



# भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

PR/422/2021/DD/15/2022/DC/1911/2024

[DISCIPLINARY COMMITTEE [BENCH-II (2025-2026)]

[Constituted under Section 21B of the Chartered Accountants Act, 1949]

**ORDER UNDER SECTION 21B (3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 19(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007**

**File No: PR/422/2021/DD/15/2022/DC/1911/2024**

**In the matter of:**

**Shri Manoj Laljibhai Baldha,  
A904, Haridwar Hills,  
Near Narayani Hospital, Mokaji Circle,  
Nana Mava Road,  
Rajkot -360005.**

...Complainant

**Versus**

**CA. Hasmukh Bhagwanji Kalaria, (M. No. 042002)  
A-601/602, The Imperial Heights,  
Opposite Big Bazar,  
150 Feet Ring Road, Vatsalya Chowk,  
Kothariya Ring Road,  
Rajkot - 360005.**

.....Respondent

**Members Present: -**

**CA. Charanjot Singh Nanda, Presiding Officer (in Person)  
CMA. Chandra Wadhwa, Government Nominee (in Person)  
CA. Mahesh Shah, Government Nominee (in Person)  
CA. Pramod Jain, Member (in Person)  
CA. Ravi Kumar Patwa, Member (through videoconferencing)**

**Date of Hearing : 10<sup>th</sup> February 2026**

**Date of Order : 11<sup>th</sup> February 2026**

1. The Disciplinary Committee vide its Findings dated 6<sup>th</sup> February 2026 under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 was, inter-alia, of the opinion that **CA. Hasmukh Bhagwanji Kalaria, (M. No. 042002), Rajkot** (hereinafter referred to as the 'Respondent') is **GUILTY** of Professional Misconduct falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.



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2. Pursuant to the said Findings, an action under Section 21B (3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and a communication dated 6<sup>th</sup> February 2026 was addressed to him thereby granting opportunity of being heard in person / through video conferencing and to make representation before the Committee on 10<sup>th</sup> February 2026.
3. The Respondent was present before the Committee on 10<sup>th</sup> February 2026 through video conferencing and made his verbal representation on the Findings of the Disciplinary Committee, inter-alia, requested the Hon'ble Committee to take a lenient view.
4. The Committee considered the reasoning as contained in the Findings holding the Respondent Guilty of Professional Misconduct vis-à-vis representation of the Respondent.
5. Keeping in view the facts and circumstances of the case and material on record including representation of the Respondent on the Findings, the Committee noted that the Respondent filed a revised Form AOC-4 XBRL on 23.01.2018 even though the original Form AOC-4 XBRL had already been filed on 07.11.2017, and that the revised filing contained several changes in the shareholding pattern and Board's report attached to the financial statement amounting to revision of Financial Statements or Board's Report without obtaining prior approval from the Hon'ble NCLT as mandated under Section 131 of the Companies Act, 2013 for voluntary revision of Financial Statements or Board's Report.
6. The Committee held that it is a settled law that Notes to Accounts form an integral and inseparable part of the financial statements, and any change made therein, including changes relating to shareholding disclosure, squarely fall within the scope of revision of financial statements and therefore attract the provisions of Section 131 of the Companies Act, 2013. The revised Form AOC-4 XBRL filed by the Respondent was not on account of a clerical correction but a revision of the financial statements and the Board's Report, mandating prior approval under Section 131 of the Companies Act, 2013.
7. Based on the submissions and documents on record, the Committee held that the Respondent's act of certifying a revised Form AOC-4 XBRL without ensuring compliance of the provisions of Sec 131 of the Companies Act 2013, amounts to Professional Misconduct as he did not exercise the required due diligence before certifying the said revised Form AOC-4 XBRL.
8. Hence, professional misconduct falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 on the part of the Respondent is clearly established as held in the Committee's Findings dated 6<sup>th</sup> February 2026 which is to be read in consonance with the instant Order being passed in the case.
9. Accordingly, the Committee was of the view that ends of justice will be met if punishment is given to the Respondent in commensurate with his Professional Misconduct.

*Bijoy*



# भारतीय सनदी लेखाकार संस्थान

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10. Thus, the Committee, keeping in view the facts and circumstances of the case, material on record and representation of the Respondent before it, ordered that CA. Hasmukh Bhagwanji Kalaria, (M. No. 042002), Rajkot be Reprimanded and also a fine of Rs. 50,000/- (Rupees Fifty Thousand only be imposed upon him payable within a period of 60 days from the date of receipt of the Order.

Sd/-

(CA. CHARANJOT SINGH NANDA)  
PRESIDING OFFICER

Sd/-  
(CMA. CHANDRA WADHWA)  
GOVERNMENT NOMINEE

Sd/-  
(CA. MAHESH SHAH)  
GOVERNMENT NOMINEE

Sd/-  
(CA. PRAMOD JAIN)  
MEMBER

Sd/-  
(CA. RAVI KUMAR PATWA)  
MEMBER

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

*B.N.T.*  
विष्वनाथ तिवारी / Bishwanath Tiwari  
सenior Executive Officer / Senior Executive Officer  
जनशालनालय / Disciplinary Directorate  
भारतीय सनदी लेखाकार संस्थान  
The Institute of Chartered Accountants of India  
आई.सी.ए.आई. भवन, सी-१, सेक्टर-१, नोएडा-२०१३०१ (ग.ग.)  
(CAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.))

**CONFIDENTIAL**

**DISCIPLINARY COMMITTEE [BENCH – II (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/422/2021/DD/15/2022/DC/1911/2024]

**In the matter of:**

Shri Manoj Laljibhai Baldha,  
A904, Haridwar Hills,  
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...Respondent

**MEMBERS PRESENT (in person):**

CA. Charanjot Singh Nanda, Presiding Officer  
CMA Chandra Wadhwa, Government Nominee  
CA. Mahesh Shah, Government Nominee  
CA. Pramod Jain, Member  
CA. Ravi Kumar Patwa, Member

Date of Final Hearing: 02<sup>nd</sup> December 2025

**PARTIES PRESENT** (through video conferencing):

Complainant: Shri Manoj Laljibhai Baldha  
Authorized Representative of the Complainant: Shri Aman Shrotriya  
Authorized Representative of the Respondent: CA. Deepak Shah

**1. BACKGROUND OF THE CASE:**

- 1.1 The Complainant stated that he bought 24 lacs shares (10% shareholding) at Rs.10 per share in M/s Akshar Spintex Private Limited (herein referred to as the “Company”) from Ms. Nipaben Vikas Sorathiya in 2016 and also paid Rs.2.4 Crore towards consideration. The Respondent firm was statutory auditor of the Company for the financial year 2016-17 and the Respondent was the signing partner. AOC-4 for the said financial year 2016-17 was certified by another partner of the Respondent firm.
- 1.2 The Complainant further stated that he was duly shown as shareholder of the Company in its financials for the year ended 31<sup>st</sup> March, 2017 audited by the Respondent and also under the heading ‘Shareholding Pattern’ of AOC-4 filed by the Company on MCA portal on 07.11.2017 certified by the other partner of the Respondent firm. However, the Company while filing its MGT-7 (Annual Return) on 03-01-2018 for the financial year ended 31.03.2017 did not show the name of the Complainant as shareholder of the Company certified by another professional. Further, another AOC-4 certified by the Respondent himself on 17.01.2018 was submitted on MCA Portal with revised shareholding pattern wherein the Complainant was not shown as shareholder of the Company.

**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.	A forged AOC-4 was filed on 23rd January 2018 by the Respondent, where the name of the Complainant was deleted from the list of shareholders without the knowledge and consent of the Complainant and without obtaining prior permission from the Hon’ble NCLT which is mandatory under Section 131 of the Companies Act, 2013 which specifies the requirement of revising financial statements.	Guilty	Item (7) of Part-I of the Second Schedule

**3. THE RELEVANT ISSUES DISCUSSED IN THE PRIMA FACIE OPINION DATED 08<sup>TH</sup> JULY 2024 FORMULATED BY THE DIRECTOR (DISCIPLINE) IN THE MATTER IN BRIEF, ARE GIVEN BELOW: -**

**3.1 With respect to charge that the Respondent certified Revised AOC-4 on 17<sup>th</sup> January 2018 filed on 23<sup>rd</sup> January 2018 which was already filed on 07<sup>th</sup> November 2017 without complying with the conditions stipulated under section 131 of Companies Act, 2013 wherein the name of the Complainant was removed from the list of Shareholders in the revised Form AOC-4:**

- 3.1.1 It is matter of fact that the Complainant was mentioned as holder of 24 Lakhs shares being 10% of the total share capital of the Company in its balance sheet as on 31-03-2017 audited and signed by the Respondent on 10-05-2017 and also in XBRL Financial Statement submitted along with AOC – 4 XBRL (Form for filing XBRL Financial Statement) submitted by Company on ROC portal on 07-11-2017 certified by CA. Hardik Kalaria, an another partner of Respondent Firm. The said shares are noted issued during the year 2016-17 (on 09-10-2016) to the Complainant and the seller is noted to be his sister Ms. Nipaben Sorathiya and the Company is a family driven company. It is also a matter of fact that after approximate 2 months of filing aforementioned AOC-4 XBRL, an another AOC-4 XBRL along with XBRL Financial Statements for the same financial year ended as on 31-03-2017, was submitted to ROC portal on 17-01-2018 certified by Respondent wherein there was certain changes in shareholding pattern from that of as stated in earlier XBRL financials of same F.Y. 2016-17 submitted on 07-11-2017 wherein the name of the Complainant was altogether missing from shareholders list. The Complainant has referred this change made by the Company in its XBRL Financial Statements for the year ended 31-03-2017 as voluntary revision of Financials as defined in Section 131 of the Companies Act, 2013 however, the revision is alleged as made without the complying with the requirement of such Section-131 of obtaining prior approval of NCLT for any such revision.
- 3.1.2 It is further an admitted fact that the Company in violation of above provision had not taken any approval of NCLT to effect the revision in its shareholding pattern shown in its Balance sheet for the year ended 31-03-2017.
- 3.1.3 It is observed that the financials of the Company for the year ended 31-03-2017 were already audited and signed on 10-05-2017 which were already adopted in its AGM held on 30-09-2017 and in accordance with Section-137 of the Companies Act, 2013 were already submitted to ROC portal on 07-11-2017. Therefore, any changes made in such financials in respect of change in shareholding pattern and that too with regard to 10% of the total share capital is viewed as revision in the financials to which the Company as well as the Respondent has contended as typographical error in AOC-4 XBRL. Moreover, the Notes to Accounts are considered as an important and inseparable part of financial statements of any company and as such any revision in any part of Notes to Account would tantamount as revision in financial statement. Thereby, it is further viewed that the Company was required to take a prior approval of NCLT in accordance with the provisions of Section 131 of the Companies Act, 2013. The Respondent's responsibility while filing revised AOC-4 XBRL increased manifold due to the facts that he was the statutory auditor and had audited

and signed the financials with 10 % shareholding of Complainant in the company while his other partner had certified AOC-4 XBRL to submit such financials on ROC portal. Therefore, he was completely aware that the AOC-4 XBRL he was certifying and submitting on ROC portal was not merely a revised AOC-4 XBRL rather it was in the nature of revised Financial Statements for which the provisions of Section 131 were to be complied with by Company. The contention of the Respondent thus that the matter of ownership of those 24 lakh shares was sub judice before two forums and the contention that the revised AOC -4 XBRL was not the case of revision in Financials is not acceptable at this stage.

- 3.1.4 It is further apparent that there was change in dates of board meetings too as given in Board's Report and Section 131 along with any revision in financials also specifically includes revisions in Board Report's too and thus, the Company has not only revised its financials in terms of shareholding pattern rather in terms of dates of its board meeting too.
- 3.1.5 The Respondent while certifying such revised AOC-4 has given the declaration that he had gone through the provisions of Companies Act,2013 and the Rules made thereunder for the subject matter of the form and matters incidental thereto and had verified the particulars (including attachment) from the original/certified records maintained by the Company and found them to be true correct and complete which however, is not the case and the provisions of Section 131 have been violated by the Company. Therefore, the Respondent is viewed as grossly negligent while certifying AOC-4 XBRL and submitting it on ROC portal on 17-01-2018 along with the Financial Statements of the Company as on 31-03-2017 which were not in compliance with the provisions of Section 131 of the Companies Act,2013.
- 3.2 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, states as under:

**"Item (7) of Part I of the Second Schedule:**

*A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he—*

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

- 3.2 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee at its meeting held on 18<sup>th</sup> September 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 the 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	Date
1.	Date of Complaint in Form 'I' filed by the Complainant	8 <sup>th</sup> January 2022
2.	Date of Written Statement filed by the Respondent	28 <sup>th</sup> February 2022
3.	Date of Rejoinder filed by the Complainant	29 <sup>th</sup> March 2022
4.	Date of Prima Facie Opinion Formed by Director (Discipline)	08 <sup>th</sup> July 2024
5.	Written Submissions by the Respondent after Prima Facie Opinion	21 <sup>st</sup> November 2024, 29 <sup>th</sup> November 2025
6.	Written Submissions filed by the Complainant after Prima Facie Opinion	4 <sup>th</sup> December 2024, 25 <sup>th</sup> November 2025

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

- 5.1 The Respondent vide letter dated 21<sup>st</sup> November 2024 and 29<sup>th</sup> November 2025, inter-alia, submitted as under: -

- a) The complaint is infructuous because the Complainant's claim to be a shareholder of the alleged Company had already been decided by the National Company Law Tribunal (NCLT), which had held that the Complainant was not a shareholder of Akshar and that only the registered person, namely Ms. Nipaben Vikasbhai Sorathia, was the shareholder from whom the Complainant is alleged to have purchased the shares. By an Order dated June 27, 2024, the Hon'ble NCLT Ahmedabad Bench had adjudicated the issue of shareholding between Nipaben and the Complainant, wherein the Complainant was the appellant and Nipaben was Respondent no. 6. In paragraph 12 of that Order, the Tribunal recorded that the share transfer Form had not been duly executed and stamped and had therefore been returned to Respondent no. 6 for proper execution, which had not occurred again due to mutual understanding between Respondent no. 6 and the appellant that the applicant had paid consideration to Respondent no. 6 amounting to ₹2,40,00,000/- on June 29, 2016 and that, during the pendency of the application, Respondent no. 6 had sold 24,99,500 shares in the stock market on different dates in demat form. In paragraph 13 of the Order, the Tribunal directed that the amount realized from the sale of 24,99,500 shares about ₹9,38,65,707.63 be paid by Respondent no. 6 to the appellant within 15 days from the date of pronouncement of the Order, and that the remaining 500 shares be restored to the appellant by Respondent no. 6 within the same period.

(A)

- b) The Order of the competent Court demonstrated that the Complainant had never been a shareholder in the alleged Company at any point, even though consideration had been paid. The Complainant could not simultaneously claim to be a shareholder and seek the sale proceeds of those shares. In view of the Tribunal's findings, the omission of the Complainant's name from the list of shareholders as certified in AOC-4 could not be questioned.
- c) The Complainant was aware that he had not been shown as a shareholder because the requisite stamp duty had not been paid on the share transfer Form and that there had been an understanding that a properly executed share transfer Form was not re-executed due to mutual understanding between the original shareholder and the Complainant.
- d) The Complainant had not disclosed these facts in his complaint, and that they became known only through the NCLT's Order, even though they had always been within the Complainant's knowledge.
- e) Thus, the non-inclusion of the Complainant as a shareholder was not negligence rather, it was a correct depiction of the facts as per the record, a position the Respondent said was fortified by the NCLT's order.
- f) A balance sheet did not show any person as a shareholder and only presented total share capital. The AOC-4 submitted by the company on November 7, 2017 had not been signed by him.
- g) Section 131 of the Companies Act, 2013 commences with the preamble "Revision of Financial Statement or Board's Report.". Filing another Form AOC-4 was neither a financial statement nor a Board's report and thus the section did not apply. Since section 131 of the Companies Act, 2013 did not apply, there was no need to seek the NCLT's approval.
- h) The shareholding details appeared only in Form AOC-4 and that the Form AOC-4 he had signed did not show the Complainant as a shareholder because the shares had not been transferred.
- i) With respect to the observation that the dates of board meetings were shown differently in two different Form AOC-4 filings, which allegedly amounted to a change in the Board's report requiring NCLT approval under section 131, the Respondent stated that no mistake had been shown in the Form AOC-4 filed by him. Even the showing of different board meeting dates in two Form AOC-4s had not been a charge raised by the Complainant. In any case, differing board meeting dates did not amount to a revision of the Board's report.
- j) The MCA had never raised any objection regarding the filing of two different AOC-4 Forms or concerning non-compliance with section 131 of the Companies Act, 2013.

- k) Filing a corrected Form AOC-4 had been in accordance with the company's records and that rectifying an earlier mistake committed by another person by showing the true position did not amount to gross negligence.
- l) It is settled law that every mistake is not "negligence," much less "gross negligence" within the meaning of clause (7) of Part I of the Second Schedule to the Chartered Accountants Act 1949.
- m) The Form AOC-4 dated 07.11.2017 relied upon by the Complainant was not signed by the Respondent, and therefore no liability can be attributed to him for the same.

**6. Written Submissions filed by the Complainant:**

- 6.1 The Complainant vide letter dated 4<sup>th</sup> December 2024 and 25<sup>th</sup> November 2025, inter-alia, submitted as under:
- a) Upon filing an RTI with the ROC, it was revealed that certain documents allegedly submitted by the Respondent were never actually filed, proving that the filings were created solely to give an appearance of compliance for submission in NCLT hearings and to request the cancellation of permissions. Despite certifying these documents as true, correct, and complete, the Complainant contended that the Respondent failed to exercise due diligence or verify the authenticity of the information.
  - b) A detailed review of the Register of Members, MGT Forms, Form AOC-4 filings, and the prospectus revealed widespread discrepancies in allotment and transfer dates, illogical chronological sequences, missing entries, out-of-order certificate numbers, and conflicts across multiple documents. Numerous instances of backdating, future-dating, omission of transfers, and manipulation of total shares and shareholders were identified, reflecting a systematic attempt by the Respondent and the company to misrepresent the company's shareholding structure. Folio numbers, share transfers, and membership cessations, as recorded in the Register of Members, were inconsistent with MGT-7 filings, AOC-4 forms, and the prospectus.
  - c) The Respondent was responsible for the creation and submission of forged audit reports, including a hybrid forged audit report that combined genuine and falsified details from the original audit report and forged Form AOC-4 filings. The Respondent manipulated shareholding details, board meeting dates, and financial statements to align with the forged Form AOC-4, indicating deliberate intent to mislead regulators, shareholders, and stakeholders.
  - d) The Respondent also engaged in forgery of directors' signatures in multiple statutory filings, including MGT-14, MGT-7, and MGT-8 forms, where image (PNG) signatures of directors were reused without authorization. Form No. 5 was allegedly filed without proper board authorization, and the board meeting and EOGM minutes were inconsistent, raising serious concerns of forgery. Form 20B filed by the Respondent contained the original shareholding pattern, proving that the Respondent was aware of the accurate details but participated in falsifying records to benefit the company's conversion into a public limited entity and its subsequent IPO.

- e) The Respondent failed to report or address discrepancies in the Register of Directors and Key Managerial Personnel Shareholding, including inconsistent cumulative balances, missing transaction dates, forged dematerialization dates, fraudulent removal of directors' shareholdings, and undisclosed considerations for equity allotments.
- f) The audit reports and directors' reports for FY 2014-15, FY 2017-18, and other years contained inconsistencies in opening share balances, share transfers, and other statutory disclosures, conflicting with the prospectus and statutory filings. These inconsistencies demonstrate deliberate manipulation of records by the Respondent.

## 7. **BRIEF FACTS OF THE PROCEEDINGS:**

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

S.No.	Particulars	Date of Meeting(s)	Status
1.	1 <sup>st</sup> Hearing	16 <sup>th</sup> December 2024	Part heard and adjourned
2.	2 <sup>nd</sup> Hearing	19 <sup>th</sup> November 2025	Part Heard and adjourned
3.	3 <sup>rd</sup> Hearing	02 <sup>nd</sup> December 2025	Case Concluded and Decision taken on the conduct of the Respondent.

- 7.1.1 During the hearing held in the case on 16<sup>th</sup> December 2024, the Complainant and the Respondent along with his Counsel were present before the Committee through Video Conferencing. Thereafter, the Complainant and Respondent were administered on Oath. The Committee enquired from the Respondent as to whether he was aware of the charge(s) alleged against him to which he replied in the affirmative. However, he pleaded Not Guilty to the charge(s) levelled against him. The Committee, looking into the fact that this was the first hearing, decided to adjourn the hearing in the case to a future date. With this, the hearing in the case was part heard and adjourned.
- 7.1.2 Thereafter, on the day of hearing held in the case on 19<sup>th</sup> November 2025, the Committee noted that the Complainant along with his Counsel and the Counsel for the Respondent were present before it through videoconferencing. On account of change in the constitution of the Committee since the last hearing held in the case on 16<sup>th</sup> December 2024, on being given an option of de-novo, the Counsel for the Complainant and Respondent affirmed to continue with the proceedings in the case. Thus, on being asked by the Committee to substantiate their case, the Counsel for the Complainant inter-alia, submitted that the Complainant nearly four years of legal proceedings recognized as the original owner of the shares by the NCLT. Ms. Nipaben sold 23,99,500 shares in market during the appeal, keeping only 500 shares with her. Consequently, the NCLT ordered the rectification of the shareholder register to include these 500 shares in the name of Complainant as the original owner of the shares and instructed Ms. Nipaben to compensate with sale proceed

of 23,99,500 shares sold by her. The Counsel for the Respondent submitted that financials statements do not show anyone as a shareholder rather it shows only total share capital. Any change in the shareholding is not shown in the financial statement. Therefore, there is no change in such financial statement requiring approval u/s 131 of the Companies Act 2013. The shareholding is shown only in Form AOC- 4, which is signed by the Respondent. The Complainant was not shown as shareholder due to fact that shares were not transferred to the Complainant. Rather, the Complainant was aware of such refusal of transfer as admitted by him before NCLT and only because of same, he became entitled to sale proceeds of such shares. The matter was finalized by NCLT on 27.06.2024 which was made available to ICAI on 28.06.2024 and the Prima Facie Opinion was signed on 8<sup>th</sup> July 2024 by Director (Discipline).

- 7.1.3 On consideration of the submissions made by the Counsel for the Complainant and the Respondent, the Committee directed the Complainant to provide necessary documents in support of his charge(s), to the extent not shared earlier, within 7 days. With this, the hearing in the case was part heard and adjourned.
- 7.1.4 Thereafter, on the day of hearing held in the case on 02<sup>nd</sup> December 2025, the Committee noted that the Complainant along with his authorised representative and the Counsel for the Respondent were present before it through Video Conferencing. The Committee further noted that since the last hearing held in the case on 19th November 2025, the Complainant vide email dated 25th November 2025 provided his response. The Respondent also vide email dated 1st December 2025 made his submissions. Thereafter, on consideration of the submissions made by the parties to the case, the Committee posed certain questions to them which were responded by them. Thereafter, the Committee, 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, decided to conclude the hearing in the case.

#### **8. FINDINGS OF THE COMMITTEE:** -

- 8.1 At the outset, the Committee noted that the sole charge with respect to which the conduct of the Respondent had been examined by it is as under:
  - a) The Respondent certified Form AOC-4 XBRL with respect to the alleged Company on 17<sup>th</sup> January 2018 which was filed on 23<sup>rd</sup> January 2018 whereas the same was already filed on 07<sup>th</sup> November 2017 without obtaining the prior approval of the Hon'ble NCLT as required under Section 131 of the Companies Act, 2013 wherein the name of the Complainant was removed from the list of Shareholders in the revised Form AOC-4 XBRL.
- 8.2 The Committee further noted that the Respondent was the Statutory Auditor of the Company for the FY 2016-2017. He also certified the Form AOC-4 XBRL with respect to the alleged Company on 17<sup>th</sup> January 2018 which was already filed on 07<sup>th</sup> November 2017 certified by a different professional.

- 8.3 The Committee further took into view the following chronology of events that took place in the instant case:

Date / Period	Particulars
3 <sup>rd</sup> October 2016	Share Transfer Form (for transfer of shares in favour of the Complainant) alongwith original share certificate submitted to the Company by Ms. Nipaben
12 <sup>th</sup> October 2016	Company informed Ms. Nipaben to submit the revised Share Transfer Form
10 <sup>th</sup> May 2017	Statutory Audit Report for the Company issued by the Respondent wherein the name of the Complainant was shown in the Notes to Accounts as one of the shareholders holding more than 5 % of the aggregate share capital of the Company
30 <sup>th</sup> September 2017	Financial Statements adopted in AGM
07 <sup>th</sup> November 2017	Original Form AOC-4 XBRL filed wherein the Complainant was shown as 10% shareholder (24,00,000 shares) as a part of promoters' shareholding
8 <sup>th</sup> December 2017	Alleged Board Resolution claiming approval to "rectify" Form AOC-4 XBRL
8 <sup>th</sup> December 2017	Alleged intimation to ROC regarding cancellation of earlier AOC 4 XBRL
12 <sup>th</sup> December 2017	Affidavit by 2 directors of the Company stating that information regarding shareholding of more than 5 % in Form AOC-4 XBRL is incorrect which was attached to the alleged intimation dated 8 <sup>th</sup> December 2017 to ROC regarding cancellation of earlier Form AOC-4 XBRL
3 <sup>rd</sup> January 2018	Form MGT 7 filed – Complainant's shareholding as a director reduced to zero
23 <sup>rd</sup> January 2018	Revised Form AOC-4 XBRL certified by the Respondent filed wherein Complainant's 10% shareholding as a part of promoters' shareholding removed
27 <sup>th</sup> June 2024	NCLT Order passed in Appeal filed under Sec 59(1) of the Companies Act 2013 for rectification of Register of members of the Company wherein amount realised on the sale of 2,99,500/- shares was to be paid to the Complainant and 500 shares were to be restored to him
7 <sup>th</sup> November 2024	500 shares of the alleged Company credited to the Demat account of the Complainant

- 8.4 The Committee on perusal of the audited Financial Statement of the Company for the FY 2016-17 noted that the following had been stated in the Notes annexed to and forming part of the Financial Statements of the Company:

Akshar Spintex Private Limited				
Notes Annexed to and Forming Part of Financial Statements as at 31 <sup>st</sup> March, 2017				
Details of Shareholders holding more than 5% of the Aggregate Share Capital of the Company:				
		FY 2016-17		FY 2015-16
Name	No. of Shares	% of Total	No. of Shares	% of Total
Amit Vallabhbhai Gadhiya	14,20,100	5.92%	17,70,100	7.38%
Ashokbhai S. Bhalala	16,80,000	7.00%	16,80,000	7.00%
Manojbhai Laljibhai Baldha	24,00,000	10.00%		0.00%
Nipaben Vikashbhai Sorathiya		0.00%	27,05,273	11.27%
Pareshbhai Sukanbhai Bhalala	15,90,000	6.63%	15,90,000	6.63%
Ilaben Dineshbhai Paghdar	19,07,273	7.95%		0.00%
Pravinbhai Shukanbhai Bhalala	16,30,000	6.79%	16,30,000	6.79%
Rajdeep Mansukhlal Patel	14,34,000	5.98%	14,34,000	5.98%
Rekhaben Harikrishna Chauhan	24,00,000	10.00%	24,00,000	10.00%
Sonal Prakashkumar Sorathla	24,12,727	10.05%	24,12,727	10.05%

8.5 The Committee further noted the requirements of Section 131 of Companies Act, 2013 which states as under-

*"131. Voluntary revision of financial statements or Board's report.—*

- (1) If it appears to the directors of a company that—*  
*(a) the financial statement of the company; or*  
*(b) the report of the Board,*

*do not comply with the provisions of section 129 or section 134 they may prepare revised financial statement or a revised report in respect of any of the three preceding financial years after obtaining approval of the Tribunal on an application made by the company in such form and manner as may be prescribed and a copy of the order passed by the Tribunal shall be filed with the Registrar:*

*Provided that the Tribunal shall give notice to the Central Government and the Income-tax authorities and shall take into consideration the representations, if any, made by that Government or the authorities before passing any order under this section:*

*Provided further that such revised financial statement or report shall not be prepared or filed more than once in a financial year:*

*Provided also that the detailed reasons for revision of such financial statement or report shall also be disclosed in the Board's report in the relevant financial year in which such revision is being made.*

*(2) Where copies of the previous financial statement or report have been sent out to members or delivered to the Registrar or laid before the company in general meeting, the revisions must be confined to—*

*(a)the correction in respect of which the previous financial statement or report do not comply with the provisions of section 129 or section 134; and*

*(b)the making of any necessary consequential alteration.*

*(3) The Central Government may make rules as to the application of the provisions of this Act in relation to revised financial statement or a revised director's report and such rules may, in particular—*

*(a)make different provisions according to which the previous financial statement or report are replaced or are supplemented by a document indicating the corrections to be made;*

*(b)make provisions with respect to the functions of the company's auditor in relation to the revised financial statement or report;*

*(c)require the directors to take such steps as may be prescribed."*

- 8.6 The Committee also noted that every company needs to file its financial statements, including consolidated financial statement and mandatory attachments, within the prescribed time limit as per section 137 of the Companies Act, 2013 and the same is done by filing Form AOC-4. Thus, the particulars in Form AOC 4 are basically a mirror reflection of the particulars in the Financial Statements.
- 8.7 The Committee also noted that the filing of Form AOC-4 XBRL is a straight through process which means as soon as the Form is filed after payment of the required fee, the respective Form gets auto-approved and the status of Annual filling of the Company gets auto-updated on its MCA Master data. However, Form AOC 4 XBRL is processed through Non-STP mode if the revised financial statements are filed or filing leads to reduction in the share capital of the Company.
- 8.8 The Committee on perusal of the original Form AOC-4 XBRL filed with respect to the alleged Company on 07.11.2017 noted that the same reflected that the Complainant held 24,00,000 shares (10%) in the Company while the revised Form AOC-4 XBRL certified by the Respondent and filed on 23.01.2018 did not show the name of the Complainant as a shareholder and altered several other shareholdings as follows:

S.No.	Shareholder Name	Original AOC-4 (07.11.2017) (%age Change in the Shareholding during the year)	Revised AOC-4 (23.01.2018) (%age Change in the Shareholding during the year)	Observations
1	Amit Vallabhbhai Gadhya	-1.46%	0.21%	Shareholding altered
2	Rajdeep Mansukhbhai Patel	0	- 5.98%	Removed
3	Ilaben Dineshbhai Paghdar	7.95%	6.68%	Reduced
4	<u>Manojbhai</u> <u>Laljibhai</u> <u>Baldha</u> <u>(Complainant)</u>	<u>10%</u>	<u>Name removed</u>	<u>Removal of name of Complainant from Statutory Records</u>
5	Nipaben Sorathiya	0	11.27 %	Insertion of the old Shareholder name from whom the Complainant bought the Shares.

- 8.9 The Committee noted that it is the defence of the Respondent that on account of certain clerical mistakes, there had only been a change in the shareholding pattern and not revision of Financial Statements requiring compliance with the provisions of Section 131 of Companies Act, 2013. For the said purpose, he relied upon the notarised Affidavits dated 12.12.2017 of the two directors of the Company which were attached to a letter dated 08.12.2017, allegedly intimating the ROC regarding cancellation of earlier AOC 4 XBRL which was practically not possible as a document of a subsequent date cannot be an attachment to a document of a current date.
- 8.10 The Committee further observed that apart from the variation in the shareholding of certain members, there had been a change in the date(s) of Board meeting also as specified in the Form AOC-4 filed on 7<sup>th</sup> November 2017 vis-à-vis filed on 23<sup>rd</sup> January 2018 as certified by the Respondent, thereby modifying the Board's Report, as shown below:

Month/ Year	Date of Board Meeting mentioned in Form AOC-4 filed on 7 <sup>th</sup> November 2017	Date of Board Meetings mentioned in revised Form AOC-4 filed on 23 <sup>rd</sup> January 2018 certified by the Respondent
April 2016	09 <sup>th</sup> April 2016 13 <sup>th</sup> April 2016	09 <sup>th</sup> April 2016 13 <sup>th</sup> April 2016 28 <sup>th</sup> April 2016
May 2016	13 <sup>th</sup> May 2016	-
June 2016	-	06 <sup>th</sup> June 2016 25 <sup>th</sup> June 2016
July 2016	-	16 <sup>th</sup> July 2016
Aug 2016	20 <sup>th</sup> August 2016	16 <sup>th</sup> August 2016
Oct, 2016	09 <sup>th</sup> October 2016 12 <sup>th</sup> October 2016 20 <sup>th</sup> October 2016	12 <sup>th</sup> October 2016 20 <sup>th</sup> October 2016
Nov 2016	08 <sup>th</sup> November 2016 16 <sup>th</sup> November 2016	08 <sup>th</sup> November 2016 16 <sup>th</sup> November 2016
Jan 2017	-	17 <sup>th</sup> January 2017
Feb 2017	22 <sup>nd</sup> February 2017	22 <sup>nd</sup> February 2017
<b>Total Board Meetings held</b>	<b>10</b>	<b>13</b>

- 8.11 The Committee also observed that the Form AOC-4 XBRL filed on 07.11.2017 continues to remain an approved filing on the MCA portal, and there is no material on record to indicate that the said filing was ever cancelled through the prescribed manual SRN-cancellation process administered by the concerned ROC. Infact, the Complainant brought on record a communication dated 8<sup>th</sup> July 2024 from the CIO, Asst ROC, Gujarat, in response to his RTI application wherein it has been stated that the alleged letter dated 8<sup>th</sup> December 2017 related to defective SRN of Form AOC 4 XBRL vide SRN no. G60487790 has not been traced.
- 8.12 Thus, the Committee noted that the Respondent filed a revised Form AOC-4 XBRL on 23.01.2018 even though the original Form AOC-4 XBRL had already been filed on 07.11.2017, and that the revised filing contained several changes in the shareholding pattern and Board's report attached to the financial statement amounting to revision of Financial Statements or Board's Report without obtaining prior approval from the Hon'ble NCLT as mandated under Section 131 of the Companies Act, 2013 for voluntary revision of Financial Statements or Board's Report.

- 8.13 Further, the Committee on perusal of the Form AOC-4 XBRL certified by the Respondent noted the said Form had been digitally signed by the director Ms. Ilaben Dineshbhai Paghdar with the following declaration:

*"I am authorized by the Board of Directors of the Company vide resolution number 2 dated 17.01.2018 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect dated of the subject matter of this form and matters incidental thereto have been compiled with."*

However, as per MCA records Resolution No. 2 dated 17.01.2018 pertained to the appointment of Mr. Rameshbhai Ravjibhai Chavda as an independent director and not authorising Ms. Ilaben Dineshbhai Paghdar to sign the said Form.

- 8.14 The Committee also noted that the Company Secretary of the alleged Company, had already been held guilty by the Disciplinary Committee of ICSI for the following charge vide its Findings issued on 29<sup>th</sup> Feb 2024 on the following observations:

**Charge:**

*"The Complainant has alleged that the Respondent has filed form MGT-7 for M/s. Akshar Spintex Private Limited for the financial year 2016-17 on 03<sup>rd</sup> January, 2018, wherein she deliberately removed the name of the Complainant from the shareholding of the company. Later, forged AOC-4 was filed, where the name of the Complainant was deleted from the list of shareholders without the knowledge and consent of the Complainant and without obtaining prior permission from the Hon'ble NCLT which is mandatory under Section 131 of the Companies Act, 2013. The Complainant further stated that the Respondent in form MGT-8 has mentioned at point No. 14 (wrongly mentioned as point No. 18 in the complaint) that the company does not require to obtain any approval or permission from the Tribunal, despite knowing the fact that for any revisions in financial statements and Boards' Report of the company, prior approval of the Hon'ble NCLT is mandatory."*

**Observation:**

*"The Disciplinary Committee has observed that the Respondent has certified form MGT-7 and issued form MGT-8 of the company for the FY 2016-17. The Disciplinary Committee has further observed that the Respondent in her written statement to the *prima facie* opinion of the Director (Discipline) dated nil has admitted her guilt and stated to take lenient view for the errors done by her while certifying the forms (MGT-7 and MGT-8) of the company as the error is more of a clerical/typographical in nature."*

- 8.15 Thus, the Committee held that it is a settled law that Notes to Accounts form an integral and inseparable part of the financial statements, and any change made therein, including changes relating to shareholding disclosure, squarely fall within the scope of revision of financial statements and therefore attract the provisions of Section 131 of the Companies Act, 2013. The revised Form AOC-4 XBRL filed by the Respondent was not on account of a clerical correction but a revision of the financial statements and the Board's Report, mandating prior approval under Section 131 of the Companies Act, 2013.

- 8.16 Based on the submissions and documents on record, the Committee held that the Respondent's act of certifying a revised Form AOC-4 XBRL without ensuring compliance of the provisions of Sec 131 of the Companies Act 2013, amounts to Professional Misconduct falling within the meaning of Item (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 as he did not exercise the required due diligence before certifying the said revised Form AOC-4 XBRL.
- 8.17 Accordingly, the Committee 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.

**9. 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
Para 2 as above	Para 8.1 to 8.16 as above	Guilty- Item (7) of Part I of the Second Schedule

10. 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/-  
**(CMA. CHANDRA WADHWA)**  
 (GOVERNMENT NOMINEE)

Sd/-  
**(CA. MAHESH SHAH)**  
 (GOVERNMENT NOMINEE)

Sd/-  
**(CA. PRAMOD JAIN)**  
 (MEMBER)

DATE: 06.02.2026  
 PLACE: NEW DELHI

Sd/-  
**(CA. RAVI KUMAR PATWA)**  
 (MEMBER)

नीलम पुंडिर / Neelam Pundir  
 वरिष्ठ कार्यालयी अधिकारी / Sr. Executive Officer  
 अनुशासनात्मक नियंत्रणात्मक / Disciplinary Directorate  
 भारतीय चन्द्री लेखाकार संस्थान  
 The Institute of Chartered Accountants of India  
 आई.सी.ए.आई. भवन, सी-१, सेक्टर-१, नोएडा-२०१३०१ (उ.प्र.)  
 ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)