



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/188/2023/DD-283/2023/DC/1893/2024

In the matter of:

Dr. Avais Patwegar,
Dy. 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



भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

"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 six Companies. These Companies were stated to be part of network of Chinese companies incorporated in India and the role of the Respondent was to assist in their illegal business by certifying fake documents. The Complainant Department noticed discrepancies in the e-forms certified by the Respondent. With the said background, the charges wherein the Committee held the Respondent guilty are as under:
 - a. That the DSC of Mr. Naresh Paresannagari Babu, a director of a subject company, was affixed in the incorporation form of the M/s Mefun Trading Pvt. Ltd., however, he in his statement on oath stated that he had not signed this incorporation form.
 - b. That the signatures of Mr. Sandesh Chandagalu Ramesha and of Mr. Sachin on respective consent forms of M/s Mefun Trading Pvt. Ltd to become director (DIR-2 attached to DIR-12), did not match with their signatures affixed on respective PAN cards.
 - c. That the DSC of Mr. Sachin, a director of a subject company was affixed on incorporation forms of M/s Golden Bag Technology Pvt. Ltd. (GBTPL) while in his statement on oath, he stated that he had not affixed DSC on any incorporation applications. Further, his signatures on consent form (DIR-2) of M/s Golden Bag Technology Pvt. Ltd. (GBTPL) and M/s Taelde Technology Pvt. Ltd to act as director in said companies, did not match with his signature on PAN card.
 - d. That the signatures of Mr. Abhilash on the board resolution attached to DIR-12 in respect of M/s Mefun Trading Pvt. Ltd did not match with his signature on the PAN Card.
 - e. That DSC of Mr. Shailesh Shetty was affixed on incorporation forms of M/s Taelde Technology Pvt. Ltd., M/s Hesheng Technology Pvt. Ltd, M/s Glitter Sky Technology Pvt. Ltd and M/s Cheajeck Technology Pvt. Ltd. without his knowledge. Further, his signatures on consent form did not match with his signatures on PAN card.
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

27



भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA (Set up by an Act of Parliament)

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 had certified incorporation application of the subject Company without exercising due diligence in respect of legitimacy of its applicant director in the Company and also admitted his negligence in his statement on oath. It was viewed by the Committee that the Respondent had blindly carried out the certification work presuming that all information being supplied by third person was true and correct. The Committee further observed that the Respondent while certifying DIR-12 form, had relied upon the documents provided to him by some other persons and he had no idea of the genuineness of the signatures made by the directors on their respective consent forms (DIR-2) and still he did not bother to verify whether those directors were actually consented for their appointment as such. It is further noted that the signatures of directors on the consent form (DIR-2) are apparently not matching with that of on PAN card.
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 check the legitimacy of director, ignored the difference / variance in signatures on documents and without using his professional scepticism took the documents as authenticated/ genuine and thereby certified DIR-12 forms. Accordingly, it was viewed that the Respondent had carried out the professional assignment disregarding the provisions of the Rules. 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 90 (Ninety) days.** The said punishment of removal of name from the Register of Members in this case shall run



भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

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/148/2023/DD/204/2023/DC/1892/2024.

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

सत्यापित 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

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 – 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/188/2023/DD/283/2023/DC/1893/2024]

In the matter of:

Dr. Avais Patwegar,
Dy. 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)
CA. Piyush S Chhajed, Member
CA. Abhay Chhajed, Member

Date of Final Hearing: 20th August 2025

PARTIES PRESENT:

(i) CA. Muni Kumar Gubiligari. – the Respondent
(appeared through Video Conferencing from his personal location)

[Handwritten signature]

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 Respondent has assisted in the incorporation of following six Companies:

- (a) M/s Mefun Trading Private Limited (MTPL)
- (b) M/s Taelde Technology Private Limited (TTPL)
- (c) M/s Golden Bag Technology Private Limited (GBTPL)
- (d) M/s Hesheng Technology Private Limited (HTPL)
- (e) M/s Glitter Sky Technology Private Limited (GSTPL) and
- (f) M/s Cheajeck Technology Private Limited (CTPL)

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

1.2 It was further stated that the Subject Companies were stated to be part of Mr Steven Liu network of Chinese companies incorporated in India and the role of the Respondent in present matter is that he assisted in their illegal business by certifying fake documents.

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.	Digital Signature Certificate (DSC) of Mr. Naresh Paresannagari Babu was affixed in the incorporation form of the M/s Mefun Trading Pvt. Ltd. without his knowledge. This incorporation form was certified by Respondent.	Guilty	Item (7) of Part-I of the Second Schedule
2.	Mr. Naresh Paresannagari Babu stated in his statement that he did not make any application for obtaining DIN. However, he shared PAN and Aadhar with Mr. Steven Liu and Mr. Sagar, HR of Company	Not Guilty	Item (7) of Part-I of the Second Schedule

av Ar

3.	The signatures of Mr. Sandesh Chandagalu Ramesha and of Mr. Sachin on respective DIR-2 (Consent form to act as director) of M/s Mefun Trading Pvt. Ltd did not match with their signatures affixed on respective PAN cards.	Guilty	Item (7) of Part-I of the Second Schedule
4.	DSC of Mr. Sachin was affixed on incorporation forms of M/s Golden Bag Technology Pvt. Ltd. (GBTPL) without his knowledge. Further, his signatures on consent form (DIR-2) of M/s Golden Bag Technology Pvt. Ltd. (GBTPL) and M/s Taelde Technology Pvt. Ltd did not match with his signature on PAN card.	Guilty	Item (7) of Part-I of the Second Schedule
5.	The signatures of Mr. Abhilash on the board resolution attached to DIR-12 in respect of M/s Mefun Trading Pvt. Ltd did not match with his signature on the PAN Card.	Guilty	Item (7) of Part-I of the Second Schedule
6.	The directors of M/s Mefun Trading Pvt. Ltd had not given their consent to become director and didn't know about this till they got a letter from the Complainant department	Not Guilty	Item (7) of Part-I of the Second Schedule
7.	DSC of Mr. Shailesh Shetty was affixed on incorporation forms of M/s Taelde Technology Pvt. Ltd., M/s Hesheng Technology Pvt. Ltd, M/s Glitter Sky Technology Pvt. Ltd and M/s Cheajeck Technology Pvt. Ltd. without his knowledge. Further, his signatures on consent form did not match with his signatures on PAN card.	Guilty	Item (7) of Part-I of the Second Schedule
8.	According to Mr. Satyam Bartwal, he had resigned from the companies M/s Taelde Technology Pvt. Ltd. and M/s Cheajeck Technology Pvt. Ltd. due to various reasons, viz. as he asked to become	Not Guilty	Item (7) of Part-I of the Second Schedule

Dr. Avais

	director for temporary duration, he was not getting the promised salary and there being no business in the company.		
9.	The Respondent inspite of knowing that the Companies were doing illegal business by submitting fake details in India, did not raise doubt and brought to the notice of the appropriate enforcement authority.	Not Guilty	Item (7) of Part-I of the Second Schedule

3. THE RELEVANT ISSUES DISCUSSED IN THE PRIMA FACIE OPINION DATED 24TH JUNE 2024 FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF, ARE GIVEN BELOW: -

- 3.1 With respect to first charge (mentioned in S.no. 1 of Para 2 above) that the DSC of Mr. Naresh Paresannagari Babu was affixed in the incorporation form of M/s Mefun Trading Pvt. Ltd. certified by Respondent without his knowledge:
- On perusal of statement on oath of Mr. Naresh Paresannagari Babu, the first director of subject company with whose DSC the incorporation application/SPICE form was submitted, it is observed that, he submitted on oath that he had not applied for his DSC.
 - Mr. Naresh Paresannagari Babu appears to be a dummy director only as he submitted in statement on oath that only his credentials were used by his employer Mr. Weijian Liu (*alias* Mr. Steven Liu) for his appointment as such.
 - It is also admitted by the Respondent in statement on oath that he himself has affixed the DSC of Mr. Naresh Paresannagari Babu on the incorporation form on his behalf after obtaining it from other director (Mr. Sagar Lama) of the Company.
 - Therefore, it is viewed that the Respondent had certified incorporation application of the subject Company without exercising due diligence in respect of legitimacy of its applicant director Mr. Naresh Paresannagari Babu in the Company.

Accordingly, the Respondent is held prima facie **GUILTY** of Professional Misconduct falling within the meaning of item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

- 3.2 With respect to second charge (mentioned in S.no. 3 of Para 2 above) that the signatures of Mr. Sandesh Chandagalu Ramesha and of Mr. Sachin on respective consent forms of

9/1 A2

M/s Mefun Trading Pvt. Ltd did not match with their signatures affixed on respective PAN cards:

- a) From the statements on Oath of directors in questions viz. Mr. Sachin and Mr. Sandesh Chandagalu Ramesha, it is apparent that neither both the directors had signed their consent form to act as director in the subject company nor they knew the Respondent.
- b) Further, their statements are also found corroborative with the statement of the Respondent that he had never met these two directors.
- c) On correlating this information with the admission of the Respondent that while certifying DIR-12 form, he had relied upon the documents provided to him, it is coming out that the documents relied upon by the Respondent were not sent to him by those directors but by some other persons.
- d) The Respondent had no idea of the genuineness of the signatures made by the directors on their respective consent forms (DIR-2) and still he did not bother to verify whether those directors were actually consented for their appointment as such while certifying DIR-12 to effect appointment of these directors.

Accordingly, he is held prima facie **GUILTY** of Professional Misconduct falling within the meaning of item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

3.3 With respect to third charge (mentioned in S.no. 4 of Para 2 above) that the DSC of Mr. Sachin was affixed on incorporation forms of M/s Golden Bag Technology Pvt. Ltd. (GBTPL) without his knowledge. Further, his signatures on consent form (DIR-2) of M/s Golden Bag Technology Pvt. Ltd. (GBTPL) and M/s Taelde Technology Pvt. Ltd did not match with his signature on PAN card.

- a) On perusal of statement on oath of Mr. Sachin, it is apparent that Mr. Sachin, the first director of M/s Golden Bag Technology Pvt. Ltd. with whose DSC the incorporation application/ SPICe form was submitted, had not applied for his DSC however, his credentials were asked for by Mr. Steven Liu. Further, it is also apparent that neither he had affixed his DSC on the incorporation application of aforementioned companies nor he was holding his DSC at any point of time. Further that he had never given his consent to become director of any company and he had never signed any documents.
- b) Moreover, from the statement of Respondent, it is apparent that he never met with the director of the subject company and while certifying the incorporation applications he had relied upon the documents provided to him. Further, the Respondent mentioned

92 A2

that in respect of incorporation of companies with improper documents and without exercising due diligence in verification of the persons and documents, thus, it is noted to have admitted his negligence too.

- c) Regarding the contention of the Complainant department that signatures of Mr. Sachin in consent form (DIR-2) were not matching with that of on his PAN card, it is noted that though DIR-2 is not on record however, on perusal of his signatures available on Memorandum of Association of such company dated 25-11-2019 and on his DIR-2 submitted to act as director in respect of other company M/s Mefun Trading Pvt. Ltd., his signatures in these forms are found different from each other.
- d) Further the signatures are also not matching with that of available on his PAN card and on his Statement on Oath.
- e) Accordingly, he is held prima facie **GUILTY** of Professional Misconduct falling within the meaning of item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.
- f) Further, in the sub-allegation, the signatures of Mr. Sachin in his consent form (DIR-2) in respect of M/s Taelde Technology Pvt. Ltd., have been alleged differed from the one he affixed on his PAN card, in this regard, it is viewed that the facts of the allegation are also on the similar lines as explained in preceding paras and therefore the reasoning as given in respect of M/s Golden Bag Technology Limited in preceding allegation, is also viewed as applicable in respect of this allegation/company too.

Accordingly, he is prima facie **GUILTY** of Professional Misconduct falling within the meaning of item (7) of Part- I of Second Schedule to the Chartered Accountants Act, 1949.

3.4 With respect to fourth charge (mentioned in S.no. 5 of Para 2 above) that the signatures of Mr. Abhilash on the board resolution attached to DIR-12 in respect of M/s Mefun Trading Pvt. Ltd did not match with his signature on the PAN Card.

- a) It is noted that the Complainant has brought on record the copy of DIR-12 dated 27-10-2020 certified by the Respondent in respect of resignation of Mr. Shreyas Jayaraj Valpady and Mr. Sandesh Chandagalu Ramesha from the directorship of the subject Company. Along with said DIR-12, the Board Resolution dated 27th October, 2020 signed by Mr. Abhilash Jain is noted to have been submitted as an attachment. On comparing the signature of Mr. Abhilash affixed on such resolution with that of on the copy of his PAN card brought on record by the Complainant through naked eyes, it is noted that the signatures are totally different on both documents.

By A-1

- b) Apart from above noted difference, signatures of Mr. Abhilash Jain are further noted as differed on his consent form (DIR-2) too to act as director of the subject company submitted along with DIR-12 certified by the Respondent only on 20-10-2020 to effect Mr. Abhilash Jain's appointment.
- c) Further, on perusal of statement on oath of Mr. Abhilash Jain and the Respondent, it is apparent that neither Mr. Abhilash Jain knew the Respondent nor the Respondent ever met Mr. Abhilash Jain. It is also apparent that Mr. Abhilash Jain was not even aware of his appointment as director in any company and he was made director in the company on the basis of his credentials he submitted for a part time job to some Mr. Sheryas and Mr. Steven and thus it is clear that he was made merely a dummy director without his knowledge and consent.
- d) The Respondent appeared to have ignored the difference / variance in Mr. Abhilash Jain's signatures on two documents and the Respondent without using professional scepticism took the documents as authenticated/ genuine and thereby certified DIR-12 forms.

Accordingly, he is held prima facie **GUILTY** of Professional Misconduct falling within the meaning of item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

3.5 With respect to fifth charge (mentioned in S.no. 7 of Para 2 above) that the that DSC of Mr. Shailesh Shetty was affixed on incorporation forms of M/s Taelde Technology Pvt. Ltd., M/s Hesheng Technology Pvt. Ltd, M/s Glitter Sky Technology Pvt. Ltd and M/s Cheajeck Technology Pvt. Ltd. without his knowledge. Further, his signatures on consent form did not match with his signatures on PAN card.

- a) It is noted from statement on oath of Mr. Shailesh Shetty, it is apparent that Mr. Shailesh Shetty with whose DSC the incorporation application/SPICe forms were submitted, had not applied for his DSC however, his credentials were asked for by Mr. Steven.
- b) Further, it is also noticed by Director (Discipline) that is apparent from records that neither Mr. Shailesh Shetty had affixed his DSC on the incorporation applications of aforementioned companies nor he was holding his DSC at any point of time.
- c) It is also apparent that though Mr. Shailesh Shetty was appointed as first Director of these companies but he had neither given his consent nor signed any document in this respect and also did not act as such as he was not the director in its spirit and only his credentials were used in the pretext of giving him employment.

S A

- d) The Respondent in his Statement on oath in respect of incorporation of subject four companies with improper documents and without exercising due diligence in verification of the persons and documents, is noted to have admitted his negligence.
- e) Regarding the contention of the Complainant department that signatures of Mr. Shailesh Shetty on consent forms (DIR-2) to act as director in afore-mentioned four companies was not tallying with that of on his PAN card, it is noted that the said DIR-2 form is available on record only in respect of M/s Glitter Sky Technology Pvt. Ltd. and M/s Hesheng Technology Pvt. Ltd.
- f) On comparing the signatures of Mr. Shailesh Shetty, it is noted by Director (Discipline) that the signatures on the consent form (DIR-2) are apparently not matching with that of on PAN card.
- g) Further, even the signatures made on two DIR-2 dated 07-11-2019 and dated 24-12-2019 are not matching with each other and both the signatures on DIR-2 have been observed certified by the Respondent in the form of an attachment to incorporation applications within a period of two months.
- h) Thus, it is apparent that the DSC on the incorporation application of the subject company was not affixed by the Director Mr. Shailesh Shetty but by the Respondent and Mr. Shailesh Shetty was not aware of the same.

Accordingly, he is prima facie **GUILTY** of Professional Misconduct falling within the meaning of item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

- 3.6 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 the 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"

By A2

3.7 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	6 th April 2023
2.	Date of Written Statement filed by the Respondent	Not submitted
3.	Date of Rejoinder filed by the Complainant	Not Applicable
4.	Date of Prima Facie Opinion Formed by Director (Discipline)	24 th June 2024
5.	Written Submissions by the Respondent after Prima Facie Opinion	29 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 email dated 29th July 2025, inter-alia, submitted as under:-

a) Regarding the first charge, the Respondent stated that the statement given by Mr. Naresh Babu was completely false and misleading as he was already in possession of a valid DSC and he did not apply for a new DSC for the incorporation of M/s Mefun Trading Private Ltd. He submitted that the allegation that the digital signature was used without the knowledge of Mr. Naresh Paresannagari Babu was baseless and there was no question of unauthorized use as the entire process was undertaken transparently and with the involvement of the concerned parties.

b) Regarding the second charge, the Respondent stated that in the normal course of professional practice, he was required to rely on the documents submitted to him. He submitted that at the time of certification, there was no apparent reason to doubt the

S. A.

- authenticity of the documents. Further while filing DIR-12, email ids of Mr. Sachin and Mr. Sandesh were provided. Accordingly, all communication from MCA was received by them, clearly indicating their awareness of his appointment as a director.
- c) Regarding the third charge, the Respondent stated that Mr. Sachin's claim was false. He was fully aware of the incorporation process and had, in fact, signed the incorporation documents. Furthermore, the bank account of the company was opened using his signatures. Mr Sachin actively supported and co-operated throughout the incorporation process.
- d) Regarding the fourth charge, the Respondent stated that any assertion that the director was unaware of the incorporation process or had no knowledge of the company was wholly untenable. He further submitted that the entire incorporation process was executed strictly in compliance with the applicable legal provisions and professional standards.
- e) Regarding the fifth charge, the Respondent submitted that Mr. Shailesh Shetty was fully aware of the incorporation process and had, in fact, signed the incorporation documents. Further, the bank account of the Company was opened using his signatures. Additionally, he himself applied for his DSC. DIN was issued to his respective email id and certificate of incorporation was also sent to the same. Furthermore, the entire incorporation process was executed strictly in compliance with the applicable legal provisions and professional standards.

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
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

by An

- 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 leveled, 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, if they so desire. Accordingly, the matter was adjourned to a future date on the request of the Respondent.
- 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 submission on 29th July 2025. The Committee looking into the fact that Respondent's submissions were received a day before the meeting i.e. on 29th July 2025, it decided to provide time to the Complainant to submit his rejoinder in the matter, if any. Accordingly, the matter was part heard and 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

R Ar

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 decided on the conduct of the Respondent.

7. FINDINGS OF THE COMMITTEE: -

- 7.1 At the outset, the Committee noted that 9 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 5 charges mentioned in S no. 1, 3, 4, 5 and 7 of Para 2 above and accordingly the extant proceedings were limited to the said charges only.

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:

- 7.2 **First Charge as mentioned in S.no. 1 of Para 2 above, that the DSC of Mr. Naresh Paresannagari Babu was affixed in the incorporation form of the M/s Mefun Trading Pvt. Ltd., however, he in his statement on oath stated that he had not signed this incorporation form:**

- 7.2.1 With respect to first charge, the Respondent, in this regard, in his written submissions stated that the statement given by Mr. Naresh Paresannagari Babu was completely false and misleading as Mr. Naresh Paresannagari Babu was already in possession of a valid DSC and he did not apply for a new DSC for the incorporation of M/s Mefun Trading Private Ltd. He submitted that the allegation that the digital signature was used without the knowledge of Mr. Naresh Paresannagari Babu was baseless and there was no question of unauthorized use as the entire process was undertaken transparently and with the involvement of the concerned parties.
- 7.2.2 The Committee noted that Mr. Naresh Paresannagari Babu in his statement on oath given before Complainant Department has stated as under:-

"Q38. The incorporation form of the Company Mefun has been shown to you now. It has your digital signature and Muni Kumar's signature. When did you sign it?"

or
Am

A-38 *I haven't signed the form. I don't know where my DSC is and I have never held it".*

Q-4 *Have you obtained DSC (Digital Signature Certificate). If so, how and from who has arranged DSC? Whether you are holding DSC with you? If not, who is holding or in possession of your DSC?*

A-4 *I didn't have any DSC with me. However, the CA Muni Kumar of the Company asked me to give my ID's like PAN and aadhaar. I just shared the documents but I don't know the purpose of that. I received one E-mail that I have successfully registered for DSC. I think my DSC is with the CA. I have never seen my DSC."*

Q21. *Do you know Muni Kumar Gubligari, Chartered Accountant? How were you contacted by him /her? Have you shared any documents with him/ her either physically or online?*

A-21 *I know he is a CA as told by Steven liu. I have not met him personally and don't know how he looks like also. I was contacted by him by phone sometimes when he required some papers signed by me or OTPs etc. I have not met him, not even at the time of registration of Company. I met Piyush once, that too after formation of the Company."*

Q2 *How did you get associated with the company MEFUN TRADING PRIVATE LIMITED? What is your role in the company/ companies? Who contacted you for agreeing to become the director of the company/companies?*

A-2 *My Manager, WEIJIAN LIU (Chinese name)/STEVEN LIU (English name) asked me to be the director of the Company.*

I was working for Indian branch of Advview Technology as a social media manager, head office is in Beijing. My manager was Mr. Steven Liu. I was interested in becoming a product manager. He offered that designation to me and asked me to be the director of MEFUN for time being. Apart from the above, I had no role to play and was not aware of anything else.

I have resigned from the company as I was asked to be a director for only sometime and resigned in June / July 2019."

From the above statement on oath, it is noted that Mr. Naresh Paresannagari Babu had not applied for his DSC, however; his credentials, other signed documents and OTP

E As

were asked by the Respondent. Further, as per the statement neither Mr. Naresh Paresannagari Babu had affixed his DSC on the incorporation application of the subject company nor he was holding his DSC at any point of time. It is also noted from statement of Mr. Naresh Paresannagari Babu that he acted as a dummy director only as his credentials were used by his employer Mr. Weijian Liu, (one of the subscribers of the subject Company) for his appointment as such.

7.2.3 The Committee noted that the Respondent in his statement on oath has stated as under:

"Q26. The incorporation form of Mefun signed by Mr. Naresh Babu and certified by you has been shown to you. Mr. Naresh says on oath that he has not signed this form and he does not have his DSC in his possession. provide your explanation on the above.

***A-26** The DSC of Mr. Naresh has been sent to our office alongwith the originals. **Naresh's DSC was affixed by me in this form.** Sagar Lama, one of the directors of this company sent his DSC to our office."*

"Q.32 If I say you have committed fraud U/s 448 r/w 447 of Companies Act, 2013 for assisting in perpetuation / fraudsters to incorporate these companies with improper documents without due diligence and verification of the persons and documents completely, what is your response?

***A-32** I have incorporated these companies for legitimate purpose and legal business only. We were not aware of their illegal intentions for committing fraud. I do accept negligence on my part."*

From the above statement on oath of the Respondent, it is an admitted fact that the Respondent himself has affixed the DSC of Mr. Naresh Paresannagari Babu on the incorporation form on his behalf after obtaining it from other director (Mr. Sagar Lama) of the Company. It is also noted that the Respondent in his aforementioned Statement also admitted his negligence.

7.2.4 The Committee from the above statement on oath of Mr. Naresh Paresannagari Babu and the Respondent noted that the DSC on the incorporation application of the subject company was not affixed by Mr. Naresh Paresannagari Babu but by the Respondent. Further, the Respondent has obtained DSC of Mr. Naresh Paresannagari Babu from other director (Mr. Sagar Lama) of the Company.

BY AM

7.2.5 On perusal of incorporation form of the Company i.e. M/s Mefun Trading Private Ltd it is noted that Mr. Naresh Paresannagari Babu and the Respondent have given the following declarations in SPICe form/incorporation application:

Declaration of Mr. Naresh Paresannagari Babu

"I Naresh Paresannagari Babu a person named in the articles as a director of the company has been duly authorized by the promoters of the company to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of Director Identification Number (DIN), registration of the company and matters precedent or incidental thereto have been complied with.

I am authorized by the promoter subscribing to the Memorandum of Association and Articles of Association and the first director(s) to give this declaration and to sign and submit this Form.

I further declare that, company shall not commence its business, unless all the required approval from the sectoral Regulators such as RBI, SEBI etc. have been obtained;

I on behalf of the promoters and the first directors, hereby declare that the registered office is capable of receiving and acknowledging all communications and notices addressed to the proposed company on incorporation, shall be maintained at the given address at item 4 of this form;

I, on behalf of all the first director(s) named in the Articles of Association of the proposed company, solemnly declare, that the declaration given herein as stated above are true to the best of my knowledge and belief, the information given in this integrated application form for incorporation and attachments thereto are correct and complete, and nothing relevant to this form has been suppressed. All the required attachments have been completely, correctly and legibly attached to this form and are as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association."

Declaration of Respondent in SPICe form

"I Muni Kumar Gubiligari, member of The Institute of Chartered Accountants of India having office at #18, 2nd Floor, East End Main Road, Jayanagar 9th Block, Bangalore-560069 Who is engaged in the formation of the company declare that I have been duly engaged for the purpose of certification of this form. It is hereby also certified that I have gone through the provisions of the Companies Act,2013 and rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above

S An

particulars (including attachment(s)) from the original/certified records maintained by the applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed."

7.2.6 Thus, the Respondent despite being aware about the above certification of Director as contained in the incorporation form went ahead for incorporation of the Company by certifying that he had checked the particulars of such incorporation form along with its attachment with its original/certified records maintained by the applicant of such form i.e., proposed director.

7.2.7 The Committee observed that the Respondent had certified incorporation application of the subject Company without exercising due diligence in respect of legitimacy of its applicant director Mr. Naresh Paresannagari Babu in the Company and himself admitted his negligence in his statement on oath.

7.2.8 It was viewed by the Committee that the Respondent had blindly carried out the certification work presuming that all information being supplied by third person was true and correct. Such a presumption on the part of the Respondent while carrying out certification work for incorporation of Company was not expected from a professional. The professionals should refrain from taking such an assignment and should not bypass the firewalls of proper KYC, OTP verification, and other regulatory compliances prescribed under Companies Act and Rules framed thereunder. The Committee noted that essence of two steps authentication in e-forms submitted is to provide an inbuilt cross verification mechanism and thereby reduce any possibility of error/ irregularity. However, in present case the Respondent himself admitted to affix DSC of director, thereby defeating the very essence. Accordingly, the Respondent is held **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949 with respect to extant charge.

7.3 **Second Charge as mentioned in S.no. 3 of Para 2 above, that the signatures of Mr. Sandesh Chandagalu Ramesha and of Mr. Sachin on respective consent forms of M/s Mefun Trading Pvt. Ltd to become director (DIR-2 attached to DIR-12), did not match with their signatures affixed on respective PAN cards:**

7.3.1 With respect to second charge, the Respondent in his written submission stated that in the normal course of professional practice, he was required to rely on the documents submitted to him. He submitted that at the time of certification, there was no apparent reason to doubt the authenticity of the documents. Further while filing DIR-12, email

or 

ids of Mr. Sachin and Mr. Sandesh were provided. Accordingly, all communication from MCA was received by them, clearly indicating their awareness of his appointment as a director.

- 7.3.2 The Committee noted that the Respondent have given the following declaration while certifying form DIR-12 for appointing Mr. Sandesh Chandagalu Ramesha and Mr. Sachin respectively as director of the Company:

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

- 7.3.3 The Committee noted that Mr. Sandesh Chandagalu Ramesha and Mr. Sachin in their statement on oath has mentioned as under:-

Mr. Sandesh Chandagalu Ramesha

"Q38. The DIR-12 forms for your appointment and cessation in this company filed vide SRN H94588365 and R71983597 certified by the CA Muni Kumar and having your consent resignation letters attached respectively have been shown to you. When did you sign these?"

A-38 I haven't signed any of these documents. The signatures on the letters are not mine."

Q-21 Do you know Muni Kumar Gubiligari, Chartered Accountant? How were you contacted by him/her? Have you shared any documents with him/her either physically or online?"

A-21 No, I don't know him or have never met him.

Mr. Sachin

"Q.10. Have you given any consent in any format, digital or physical, to act as director? If yes, when and how?"

A-10 No, I have not given any consent to become a director.

I didn't know that I am even a director in these companies till I got a letter from CCB, Bengaluru and they took my statement.

S. An

Q.12 Have you signed any documents, papers, statements in respect of these Company/ies? If yes, provide the details.

A-12 No, I have not signed any documents."

Q-21 Do you know Muni Kumar Gubiligari, Chartered Accountant?

How were you contacted by him/her?

Have you shared any documents with him/her either physically or online?

A-21 No, I don't know who he is. Mr. Sheryas and Mr Steven had approached me for Part time job so that I have shared my documents through Whatsapp. Apart from that I do not know any person."

7.3.4 The Committee noted that the Respondent in his statement on oath has mentioned as under:

Q-27 The DIR-12 forms for appointment and cessation of Sandesh and Shreyas in Mefun filed vide SRN H94588365 and R71983597 certified by you have been shown to you. Both of them have submitted on oath that they haven't signed any of these documents and the signatures on the consent and resignation letters are not theirs

It is further seen that the signatures of each individual on the consent letter and resignation letter are drastically different and do not match with their signatures on PAN card shown to you.

The DIR-12 vide SRN R71983597 has been digitally signed by Mr. Sachin and he has submitted on oath that he doesn't have his DSC and has no idea about it.

What have you verified before certifying and what due diligence has been put into these certifications?

A-27 We have relied on the documents provided to us. I accept that the signatures of the same person at different places shown to me are different and do not match with the signature on the PAN card."

Q-28 The DIR-12 forms for appointment and cessation of other directors vide SRN H94592508 and R71957864 in the company Mefun have been signed by Mr. Sandesh and certified by you. These have been shown to you.

Mr. Sandesh has stated on oath that he hasn't signed these forms and he doesn't know where his DSC is and he has never held it.

Where were these forms signed digitally by the director? What have you verified before certifying and what due diligence has been put into these certifications?"

By A2

"A-28 They have sent the DSC when form is to filed and they it back then. However, **Mr. Sandesh was not present when his DSC was affixed, and I am not sure if Mr. Sandesh knew that his DSC is being used."**

"Q-24 Do you know Naresh Babu, Sachin, Abhilash, Shreyas Valpady, Sandesh Chandagalu and Shailesh Shetty? Have you met them?

A-24 They are directors of these companies.
I have met **Naresh Babu and Shreyas."**

7.3.5 The Committee from the statements on oath of directors in questions noted that neither both the directors had signed consent form to act as director in the subject company nor they knew the Respondent. Further, their statements are also found corroborative with the statement of the Respondent that he had never met these two directors. On correlating this information with the admission of the Respondent that while certifying DIR-12 form, he had relied upon the documents provided to him, it is coming out that the documents relied upon by the Respondent were not sent to him by those directors but by some other persons and the Respondent had no idea of the genuineness of the signatures made by the directors on their respective consent forms (DIR-2) and still he did not bother to verify whether those directors were actually consented for their appointment as such. The Committee further noted that upon comparing the signatures of both the directors on respective DIR-2 forms with those in their respective PAN cards, the signatures were apparently different.

7.3.6 In the light of above observations of difference in the signatures of Mr Sandesh Chandagalu Ramesha and Mr Sachin on their consent form (DIR-2) to become director in company vis-à-vis on their PAN card coupled with the corroborative statements on record of these directors with that of the Respondent, the Committee observed that Mr Sandesh Chandagalu Ramesha and Mr Sachin were appointed as director in the subject company without their knowledge and consent. It is further observed that the Respondent had not been diligent while certifying respective DIR-12 forms to effect the appointment of such directors in the Company as he had blindly relied upon the documents including DIR-2 sent to him by the persons other than those concerning such DIR-2. Thus, it is concluded that the Respondent assisted in creating dummy directors thereby failed to exercise due diligence. The Respondent had blindly carried out the certification work presuming that all information being supplied by third party was true and correct. Such a presumption on the part of the Respondent while carrying out certification work was not expected from a professional. Accordingly, he is held **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949 with respect to extant charge.

E Ar

7.4 Third Charge as mentioned in S.no. 4 of Para 2 above, that the DSC of Mr. Sachin was affixed on incorporation forms of M/s Golden Bag Technology Pvt. Ltd. (GBTPL) while in his statement on oath he stated that he had not affixed DSC on any incorporation applications. Further, his signatures were there on consent form (DIR-2) of M/s Golden Bag Technology Pvt. Ltd. (GBTPL) and M/s Taelde Technology Pvt. Ltd to act as director in said companies, however; the signatures did not match with his signature on PAN card:

7.4.1 With respect to third charge, the Respondent in his written submissions stated that Mr. Sachin's claim was false. He was fully aware of the incorporation process and had, in fact, signed the incorporation documents. Furthermore, the bank account of the company was opened using his signatures. Mr Sachin actively supported and co-operated throughout the incorporation process.

7.4.2 The Committee noted that Mr. Sachin in his statement on oath has stated as under:

"Q-2 How did you get associated with the company

- 1. Mefun Trading Private Limited*
- 2. Taelde Technology Private Limited*
- 3. Golden Bag Technology Private Limited*

What is your role in the company/ companies? Who contacted you for agreeing to become the director of the company/companies?"

A-2 One of my friend Name: Shreyas, Mobile No: 9901190221 had recommend a part time job for Sales department, I don't know in which company. I had got a call from assistant of Mr Stevens (friend of Mr Shreyas). I had not met him. He asked to send my details like Adhaar card, Pan card with signature for documentation purpose. After that, I was not given a job also."

"Q.10. Have you given any consent in any format, digital or physical, to act as director? If yes, when and how?

A-10 No, I have not given any consent to become a director.

I didn't know that I am even a director in these companies till I got a letter from CCB, Bengaluru and they took my statement.

Q.12 Have you signed any documents, papers, statements in respect of these Company/ies? If yes, provide the details.

A-12 No, I have not signed any documents."

Q-21 Do you know Muni Kumar Gubiligari, Chartered Accountant?

By An

How were you contacted by him/her?

Have you shared any documents with him/her either physically or online?

A-21 *No, I don't know who he is. Mr. Sheryas and Mr Steven had approached me for Part time job so that I have shared my documents through Whatsapp. Apart from that I do not know any person."*

Q-38 *The incorporation form of the company GOLDEN BAG has been shown to you now. It has your digital signature and Muni Kumar's signature. Also, it has a consent to become a director signed by you. When did you sign it?*

A-38 *I haven't signed the form. I don't know what a DSC is. I have not signed anything. I do not know who Muni Kumar is."*

7.4.3 The Committee noted that the Respondent in his statement on oath has mentioned as under:

Q-19 *Have you met the subscribers and first directors of the Companies?*

A-19 *For Mefun-we have met both the directors (Sagar and Naresh) and spoken to them.*

For Golden Bag we have met one director (Zheng Guohong representative of the foreign company).

For Hesheng-we have met Yan Huan, a shareholder of the company. Others, we have not met. No video call was also done with the remaining subscribers and directors."

Q-30 *The incorporation form of Glitter Sky with the attachment of Mr. Shailesh Shetty's consent to become a director in DIR-2 format has been shown to you. Mr. Shallesh has stated on oath that he has not given consent to become a director of this company.*

It is further seen that his signature on the consent letter is drastically different and does not match with the signature on his PAN card shown to you. The PAN number in his DIR-2 attached and the PAN card copy shown to you have the same PAN number.

What have you verified before certifying and what due diligence has been put into these certifications?

A-30 *We have relied on the documents provided to us. I accept that the signatures of the same person at different places shown to me are different and do not match with the signature on the PAN card."*

Q.31. *The incorporation forms of Golden Bag and Taelde with the attachment of Mr Sachin's consent to become a director in DIR-2 format have been shown to*

S As

you. Mr Sachin has stated on oath that he has not given consent to become a director of these companies.

It is further seen that his signature on the consent letter is drastically different and does not match with the signature on his PAN card shown to you. The PAN number in his DIR-2 attached and the PAN card copy shown to you have the same PAN number.

What have you verified before certifying and what due diligence has been put into these certifications?

A-31 We have relied on the documents provided to us. I accept that the signatures of the same person at different places shown to me are different and do not match with the signature on the PAN card.

Q.32 If I say you have committed fraud U/s 448 r/w 447 of Companies Act, 2013 for assisting in perpetuation / fraudsters to incorporate these companies with improper documents without due diligence and verification of the persons and documents completely, what is your response?

A-32 I have incorporated these companies for legitimate purpose and legal business only. We were not aware of their illegal intentions for committing fraud.

I do accept negligence on my part."

7.4.4 The Committee noted that Mr. Sachin and the Respondent while certifying the SPICe form had given the following declarations respectively:

Declaration on SPICe form of Director (Mr. Sachin)

"I Sachin a person named in the articles as a director of the company has been duly authorized by the promoters of the company to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of Director Identification Number (DIN), registration of the company and matters precedent or incidental thereto have been complied with.

I am authorized by the promoter subscribing to the Memorandum of Association and Articles of Association and the first director(s) to give this declaration and to sign and submit this Form.

I further declare that, company shall not commence its business, unless all the required approval from the sectoral Regulators such as RBI, SEBI etc. have been obtained;

I on behalf of the promoters and the first directors, hereby declare that the registered office is capable of receiving and acknowledging all communications

By AM

and notices addressed to the proposed company on incorporation, shall be maintained at the given address at item 4 of this form;

I, on behalf of all the first director(s) named in the Articles of Association of the proposed company, solemnly declare, that the declaration given herein as stated above are true to the best of my knowledge and belief, **the information given in this integrated application form for incorporation and attachments thereto are correct and complete, and nothing relevant to this form has been suppressed.** All the required attachments have been completely, correctly and legibly attached to this form and are as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association."

Declaration on SPICe form of Professional (Respondent)

"I Muni Kumar Gubiligari, member of The Institute of Chartered Accountants of India having office at #18, 2nd Floor, East End Main Road, Jayanagar 9th Block, Bangalore-560069 Who is engaged in the formation of the company declare that I have been duly engaged for the purpose of certification of this form. It is hereby also certified that I have gone through the provisions of the Companies Act, 2013 and rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed."

7.4.5 Regarding the charge that signatures of Mr Sachin in consent form (DIR-2) were not matching with that of on his PAN card, the Committee noted that though his consent form (DIR-2) submitted for the subject company M/s Golden Bag Technology Pvt Ltd is not on record however, on perusal of his signatures available on other documents on record like on Memorandum of Association of such company dated 25-11-2019 and on his consent form (DIR-2) submitted to act as director in respect of other company M/s Mefun Trading Pvt Ltd., his signatures in these forms are found different from each other. Interestingly, these two documents submitted as an attachment to incorporation application and DIR-12 form respectively have been noted certified by the Respondent only. Further the signatures are also not matching with that of available on his PAN card and on his Statement on Oath.

7.4.6 The Committee from the statement on oath of Mr. Sachin noted that he had not applied for his DSC however; his credentials were asked for by Mr. Steven. Further, he had neither affixed his DSC on the incorporation application of aforementioned companies nor he was holding his DSC at any point of time. He had neither given his consent nor signed any document in this respect and also did not act as such as he was not the

S. An

director in its spirit and only his credentials were used in the pretext of giving him employment. It is further noted that the statement of Mr Sachin that he had never given his consent to become director of any company and he had never signed any documents is observed corroborative with that of the Respondent that he never met with the director of the subject company and while certifying the incorporation applications he had relied upon the documents provided to him. It is also noted that the Respondent has admitted his negligence too.

7.4.7 The Committee observed that the Respondent in incorporation application, has certified about its particulars (as stated in incorporation application) being verified with the records of the applicant while the applicant Mr. Sachin was even unaware of his appointment in the companies as Director. Thus, it is clear that the Respondent as professional before certifying incorporation application did not perform any due diligence and certified the incorporation applications merely relying upon the provided documents. Additionally, the difference in the signatures of Mr. Sachin certified by the Respondent and the aforesaid admission of the Respondent in his Statements on Oath before the Complainant department of his negligence while certifying incorporation applications of companies further strengthens this view. It is also noted that the Respondent has never retracted his statement on oath given before the Complainant Department hence the submission of the Respondent that Mr Sachin is fully aware of the incorporation process seems to be an afterthought. Therefore, it is concluded that the Respondent had certified incorporation application of M/s Golden Bag Technology Pvt. Ltd. without exercising due diligence in respect of legitimacy of its applicant director Mr. Sachin. Accordingly, he is held **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

7.4.8 Regarding the charge that the signatures of Mr Sachin in his consent form (DIR-2) in respect of M/s Taelde Technology Pvt. Ltd. have been alleged to be different from the one he affixed on his PAN card. In this regard, it is noted that though the Complainant has not brought on record the copy such consent form (DIR-2), it is viewed that the facts of the allegation are also on the similar lines as explained in preceding paras and therefore the reasoning as given in respect of Golden Bag Technology Limited in preceding allegation, is also viewed as applicable in respect of this allegation/company too. Thereby, the Respondent in respect of this company too acted with negligence as had not performed his professional responsibility of certification of incorporation application of M/s Taelde Technology Pvt. Ltd. diligently as Mr. Sachin was not even aware of his appointment as director in the Company and his DIN also being applied though such application. The Respondent had blindly carried out the certification work

Dr. Avais Patwegar

presuming that all information being supplied by third party was true and correct. Such a presumption on the part of the Respondent while carrying out certification work was not expected from a professional. Accordingly, the Respondent assisted in creating dummy directors thereby disregarding the requirement of due diligence and failed to exercise due diligence and accordingly, he is held **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949.

7.5 Fourth Charge as mentioned in S.no. 5 of Para 2 above, that the signatures of Mr. Abhilash on the board resolution attached to DIR-12 in respect of M/s Mefun Trading Pvt. Ltd did not match with his signature on the PAN Card:

7.5.1 With respect to fourth charge, the Respondent in his written submissions stated that any assertion that the director was unaware of the incorporation process or had no knowledge of the company is wholly untenable. He further submitted that the entire incorporation process was executed strictly in compliance with the applicable legal provisions and professional standards.

7.5.2 The Committee in this regard noted that the Board Resolution dated 27th October, 2020 signed by Mr. Abhilash Jain is submitted as an attachment to DIR-12 filed in respect of resignation of Mr. Shreyas Jayaraj Valpady and Mr. Sandesh Chandagalu Ramesha from the directorship of the subject Company. On comparing the signature of Mr. Abhilash affixed on such resolution with that of on the copy of his PAN card, it is noted that the signatures are totally different on both documents. Apart from above noted difference, his signatures (Mr. Abhilash Jain) are further noted as differed on his consent form (DIR-2) too to act as director of the subject company submitted along with DIR-12 certified by the Respondent on 20-10-2020 to effect his (Mr. Abhilash Jain) appointment.

7.5.3 The Committee noted that Mr. Abhilash Jain in his statement on oath has stated as under:

"Q-21 Do you know Muni Kumar Gubiligari, Chartered Accountant?

How were you contacted by him/her?

Have you shared any documents with him/her either physically or online?

A-21 Mr. Sheryas and Mr Steven had approached me for Part Time job so that I have shared my documents through Whatsapp. Apart from that I don't know any person."

92 AM

*"Q-10 Have you given consent in any format, digital or physical, to act as director?
If yes, when and how?"*

A-10 No, I have not given any consent to become a director.

*I didn't know that i am even a director in these companies till I got a letter from
CCB, Bengaluru and they took my statement."*

7.5.4 The Committee further noted that the Respondent in his statement on oath has stated as under:

"Q-24 Do you know Naresh Babu, Sachin, Abhilash, Shreyas Valpady, Sandesh Chandagalu and Shailesh Shetty? Have you met them?"

*A-24 They are directors of these companies. I have met **Naresh Babu and Shreyas.**"*

7.5.5 The Committee from the above statements of Mr. Abhilash Jain and the Respondent, noted that neither Mr. Abhilash Jain knew the Respondent nor the Respondent ever met Mr. Abhilash Jain. Mr. Abhilash Jain was not even aware of his appointment as director in any company and he was made director in the company on the basis of his credentials he submitted for a part time job to some Mr. Sheryas and Mr. Steven and thus it is clear that he was made merely a dummy director without his knowledge and consent.

7.5.6 The Committee further noted that the Respondent had certified Form DIR-12 for appointment of Mr. Abhilash Jain wherein his consent form dated 20-10-2020 was submitted and his signatures thereon are noted different from the one on his PAN card and also on the resolution passed just after 7 days of his appointment i.e., dated 27-10-2020. It is noted that the Respondent has certified the resignation of two directors viz. Mr. Shreyas Jayaraj Valpady and Mr. Sandesh Chandagalu Ramesha in DIR-12 on the basis of Board Resolution (passed in accordance with the provisions of Section 168 of the Companies Act, 2013), however, such resolution is certified by a director Mr. Abhilash Jain whose appointment itself in the company does not appear legitimate. His two different signatures on record on two different documents viz. one signature on consent form (DIR-2) to act as director signed on 20-10-2020 and the other signatures on resolution dated 27-10-2020 and both signatures certified by the Respondent as an attachment to DIR -12 dated 20-10-2020 and 27-10-2020 respectively signify that the Respondent had certified DIR-12 forms without performing any due diligence. The Respondent appeared to have ignored the difference / variance in Mr Abhilash Jain's signatures on two documents and without using his professional scepticism took the documents as authenticated/ genuine and thereby certified DIR-12 forms. This view is further strengthened by the fact that Mr. Abhilash

Dr. Avais Patwargar

Jain has stated in his statement on oath that he did not know the Respondent and the Respondent has also admitted that he never met Mr. Abhilash Jain which means that no communication was ever took place between them and even then the Respondent had certified for his appointment in the Company. Hence, the Respondent based on reliance of documents received played a considerable role in making unknown and unverified persons as directors of Company. The professionals should refrain from taking such an assignment and should not bypass the firewalls and other regulatory compliances prescribed under Companies Act and Rules framed thereunder. Thus, it is concluded that the Respondent has not discharged his duties diligently and accordingly, he is held **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

7.6 Fifth Charge as mentioned in S.no. 7 of Para 2 above, that the that DSC of Mr. Shailesh Shetty was affixed on incorporation forms of M/s Taelde Technology Pvt. Ltd., M/s Hesheng Technology Pvt. Ltd, M/s Glitter Sky Technology Pvt. Ltd and M/s Cheajeck Technology Pvt. Ltd. without his knowledge. Further, his signatures on consent form did not match with his signatures on PAN card:

7.6.1 With respect to fifth charge, the Respondent submitted that Mr. Shailesh Shetty was fully aware of the incorporation process and had, in fact, signed the incorporation documents. Further, the bank account of the Company was opened using his signatures. Additionally, he himself applied for his DSC. DIN was issued to his respective email id and certificate of incorporation was sent to the same. Furthermore, the entire incorporation process was executed strictly in compliance with the applicable legal provisions and professional standards.

7.6.2 The Committee in this regard noted that Mr. Shailesh Shetty in his statement on oath has stated as under:

“Q-2 How did you get associated with the company

- 1. Cheajeck Trading Private Limited*
- 2. Taelde Technology Private Limited*
- 3. Hesheng Technology Private Limited*
- 4. Glitter Sky Technology Private Limited?*

What is your role in the company/ companies? Who contacted you for agreeing to become the director of the company/companies?”

A-2 One of my friend Name: Shreyas, Mobile No: 9901190221 had recommend a part time job for Sales department, I don't know in which company. I had got a call

Ar

from assistant of Mr Stevens (friend of Mr Shreyas). I had not met him. He asked to send my details like Adhaar card, Pan card with signature for documentation purpose. After that, I was not given a job also."

Q-4 Have you obtained DSC (Digital Signature Certificate). If so, how and from who has arranged DSC? Whether you are holding DSC with you? If not, who is holding or in possession of your DSC?

A-4 No I don't have my DSC and no idea about DSC."

Q-5 Have you made application to obtain Director Identification Number (DIN) to become a director in any company/companies? If yes, for which company/ies and who assisted you in getting the same?

Name the person(s) who contacted you in connection with your directorship in these companies.

What are the documents provided by you (like address proof, PAN, Aadhaar etc.) to obtain the DIN?

Whether the documents were collected personally or sent through WhatsApp or any other online mode?

Which all documents were signed by you for this purpose?

A-5 Mr. Steven had called me asked to share the documents like Adhaar card, PAN card through Whatsapp. I have attended video call for verification purpose. I don't know what the purpose of the video call was."

Q-9 Have you ever made the shareholders and promoters of the companies in which you are director?

A-9 I, my friends Mr. Abhilash and Mr. Sachin had applied for the same job. But were not aware that we were directors of the aforesaid companies."

Q-10 Have you given consent in any format, digital or physical, to act as director? If yes, when and how?

A-10 No, I have not given any consent to become director.

I didn't know that I am even a director in these companies till I got a letter from CCB, Bengaluru and they took my statement."

Q-12 Have you signed any documents, papers, statements in respect of these company/ies? If yes, provide the details.

A-12 No. I have not signed any documents."

ay Am

“Q38. The incorporation form of the Company Taelde & Cheajeck Trading has been shown to you now. It has your digital signature and Muni Kumar’s signature. Also, it has consent to become a director signed by you. When did you sign it?”

A-38 I haven’t signed the form. I don’t know what a DSC is. I have not signed anything. I don’t know who Muni Kumar is.”

7.6.3 The Committee further noted that the Respondent in his statement on oath has stated as under:

“Q-19 Have you met the subscribers and first directors of the Companies?”

A-19 For Mefun-we have met both the directors (Sagar and Naresh) and spoken to them. For Golden Bag we have met one director (Zheng Guohong representative of the foreign company).

For Hesheng-we have met Yan Huan, a shareholder of the company. Others, we have not met. No video call was also done with the remaining subscribers and directors.”

“Q-29. The incorporation forms of Glitter Sky, Taelde and Cheajeck, which have been signed by the director Shailesh Shetty and certified by you have been shown to you.

Mr. Shailesh has submitted on oath that he has not signed these forms and doesn’t have his DSC and has no idea about it.

A-29 They have sent the DSC when form is to filed and they it back then. However, Mr. Shailesh was not present when his DSC was affixed, and I am not sure if Mr. Shailesh knew that his DSC is being used.

Q-30 The incorporation form of Glitter Sky with the attachment of Mr. Shailesh Shetty’s consent to become a director in DIR-2 format has been shown to you. Mr. Shallesh has stated on oath that he has not given consent to become a director of this company.

It is further seen that his signature on the consent letter is drastically different and does not match with the signature on his PAN card shown to you. The PAN number in his DIR-2 attached and the PAN card copy shown to you have the same PAN number.

What have you verified before certifying and what due diligence has been put into these certifications?

A-30 We have relied on the documents provided to us. I accept that the signatures of the same person at different places shown to me are different and do not match with the signature on the PAN card.”

2 An

"Q.31. The incorporation forms of Golden Bag and Taelde with the attachment of Mr. Sachin's consent to become a director in DIR-2 format have been shown to you. Mr. Sachin has stated on oath that he has not given consent to become a director of these companies.

It is further seen that his signature on the consent letter is drastically different and does not match with the signature on his PAN card shown to you. The PAN number in his DIR-2 attached and the PAN card copy shown to you have the same PAN number.

What have you verified before certifying and what due diligence has been put into these certifications?

A-31 We have relied on the documents provided to us. I accept that the signatures of the same person at different places shown to me are different and do not match with the signature on the PAN card.

Q.32 If I say you have committed fraud U/s 448 r/w 447 of Companies Act, 2013 for assisting in perpetuation / fraudsters to incorporate these companies with improper documents without due diligence and verification of the persons and documents completely, what is your response?

A-32 I have incorporated these companies for legitimate purpose and legal business only. We were not aware of their illegal intentions for committing fraud. I do accept negligence on my part."

7.6.4 The Committee noted that Mr. Shailesh Shetty, being first director and applicant to the incorporation applications of all four subject companies and the Respondent, being their certifying professional in SPICe form/incorporation applications, have given the following declarations respectively:

Declaration on SPICe form of Director (Mr. Shailesh Shetty)

"I Shailesh Shetty a person named in the articles as a director of the company has been duly authorized by the promoters of the company to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of Director Identification Number (DIN), registration of the company and matters precedent or incidental thereto have been complied with.

I am authorized by the promoter subscribing to the Memorandum of Association and Articles of Association and the first director(s) to give this declaration and to sign and submit this Form.

W/ Sh

I further declare that, company shall not commence its business, unless all the required approval from the sectoral Regulators such as RBI, SEBI etc. have been obtained;

I on behalf of the promoters and the first directors, hereby declare that the registered office is capable of receiving and acknowledging all communications and notices addressed to the proposed company on incorporation, shall be maintained at the given address at item 4 of this form;

I, on behalf of all the first director(s) named in the Articles of Association of the proposed company, solemnly declare, that the declaration given herein as stated above are true to the best of my knowledge and belief, **the information given in this integrated application form for incorporation and attachments thereto are correct and complete, and nothing relevant to this form has been suppressed.** All the required attachments have been completely, correctly and legibly attached to this form and are as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association."

Declaration on SPICe form of Professional (Respondent)

"I Muni Kumar Gubiligari, member of The Institute of Chartered Accountants of India having office at #18, 2nd Floor, East End Main Road, Jayanagar 9th Block, Bangalore-560069 Who is engaged in the formation of the company declare that I have been duly engaged for the purpose of certification of this form. It is hereby also certified that I have gone through the provisions of the Companies Act, 2013 and rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed."

- 7.6.5 Regarding the charge that signatures of Mr. Shailesh Shetty on consent forms (DIR-2) to act as director in afore-mentioned four companies was not tallying with his signatures on PAN card, it is noted that the said DIR-2 form is available on record only in respect of two companies viz., M/s Glitter Sky Technology Pvt. Ltd. and M/s Hesheng Technology Pvt. Ltd. On comparing the signatures of Mr. Shailesh Shetty, it is noted that the signatures on the consent form (DIR-2) are apparently not matching with that of on PAN card. Further, even the signatures made on two DIR-2 dated

3 An

07.11.2019 and dated 24.12.2019 are not matching with each other and both the signatures on DIR-2 have been observed certified by the Respondent in the form of an attachment to incorporation applications within a period of two months.

- 7.6.6 The Committee from the statements on oath of Shailesh Shetty and the Respondent noted that the DSC on the incorporation application of the subject company was not affixed by the Respondent. Mr. Shailesh Shetty was neither aware of his appointment as director in the subject four companies nor aware of his DSC and name being used as an applicant for the incorporation of those companies and thereby (being applicant), giving declaration in such incorporation application about the compliances of various provisions of incorporation of Company under Companies Act, 2013 and also giving declaration about the correctness and completeness of the information appearing in such application. It is observed that the Respondent in incorporation application, has certified about its particulars (as stated in incorporation application) being verified with the records of the applicant while the applicant Mr. Shailesh Shetty was even unaware of his appointment in the companies as Director.
- 7.6.7 It was viewed by the Committee that the Respondent had blindly carried out the certification work presuming that all information being supplied by third person was true and correct. Such a presumption on the part of the Respondent while carrying out certification work for incorporation of Company was not expected from a professional. The professionals should refrain from taking such an assignment and should not bypass the firewalls of proper KYC, OTP verification, and other regulatory compliances prescribed under Companies Act and Rules framed thereunder. The Committee noted that essence of two steps authentication in e-forms submitted is to provide an inbuilt cross verification mechanism and thereby reduce any possibility of error/ irregularity. However, in present case the Respondent himself admitted to affix DSC of director, thereby defeating the very essence. Thus, it is clear that the Respondent as professional before certifying incorporation application did not perform any due diligence and certified the incorporation applications merely relying upon the provided documents.
- 7.6.8 The Committee further noted the difference in the signatures of Mr. Shailesh Shetty on consent forms (DIR-2) and the PAN card. Moreover, the admission of the Respondent in his Statement on Oath before the Complainant department about his negligence while certifying incorporation applications of companies establishes the charge against him. Therefore, it is concluded that the Respondent had certified incorporation application of four subject Companies viz. M/s Taelde Technology Pvt. Ltd., M/s Hesheng Technology Pvt. Ltd, M/s Glitter Sky Technology Pvt. Ltd. and M/s Cheajeck Technology Pvt. Ltd without exercising due diligence in respect of legitimacy of its

by An

applicant director Mr. Shailesh Shetty. Accordingly, he is **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949 with respect to extant charge.

8 **CONCLUSION:**

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 7.2.1 to Para 7.2.8 as above	Guilty - Item (7) of Part I of the Second Schedule
S.no 3 of Para 2 as above	Para 7.3.1 to Para 7.3.6 as above	Guilty - Item (7) of Part I of the Second Schedule
S.no. 4 of Para 2 as above	Para 7.4.1 to Para 7.4.8 as above	Guilty - Item (7) of Part I of the Second Schedule
S.no. 5 of Para 2 as above	Para 7.5.1 to Para 7.5.6 as above	Guilty - Item (7) of Part I of the Second Schedule
S.no. 7 of Para 2 as above	Para 7.6.1 to Para 7.6.8 as above	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


अरुण कुमार / Arun Kumar
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनात्मक विभाग / Disciplinary Directorate
भारतीय सशुद्ध लेखाकार संस्थान
The Institute of Chartered Accountants of India
आई सी ए आई भवन, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)
CA. M. Kumar, C-1, Sector-1, Noida-201301 (U.P.)