get incorporated in India.
 - b. That the Respondent while submitting the incorporation documents / SPICe form mentioned 080-10000000 as phone number of the companies while 080 is STD code of Bengaluru and the subject Companies were incorporated at Mysore. The said discrepancy was also pertinent in the phone numbers of body corporate subscribers and their directors. These companies were registered in India and the shareholders of the companies were either companies registered in Hongkong or Chinese nationals.
3. That pursuant to the said findings, an action under Section 21B(3) of the Chartered Accountants Act, 1949 was contemplated against the Respondent and a communication was addressed to him under Rule 19(1) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 thereby granting an opportunity of being heard in person/through video conferencing and to make representation before the Committee on 6th January 2026.
 4. The Committee noted that on the date of hearing held on 6th January 2026, the Respondent was present through video conferencing mode. The Committee noted that with respect to opportunity given for hearing under Rule 19(1) of CA Rules 2007, the Respondent had not submitted his written representation on findings of the Committee. However, he in his oral submissions requested the Committee to take lenient view in the matter as this assignment was conducted during his initial year of practice and he has not done anything intentionally.
 5. Keeping in view the facts and circumstances of the case, along with the material on record, the Committee observed that the Respondent was negligent in performing his professional duties. The Committee viewed that the Respondent while certifying e-form SPICE+ of Companies had specifically declared that he had personally verified the registered office of all the Companies whereas he in his submissions stated that physically verification was not possible due to uncontrollable circumstances during Covid. The Committee noted that the Respondent was required to physically verify the registered office and he could not escape from his liability of physical verification of registered office premises on the plea of Covid restrictions that too when lockdown due to Covid came in force on 25/03/2020 and all the Companies were incorporated before 24/03/2020. The Committee further observed that the Respondent admitted that he filled fake/ wrong contact numbers solely to comply with the mandatory filed requirement in



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SPICE form which does not permit submission without a valid entry. It was viewed by the Committee that these checks were incorporated in the e-form to draw attention of the professional to fill complete details correctly and that the Respondent, being an independent professional, was responsible to certify the correct details of the Company being incorporated rather than providing random numbers to circumvent the checks incorporated in e-forms.

6. The professional misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 12th November 2025 which is to be read in conjunction with the instant Order being passed in the case.
7. Accordingly, it was viewed that the Respondent failed to physically verify the address of the registered office and certified the wrong details of phone numbers. It was viewed that such gross negligence exercised by the Respondent provided a platform for the preparators to misuse the system. The Committee, accordingly, viewed that the Respondent as professional was required to be more cautious and vigilant while certifying the documents. This conduct of the Respondent constitutes Professional Misconduct as per Item (7) of Part 1 of the Second Schedule to the Chartered Accountants Act, 1949.
8. The Committee, hence, viewed that the ends of justice will be met if appropriate punishment commensurate with his professional misconduct is given to him.
9. Accordingly, the Committee, upon considering the nature of charge and the gravity of the matter ordered that the name of **CA. Muni Kumar Gubiligari (M. No. 234106)** be **removed from Register of Members for a period of 60 (Sixty) days**. The said punishment of removal of name from the Register of Members in this case shall run concurrently with the punishment given in case no. PR/G/165/2023/DD/282/2023/DC/1891/2024 (Clubbed with PR/G/166/2023) and PR/G/188/2023/DD/283/2023/DC/1893/2024.

Sd/-

(CA. CHARANJOT SINGH NANDA)
PRESIDING OFFICER

Sd/-

(SHRI JIWESH NANDAN)
GOVERNMENT NOMINEE

Sd/-

(DR. K. RAJESWARA RAO)
GOVERNMENT NOMINEE

Sd/-

(CA. PIYUSH S CHHAJED)
MEMBER

Sd/-

(CA. ABHAY CHHAJED)
MEMBER

DATE: 11th February, 2026

PLACE: NEW DELHI

अव्यापित होने के लिए प्रमाणित / Certified to be True Copy

Geetha
गीता अनिरुद्ध कुमार / Geetha Anirudha Kumar
कार्यकारी अधिकारी / Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
सी.ए.आई. भवन, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)
AI Bldg. Sector 1, Noida-201301 (U.P.)

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – III (2025-26)]
[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

Ref. No.: PR/G/148/2023/DD/204/2023/DC/1892/2024

In the matter of:

**Shri Sanjay Sood,
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Versus

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No.18, Old no. 1612,
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Main Road, Jayanagar, 9th Block,
Bengaluru – 560069**

..... Respondent

MEMBERS PRESENT:

**CA. Charanjot Singh Nanda, Presiding Officer
Shri Jiwesh Nandan, Member (Govt. Nominee)
CA. Piyush S Chhajed, Member
CA. Abhay Chhajed, Member**

Date of Final Hearing: 20th August 2025

PARTIES PRESENT:

**Respondent: CA. Muni Kumar Gubiligari. (M. No. 234106)
[appeared through Video Conferencing from his personal location]**

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1. **BACKGROUND OF THE CASE:**

1.1 The extant complaint was filed by Registrar of Companies, Karnataka against the Respondent wherein it was stated that the following 5 Chinese Companies were incorporated by the Respondent during F.Y 2019-20 at the behest of Chinese national for doing illegal activities:

- (a) Aistorm Technology Private Limited
- (b) Furoao Technology Private Limited
- (c) January Technology Private Limited
- (d) Makto Information Services Private Limited and
- (e) Tectiko Technology Private Limited

(hereinafter collectively referred to as the '**Subject Companies**').

1.2 It was stated that these Companies were running an online loan app that provide unsecured micro loans without requisite approvals of the competent authority. The Company charges exorbitant rate of interest for the loan given and recover the same through illegal means. Also, these Companies have Chinese nationals as directors and subscribers were either Chinese nationals or Hongkong based Companies with Chinese nationals as directors.

1.3 The Complainant Department noticed discrepancies in the e-forms certified by the Respondent with respect to above mentioned companies.

2. **CHARGES IN BRIEF:**

S.No.	Charge(s)	Prima Facie Opinion of the Director (Discipline)	Applicable Item of the Schedule to the Chartered Accountants Act 1949
1.	The Respondent has incorporated above Subject Companies on a single address of Mysore, Karnataka during the year 2019-2020. On physical inspection by the officials of Complainant Department, no such companies were found at the said addresses and such address was found to be belonging to a Bar/ Restaurant. Thus, the Respondent wrongly certified the incorporation form/ notice of change of situation of	Guilty	Item (7) of Part-I of the Second Schedule

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	registered office with malafide intention to assist the Company to get incorporated in India.		
2.	The Respondent assisted in incorporation of Subject Companies and stated phone number of the Company as 080-10000000 and the STD Code 080 belongs to Bengaluru State whereas the Companies were incorporated at Mysore. The said discrepancy was also pertinent in the phone numbers of subscribers and directors of Subject Companies. These Companies were registered in India and the shareholders of the companies were either companies registered in Hongkong or Chinese nationals.	Guilty	Item (7) of Part-I of the Second Schedule
3.	The Respondent was aware of the fact that these Companies are purported to do illegal loan disbursement through App/online to lure the poor citizen of India by offering loan and recovery after charging interest and do all illegal/uncivilized method of recovery. It is further alleged that it is not known how the Respondent has certified the attachments to the incorporation forms which were in Chinese language and how he has certified that he has seen all original documents including the documents made in Chinese language when he has himself stated he has not seen original documents in all cases.	Not Guilty	Item (7) of Part-I of the Second Schedule
4.	It is alleged that the Respondent failed to notice that the rental agreement showing registered office of M/s Aistorm Technology Private Limited which was signed by Mr. Lokesh (one of the Director of the Company) and the signature of the Director was alleged to be different when compared with the SPICe incorporation documents and ID Cards.	Guilty	Item (7) of Part-I of the Second Schedule

3. **THE RELEVANT ISSUES DISCUSSED IN THE PRIMA FACIE OPINION DATED 14TH JUNE 2024 FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF, ARE GIVEN BELOW: -**

3.1 With respect to first charge that the Respondent has incorporated the Subject Companies in 2019-2020 using a single address in Mysore, Karnataka, initially rented as a 10x17 sq. ft. shop in Nanjangud for Rs. 20,000/month. Shortly after, the office was shifted to Kalyan Nagar, Bangalore for two companies, but these premises were also changed and found non-existent during physical verification by the Complainant's officials. Inspections revealed that the addresses actually belonged to a bar/restaurant. It is alleged that the Respondent falsely certified incorporation documents and the change of registered office, acting with malafide intent to facilitate incorporation in India.

3.1.1 It is noted that the Respondent is alleged to have incorporated five companies during FY 2019-2020 using a single address in Mysore, Karnataka, which was found to be a bar during physical inspection by the Complainant's department. The Respondent certified the SPICE Form INC-32 and Form INC-22 by declaring that he personally visited and verified the registered office addresses of the companies for business purposes. However, in his statement on oath dated 28th March 2023, the Respondent admitted that for some companies, he had not physically visited the office premises in Mysore. Instead, he relied only on photographs showing GST registration and signage boards. This clearly contradicts the certifications he made while submitting INC-22 and SPICE forms, where he undertook that he had physically visited the premises and verified their existence. Thus, it reflects upon the casual approach and lack of due diligence towards professional duties on the part of the Respondent.

3.1.2 It is further noted that the Complainant has alleged that at the time of incorporation, the companies have shown correspondence address as registered office address and the registered office shown in the incorporation document is situated at a shop of 10 X 17 sq. ft. and is far away from Bangalore, in a small town of Mysore District. However, within few months new office premises was taken on rent at Kalyan Nagar, Bangalore in case of two companies and the said premises also been vacated/changed which is not in existence as per the physical examination carried out by the Complainant office. It has further alleged that maintenance of registered office was verified by way of physical inspection by the complainant office, and it was found that there are no such companies found at the said addresses.

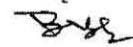
3.1.3 It is noted that there is clear violation of the Companies Act, although there is no bar in changing the Registered office of the company, this pattern is very unusual and may be to



evade wrongful things. The Respondent in his defense submitted that the registered office address was selected by the client, and he had no role in deciding the location. He also stated he was not aware of any subsequent changes in the registered office address and that other professionals handled post-incorporation work.

- 3.1.4 In this regard, it is noted that the Respondent himself certified the change of registered office for three entities, declaring that he had personally visited the new locations. However in his statement on oath he accepted that he had not physically verified the registered office. This reflects a clear failure to perform due diligence and a careless approach toward professional responsibilities.
- 3.1.5 Accordingly, it is concluded that the Respondent provided false certification and failed to comply with mandatory statutory requirements. Accordingly, the Respondent is held prima facie guilty of professional misconduct under Item (7) of Part I of the Second Schedule of the Chartered Accountants Act, 1949.
- 3.2 With respect to second charge that the Respondent while submitting the incorporation documents / SPICe form mentioned 080-10000000 as phone number of the company while 080 is STD code of Bengaluru and the Subject Companies were incorporated at Mysore. The said discrepancy was also pertinent in the phone numbers of body corporate subscribers and their directors. These companies were registered in India and the shareholders of the companies were either companies registered in Hongkong or Chinese nationals:
- 3.2.1 The Respondent entered fake phone numbers like 080-10000000 in incorporation forms to bypass system checks, despite the correspondence addresses of all the companies is either of Mysore or Bangalore. These numbers appeared to be imaginary and were used to meet the requirement of entering the landline number in the mandatory field.
- 3.2.2 It is noted that in a similar allegation in another case filed by the Complainant Department against the same Respondent- CA. Muni Kumar Gubiligari (M. No. 234106) (Ref. No. PR/G/90/2022/DD/92/2022-DC/1671/2022 clubbed case PR/G/171/22- DD/108/2022), the Disciplinary Committee found Respondent guilty of professional misconduct for certifying false details and failing to verify directors' consent and office addresses.
- 3.2.3 Therefore, in view of the fact that the Respondent has already been held guilty by the Disciplinary Committee on a similar charge in another case and in absence of any submissions from the Respondent denying the allegation, the Respondent is held prima facie **Guilty** of the Professional Misconduct falling within the meaning of Item (7) of Part-I of Second Schedule to the Chartered Accountant Act, 1949 on this count.

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- 3.3 With respect to third charge that the Respondent failed to notice that the rental agreement showing registered office of Aistorm Technology Private Limited which was signed by Mr. Lokesh (one of the Director of the Company) and the signature of the Director was alleged to be different when compared with the SPICe incorporation documents and ID Cards:
- 3.3.1 It is observed that the Respondent failed to verify the authenticity of the rental agreement for Aistorm Technology Pvt Ltd, despite clear discrepancies in signatures of Mr. Lokesh between the PAN and the agreement. It is noted that he relied solely on documents provided by a third party in soft copy, without independently verifying their genuineness or applying professional skepticism.
- 3.3.2 It is also noted that in his statement under oath he accepted that he did not verify the documents from the original documents. This reflects a casual approach and lack of due diligence in his professional duties. Consequently, the Respondent is held prima facie **guilty** of professional misconduct under Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.
- 3.4 Accordingly, the Director (Discipline) in his Prima Facie Opinion held the Respondent GUILTY of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949. The said Item of the Schedule to the Act, state as under:

Item (7) of Part I of Second Schedule states as under:

Part I of Second Schedule: Professional misconduct in relation to chartered accountants in practice

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"

- 3.5 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee at its meeting held on 18th July 2024. The Committee on consideration of the same, 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 within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949 and accordingly, decided to



proceed further under Chapter V of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

4. **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	30 th March 2023
2.	Date of Written Statement filed by the Respondent	5 th November 2023
3.	Date of Rejoinder filed by the Complainant	Not submitted
4.	Date of Prima Facie Opinion Formed by Director (Discipline)	14 th June 2024
5.	Written Submissions by the Respondent after Prima Facie Opinion	28 th July 2025
6.	Written Submissions filed by the Complainant after Prima Facie Opinion	Not Submitted

5. **WRITTEN SUBMISSIONS FILED BY THE RESPONDENT:**

5.1 The Respondent vide letter dated 28th July 2025, inter-alia, submitted as under:-

- a) That for all the companies concerned, he had duly obtained and verified necessary documents to ensure the correctness of the address provided at the time of incorporation.
- b) That due to uncontrollable circumstance during covid, a physical site visit was not practically possible. However, at no stage there was any malafide intent or attempt to misrepresent facts.
- c) The landline numbers were entered as '0' solely to comply with the mandatory filed requirement in SPICe form which does not permit submission without a valid entry.
- d) That directors contact details have been accurately provided at the appropriate place in the incorporation forms.
- e) That he categorically deny any knowledge of the facts as alleged by the directors- that they were working as employees and were appointed as directors merely to secure employment.

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- f) That merely assisting in the incorporation of a Company does not impute knowledge or complicity in any future wrongful acts committed by the directors or other parties, especially when such acts were carried out without his involvement or knowledge.
- g) At the time of certification, there was no apparent reason to doubt the authenticity of the documents.

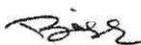
6. **BRIEF FACTS OF THE PROCEEDINGS:**

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

S. No.	Particulars	Date of meeting(s)	Status of Hearing
1.	1 st Hearing	28.10.2024	Part Heard & Adjourned
2.	2 nd Hearing	18.12.2024	Adjourned at the request of the Respondent
3.	3 rd Hearing	30.07.2025	Part Heard & Adjourned
4.	4 th Hearing	20.08.2025	Hearing concluded and decision taken

6.2 During the hearing held on 28th October 2024, the Committee noted that both the Authorized Representative of the Complainant Department and the Respondent were present through Video Conferencing. Being the first hearing, the Authorized Representative of the Complainant Department and the Respondent were put on oath. Thereafter, both the parties made a declaration that there was nobody else in the room from where they were appearing and that they would neither record nor store the proceedings of the Committee in any form. Thereafter, the Committee asked the Respondent whether he was aware of the charge(s) leveled against him to which he replied in affirmative. On being asked as to whether he pleaded guilty on the charges levelled, he pleaded Not Guilty and opted to defend the case. Thereafter, the Committee decided to adjourn the hearing to a future date.

6.3 During the hearing held on 18th December 2024, the Committee noted that both, the Authorized Representative for the Complainant Department and the Respondent were present through Video Conferencing. The Committee further noted that the Respondent requested some time to submit his written submissions in the matter. The Committee on consideration of his request, in view of principles of natural justice allowed 15 days' time to him to submit his submissions in the matter. The Committee further directed the Respondent to send a copy of the further submissions to the Complainant department, so that they may file the Rejoinder before the Committee. Accordingly, the matter was adjourned to a future date on the request of the Respondent.

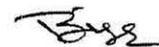
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- 6.4 During the hearing held on 30th July 2025, the Committee noted that the Authorized Representative of Complainant Department as well as the Respondent were present before it through Video Conferencing. The Committee, at the outset, apprised both the parties that the current Bench had been reconstituted since the matter was last heard and therefore, asked them as to whether they would like the hearing to be de-novo or that matter could be heard from the stage where it was left. Both the parties on the same opted to heard from the stage it was left. Thereafter, the Respondent was asked to make his submissions. On the same, the Respondent submitted that he had submitted his written submission dated 28th July 2025 through email on 29th July 2025. The Committee looking into the fact that Respondent's submissions were received a day before the meeting, it decided to provide time to the Complainant Department to submit their rejoinder in the matter, if any. Accordingly, the matter was part heard & adjourned.
- 6.5 During the hearing held on 20th August 2025, the Committee noted that the Respondent was present before it through Video Conferencing. The Committee further noted that the Authorized Representative of Complainant Department was though present through video conferencing for the hearing, but when the case was called for hearing, he was not available. It was informed by the Authorized Representative of the Complainant Department that due to some work exigency, he has to leave and he informed that documents relating to case are already submitted on record and the Committee may take decision based on the same. Thereafter, the Committee asked the Respondent to make submissions in the matter. On the same, the Respondent submitted that he has already submitted his written submissions, and he has nothing further to say. The Respondent further submitted that the Committee may take its decision based on his written submissions. Based on the documents available on record and after considering the oral and/or written submissions made before it by the Respondent, the Committee concluded hearing in the matter and took its decision.

7. Findings of the Committee

- 7.1 At the outset, the Committee noted that 4 charges had been levied by the Complainant against the Respondent. However, after due procedure by the Director (Discipline) in the matter, the Respondent was held prima facie guilty only in respect of 3 charges mentioned in S no. 1, 2 and 4 of Para 2 above and accordingly the extant proceedings were limited to the said charges only.

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On consideration of the documents on record and the oral and written submissions of the parties to the case vis-à-vis facts of the case, the Committee arrived at the following charge wise view on the conduct of the Respondent.

7.1.1 First charge - The Respondent has incorporated Subject Companies on a single address of Mysore, Karnataka during the year 2019-2020. On physical inspection by the officials of Complainant, no such companies found at the said addresses and such address was found to be belonging to a Bar/ Restaurant. Thus, the Respondent wrongly certified the incorporation form/ notice of change of situation of registered office with malafide intention to assist the Company to get incorporated in India:

7.1.2 With respect to first charge, the Respondent in his submissions stated that these companies were incorporated based on documents provided by the client. He further submitted that for all the companies concerned, he had duly obtained and verified necessary documents to ensure the correctness of the address provided at the time of incorporation. Further due to uncontrollable circumstance during covid, a physical site visit was not practically possible. However, at no stage there was any malafide intent or attempt to misrepresent facts.

7.1.3 The Committee noted that the Respondent has certified following e-forms with respect to Subject Companies:

S No.	Name of Company	Date of Incorporation/ Certification	E-Form certified by Respondent	Registered Office
a)	Aistorm Technology Private Limited	14/01/2020	SPICE	Correspondence address as per e-form: 1, Ground Floor, Opp Honeydewbar & Restaurant, 19 th Cross, RP Road, Nanjangud, Mysore, Karnataka - 571301
		19/10/2020	INC-22	Registered office address with effect from 12/02/2020: Ground Floor, Shop No. 1, Opp Honeydewbar & Restaurant, 19 th Cross, RP Road, Nanjangud, Mysore, Karnataka - 571301 Which was taken on lease by Company
b)	Furoao Technology	10/12/2019	SPICE	Correspondence address as per e-form:

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	Private Limited			10, 1 st Floor, Opp Honeydewbar & Restaurant, 19 th Cross, RP Road, Nanjangud, Mysore, Karnataka - 571301
		23/01/2020	INC-22	Registered office address with effect from 10/12/2019: 10, 1 st Floor, Opp Honeydewbar & Restaurant, 19 th Cross, RP Road, Nanjangud, Mysore, Karnataka - 571301 Which was taken on lease by Company
c)	January Technology Private Limited	22/01/2020	SPICe	Correspondence address as per e-form: 11, 1 st Floor, Opp Honeydewbar & Restaurant, 19 th Cross, RP Road, Nanjangud, Mysore, Karnataka - 571301
d)	Makto Information Services Private Limited	08/01/2020	SPICe	Correspondence address as per e-form: 07, Ground Floor, Opp Honeydewbar & Restaurant, 19 th Cross, RP Road, Nanjangud, Mysore, Karnataka - 571301
		06/06/2020	INC-22	Registered office address with effect from 08/01/2020: 07, Ground Floor, Opp Honeydewbar & Restaurant, 19 th Cross, RP Road, Nanjangud, Mysore, Karnataka - 571301 Which was taken on lease by Company
e)	Tectiko Technology Private Limited	09/12/2019	SPICe	Correspondence address as per e-form: 10, First Floor, Opp Honeydewbar & Restaurant, 19 th Cross, RP Road, Nanjangud, Mysore, Karnataka - 571301
		23/01/2020	INC-22	Registered office address with effect from 09/12/2019: 10, First Floor, Opp Honeydewbar & Restaurant, 19 th Cross, RP Road,

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				Nanjangud, Mysore, Karnataka - 571301 Which was taken on lease by Company
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7.1.4 The Committee further noted that Section 12 of Companies Act 2013 read with Rule 25 of the Companies (Incorporation) Rules, 2014 states as under:

"Section 12 of Companies Act, 2013 – Registered office of Company

- (1) A Company shall, **within thirty days of its incorporation** and at all times thereafter, have a registered office capable of receiving and acknowledging all communications and notices as may be addressed to it.
- (2) The Company shall furnish to the Registrar verification of its registered office **within a period of thirty days of its incorporation in such manner as may be prescribed.**
- (3) ...
- (4) Notice of every change of the situation of the registered office, verified in the manner prescribed, after the date of incorporation of the company, shall be given to the Registrar within thirty days of the change, who shall record the same.
- (5) ...
- (6) ...
- (7) ...
- (8) ...
- (9) If the Registrar has reasonable cause to believe that the company is not carrying on any business or operations, he may cause a physical verification of the registered office of the company in such manner as may be prescribed and if any default is found to be made in complying with the requirements of sub-section (1), he may without prejudice to the provisions of sub-section (8), initiate action for the removal of the name of the company from the register of companies under Chapter XVIII."

In this regard manner of verification is prescribed under Rule 25 of the Companies (Incorporation) Rules, 2014 which states as under: -

"25 Verification of Registered Office

- (1) The verification of the registered office shall be filed in Form No.INC.22 along with the fee, and
- (2) There shall be attached to said Form, any of the following documents, namely: -
 - (a) the registered document of the title of the premises of the registered office in the name of the company; or
 - (b) the notarized copy of lease or rent agreement in the name of the company along with a copy of rent paid receipt not older than one month;

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

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

In light of the above, it was viewed that a registered office was envisaged as an office capable of receiving and acknowledging all communications and notices as may be addressed to it at all times. Similar principle applies to the registered office if changed thereafter. Further, it was noted that sub-clause (9) of Sec 12 of the Companies Act, 2013 empowers the Registrar to cause 'physical verification' of the registered office. It was viewed that such power stems from the fact that the Companies Act, 2013 presumes that there should be a physical registered office of the Company irrespective of the mode through which the business of the Company was being conducted.

7.1.5 The Committee noted that the Respondent was required to inspect the said premises to ensure that the said address was genuinely in possession and control of the Company which he intent to incorporate by way of filing SPICe form. Thus, it reflects upon the casual approach and lack of due diligence towards professional duties on the part of the Respondent.

7.1.6 The Committee noted that the Respondent while certifying Incorporation Form INC-32 (SPICe Form) declared as under:-

".....

I further declare that I have personally visited the premises of the proposed registered Office given in the form at the address mentioned herein above and verified that the said proposed registered office of the Company will be functioning for the business purposes of the Company (wherever applicable in respect of the proposed registered office has been given) (emphasis added)

...."

On perusal of above para, it is viewed that the Respondent while certifying the SPICE form has given undertaking that he has personally visited the proposed registered office of the Company, while on statement on oath dated 28th March 2023 administered by Assistant Registrar of Companies, the Respondent has stated the following:

"That for some companies, he has not visited since they were in Mysore, I have seen photos wherein they obtained GST registration, they had put board, address, I have seen these photos."

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Accordingly, the Committee noted that the Respondent had himself admitted that he had not physically visited the registered office of certain companies and thus he has not performed basic due diligence that he was required to ensure in the instant matter.

- 7.1.7 The Committee further noted that the Complainant has brought on record, e-form no. INC-22 regarding Notice of situation and change of situation of registered office of the Company which was filed by the Respondent in respect to three entities named as Furoao Technology Pvt Ltd, Makto Information Services Pvt Ltd. and Tectiko Technology Pvt Ltd., wherein the Respondent has certified that –

"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 address of the Company will be functioning for the business purposes of the Company".

On perusal of above declaration para, the Committee noted that the Respondent while certifying the said e-Forms INC-22 has declared that he has personally visited the registered office of the Company. As per his statement on oath dated 28th March 2023 tendered before the Assistant ROC, Karnataka, it is viewed that he has mentioned that he has not visited the office premises as the same was in Mysore whereas his office is in Bangalore, hence, it is observed that factually he has not visited the said office address.

- 7.1.8 The Committee noted that the Respondent has submitted that he had been engaged by the client for the incorporation of the Company and the registered office is decided by the Company and he does not have any role in deciding about the registered office and post incorporation he has not done any sort of work for any of these companies, and he is not aware of the change in the registered office address as well as these are done by some other professionals.

- 7.1.9 The Committee noted that the Respondent in his submissions stated that he had not physically verified the registered office of the Company, due to uncontrollable circumstances during covid. However, the Respondent while certifying e-form had specifically declared that he had personally verified the registered office of the Company. The Committee noted that lockdown due to Covid came in force on 25/03/2020. However, in present case, all the five Subject Companies were incorporated before 24/03/2020. Hence, the plea of Respondent taking shelter of Covid restrictions cannot be accepted.

- 7.1.10 The Committee further noted that the physical verification of the office was the mandatory requirement, and the Respondent was required to comply with the same.

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However, the Respondent failed in his duties and did not exercise due diligence of his duties. Accordingly, it was viewed that the Respondent had carried out the professional assignment disregarding the provisions of the Rules and hence held him **Guilty** of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

7.2 Second charge- The Respondent while submitting the incorporation documents / SPICe form mentioned 080-10000000 as phone number of the company while 080 is STD code of Bengaluru and the Subject Companies were incorporated at Mysore. The said discrepancy was also pertinent in the phone numbers of body corporate subscribers and their directors. These companies were registered in India and the shareholders of the companies were either companies registered in Hongkong or Chinese nationals:

7.2.1 With respect to second charge, the Committee noted that the Respondent in his written submissions at hearing stage submitted that there was no ulterior motive behind mentioning the phone number as zero, the phone number could have been fake/bogus, if some numeric digits were given. By mentioning zero, he in fact, made it clear that the company do not have a landline number as having Landline number is not mandatory in this era. He submitted that the landline numbers were entered as '0' solely to comply with the mandatory filed requirement in SPICe form which does not permit submission without a valid entry. He further submitted that the directors contact details were accurately provided at the appropriate place in the incorporation forms.

7.2.2 The Committee, upon perusal of e-forms certified by the Respondent, noted as under:

S No.	Name of Company	E-Form certified by Respondent	Phone (with STD code) as per e-form
a)	Aistorm Technology Private Limited	SPICe	080-10000000
b)	Furoao Technology Private Limited	SPICe	080-10000000
c)	January Technology Private Limited	SPICe	080-10000000
d)	Makto Information Services Private Limited	SPICe	080-10000000
e)	Tectiko Technology Private Limited	SPICe	080-10000000

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7.2.3 The Committee observed that the Respondent, being an independent professional, was responsible to certify the correct contact details of the Companies being incorporated rather than providing random numbers to circumvent the checks incorporated in e-forms. It is noted that in response to a similar allegation in another case filed by the Complainant Department against the same Respondent- CA. Muni Kumar Gubiligari (M. No. 234106) (Ref. No. PR/G/90/2022/DD/92/2022-DC/1671/2022 clubbed case PR/G/171/22-DD/108/2022), the Disciplinary Committee in its finding dated 22.12.2023 viewed as under,

"Considering the submissions of the parties and the documents brought on record, the Committee viewed that the Respondent blatantly admitted that he filled fake/ wrong contact numbers in order to circumvent the "Prescrutiny" checks inculcated in the e-form. It was viewed that the said checks were incorporated in the e-form to draw attention of the professional to fill complete details correctly and that the Respondent, being an independent professional, was responsible to certify the correct details of the Company being incorporated rather than providing random numbers to circumvent the checks incorporated in e-forms. In view of the fact that the Respondent neither ensured that directors had given their consent to act as such, nor physically verified the address of the registered office. Moreover, also certified the wrong details of phone numbers, it was viewed that such gross negligence exercised by the Respondent provided a platform for the preparators to misuse the system. Accordingly, the Committee viewed that the Respondent was GUILTY of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949."

7.2.4 The Committee further observed that the clarification of the Respondent that '0' was added to comply with the mandatory field requirement in the SPICe form clearly shows negligence on his part for filing e-form for incorporation of companies. The Committee viewed that the professional was expected to submit correct contact details with regulator and such conduct warrants stern disciplinary action. Accordingly, the Respondent is held **Guilty** of the Professional falling within the meaning of Item (7) of Part-I of Second Schedule to the Chartered Accountant Act, 1949.

7.3 **Third charge- The Respondent failed to notice that the rental agreement showing registered office of M/s Aistorm Technology Private Limited which was signed by Mr. Lokesh (one of the director of the Company) contain different signature of Mr. Lokesh, when compared with incorporation documents and ID cards:**

7.3.1 With respect to third charge, the Respondent, in this regard, in his written submissions stated that he had no malafide intention to ignore the signature of Mr. Lokesh as the rental agreement attached to the INC-22 was certified by the Notary and he had no doubt to check the genuineness of the documents. He further submitted that at the time



of certification, there was no apparent reason to doubt the authenticity of the documents, nor any indication that they were forged or fabricated. The documents appeared to be duly signed by the directors, and there was reasonable belief that they were genuine.

7.3.2 Upon perusal of Form no. INC-22, the Committee noted that the rental agreement attached with the e-form was supported with electricity bill issued in the name of owner of the property by Chamundeshwari Electricity Supply Corporation Limited and the e-form was also digitally signed by Mr. Lokesh, Director of the Company alongwith certification by the Respondent. Hence, the Respondent was having sufficient grounds to assume the genuineness of said rent agreement. The Committee noted that the role of the Respondent, as a Chartered Accountant with respect to certification of e-form, is not to undertake forensic verification of rental agreement but to exercise due diligence as per professional norms. The role of the Respondent was not to validate the correctness of a signature but to check the particulars of said e-form is correct and duly certified by Director, attachments are duly enclosed and accordingly file the documents as provided by the Client. The verification performed by the Respondent was limited to obtaining certified copies and comparing available details.

7.3.3 The Committee further noted that the Respondent exercised reasonable professional care by verifying the documents at face value. In the absence of any suspicion, the Respondent had no reason to disbelieve the authenticity of the documents provided by the Client. Hence, the Respondent in good faith relied on the authenticity of the documents and there was no suspicion of any discrepancy in the signatures at the time of verification of said e-form. Moreover, there is no evidence to suggest that the Respondent deliberately overlooked the discrepancy in comparison of signatures of Director of the Company more so when the said e-form is duly pre-certified by the same director who signed the rent agreement. After a careful examination of the facts, submissions, documents, and applicable regulatory framework, the Committee noted that the Respondent has acted in accordance with the applicable professional standards/ norms as expected from a Chartered Accountant.

7.3.4 The Committee thus finds no misconduct on the part of the Respondent. The Committee, in light of the above facts and submissions of the Respondent, viewed that the Respondent has discharged his responsibilities appropriately with respect to the instant charge. Accordingly, the Respondent was held **Not Guilty** of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949 for this charge.

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CA Sanjay Sood, Director
The Institute of Chartered Accountants of India
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Signature

CONCLUSION

- 8 In view of the Findings stated in the above paras, vis-à-vis material on record, the Committee gives its charge wise Findings as under:

CHARGES (AS PER PFO)	FINDINGS	DECISION OF THE COMMITTEE
S.no 1 of Para 2 as above	Para 7.1.1 to Para 7.1.10 as above	Guilty - Item (7) of Part-I of the Second Schedule
S.no 2 of Para 2 as above	Para 7.2.1 to Para 7.2.4 as above	Guilty - Item (7) of Part-I of the Second Schedule
S.no 4 of Para 2 as above	Para 7.3.1 to Para 7.3.4 as above	Not Guilty - Item (7) of Part-I of the Second Schedule

- 9 In view of the above observations, considering the oral and written submissions and material on record, the Committee held the Respondent **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949.

Sd/-
[CA. CHARANJOT SINGH NANDA]
PRESIDING OFFICER

Sd/-
[SHRI JIWESH NANDAN]
MEMBER (GOVT. NOMINEE)

Sd/-
[CA. PIYUSH S CHHAJED]
MEMBER

Sd/-
[CA. ABHAY CHHAJED]
MEMBER

DATE: 12.11.2025
PLACE: New Delhi

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy


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 कार्यकारी अधिकारी / Executive Officer
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