



भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

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

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

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

File No.: [PR/285/2018-DD/283/2018-DC/1602/2022]

In the matter of:

Shri Sudhanshu Aggarwal

Unit No. 1001, Milenium Plaza Tower-B,

Sector 27,

Gurgaon – 122002

..... Complainant

Versus

CA. Tarun Kumar Khanna (M. No. 092002)

91, Green Avenue,

Lane No. 4,

Extn. 1A, Trikuta Nagar

Jammu Tawi – 180003

..... Respondent

MEMBERS PRESENT:

1. CA. Prasanna Kumar D, Presiding Officer (In person)
2. Adv. Vijay Jhalani, Government Nominee (In person)
3. CA. Mangesh P. Kinare, Member (In person)
4. CA. Satish Kumar Gupta, Member (Through VC)

DATE OF HEARING: 26th December 2025

DATE OF ORDER: 11th February 2026

1. That vide Findings dated 08th November 2025 under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Disciplinary Committee was inter-alia of the opinion that **CA. Tarun Kumar Khanna (M. No. 092002)** (hereinafter referred to as the **Respondent**) is **GUILTY** of



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Professional and Other Misconduct falling within the meaning of Items (9) of Part-I of First Schedule, Item (2) of Part-IV of First Schedule and Item (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949.

2. That pursuant to the said Findings, an action under Section 21B (3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and a communication was addressed to him thereby granting an opportunity of being heard in person/ through video conferencing and to make representation before the Committee on 26th December 2025.

3. The Committee noted that on the day of final hearing held on 26th December 2025, the Respondent was present through video conferencing. During the hearing, the Respondent made verbal submissions and also referred to the written representation dated 22nd December 2025 submitted by him on the Findings of the Committee. The Committee noted the verbal and written representation of the Respondent dated 22nd December 2025 on the Findings of the Committee, which, inter alia, are given as under: -

- The Committee failed to consider the apparent evidence presented by the Respondent proving conspiracy played by the company management together with V Marwah & Co., Chartered Accountants, to create a false story of appointment of Ms. Gagandeep Kirandeep & Co as auditors on 30th September 2015 and their resignation on 23rd June 2016, to implicate the Respondent in this case.
- The Committee wrongly accepted that V. Marwah & Co. were not the previous auditors, despite the fact that V. Marwah & Co. had expressly confirmed that they were the previous auditors and had issued No Objection to the Respondent.
- The Committee failed to consider that the second set of financial statements for FY 2015–16 attested by CA. Vikas Marwah also have the signatures of the company management, confirming their responsibility for the figures, contained in the financial statements signed and provided to the Respondent for attestation.
- There is no evidence on record establishing that the Respondent was responsible for or involved in subsequent changes in the accounts after attestation.



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Respondent showed inflated fixed assets, Turnover and profits compared to subsequent audit done by CA. Vikas Marwah for the same financial year and submitted to ROC. Hence, the Professional and Other Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 08th November 2025 which is to be read in consonance with the instant Order being passed in the case.

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

9. Thus, the Committee upon considering the seriousness of charges and the gravity of the matter, ordered that the Respondent i.e. CA. Tarun Kumar Khanna (M. No. 092002), be REPRIMANDED, removed his name from the Register of Members for a period of three (03) months and also imposed a fine of Rs. 25,000/- (Rupees twenty-five thousand only) upon him which shall be paid within a period of 60 (sixty) days from the date of receipt of the order.

Sd/-

(CA. PRASANNA KUMAR D)
PRESIDING OFFICER

Sd/-

(ADV VIJAY JHALANI)
GOVERNMENT NOMINEE

Sd/-

(CA. MANGESH P. KINARE)
MEMBER

Sd/-

(CA. SATISH KUMAR GUPTA)

MEMBER

सत्यप्रति होने के लिए प्रमाणित / Certified to be True Copy

Anju Grover

अंजू ग्रोवर / Anju Grover

सहायक सचिव / Assistant Secretary

अनुशासनमक निदेशालय / Disciplinary Directorate

भारतीय सनदी लेखाकार संस्थान

The Institute of Chartered Accountants of India
आई.सी.ए.आई. भवन, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

CONFIDENTIAL

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

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

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

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In the matter of:

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...Respondent

MEMBERS PRESENT:

CA. Prasanna Kumar D, Presiding Officer (in person)

Adv. Vijay Jhalani, Government Nominee (in person)

CA. Mangesh P Kinare, Member (in person)

CA. Satish Kumar Gupta, Member (in person)

DATE OF FINAL HEARING: 30th September 2025

PARTIES PRESENT:

Complainant : Shri Sudhanshu Aggarwal (in person)

Counsel for complainant : Adv. Dhruv Suri (in person)

Respondent : CA. Tarun Kumar Khanna (thru VC)

Counsel for Respondent : CA. C.V. Sajan (thru VC)





1. **Background of the Case:**

- 1.1. The Complainant, being the Director in M/s Amritanshu Infrastructure & Management Private Limited, has alleged certain fraud, negligence and manipulations committed by M/s Beigh Construction Company Private Limited (hereinafter referred to as the 'company') and M/s IRCON International Limited in the allotment of tender wherein IRCON allegedly allotted the tender to Mr Imran Beigh, Managing Director of the Company without proper verification of the technical and financial qualifications of the bidder.
- 1.2 The Complainant has also alleged that Mr Imran Beigh had forged the financial statements of the Company for the FY 2015-16 wherein as per records of ROC, CA. Vikas Marwah (M. No. 097215) was the auditor of the Company but the balance sheet which was submitted by the Company to IRCON was audited by the Respondent.

2. **Charge(s) in brief:**

- 2.1. The Respondent had accepted the position of auditor of the Company for the FY 2015-16 without complying the requirement of Section 225 of the Companies Act 1956 (Section 140 of Companies Act 2013) and also failed to exercise due diligence and was grossly negligent in the conduct of his professional duties.

3. **The relevant issues discussed in the Prima Facie Opinion dated 24th March 2021 Formulated by the Director (Discipline) in the matter, in brief, are given below:**

- 3.1. On perusal of documents on record, it was noted that the Complainant had submitted the copy of financial statements of the Company for the FY 2015-16 which has been alleged to be falsely audited by the Respondent along with the copy of audit report issued by him. The Complainant has also submitted the copy of financial statements of the Company for the same period i.e. FY 2015-16 which has also been audited by CA. Vikas Marwah (M. No. 097215) along with the copy of audit report issued by him. Similarly, the Complainant has also submitted the copy of Form 3CB & 3CD of 'AIMPL BCC JV' along with its audited financial statements for the FYs 2013-14 and 2014-15 which were audited by CA. Vikas Marwah and are stated to be submitted to ROC. The Complainant has also submitted the copy of Form 3CB & 3CD of 'AIMPL BCC JV'

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along with its audited financial statements for the FYs 2013-14 and 2014-15 which were audited by the Respondent but were not submitted to ROC. In this regard, the Respondent has submitted the copy of letter dated 20.12.2015 to prove that the required previous communication was done by him with CA. Vikas Marwah in respect of his appointment as the auditor of the Company of the FY 2015-16. The Respondent has also submitted the copy of letter dated 25.12.2015 in his defence to prove that 'No Objection' was received from CA. Vikas Marwah in respect of Respondent's appointment as an auditor of the Company for the FY 2015-16. The Respondent has also submitted the copy of his appointment letter dated 17.12.2015 received from the Company and copy of resolution passed in the meeting of Board of Directors of the Company held on 17.12.2015 in respect of his appointment as the auditor of the Company for the FY 2015-16. Along with the aforesaid documents, the Respondent has also submitted the copy of his audit working papers in his defence to prove that the audit of financial statements of Company for the FY 2015-16 was actually conducted by him. Though the Respondent has submitted the aforesaid documents to prove that the audit of the Company for the FY 2015-16 was conducted by him, however, no such documents, which have been submitted by the Respondent to the Disciplinary Directorate, had been submitted to ROC/uploaded on MCA-21 portal. In this regard, the Complainant has also submitted the copy of Form ADT-1 in respect of appointment of CA. Vikas Marwah as the Statutory Auditor of the Company for the FY 2015-16 along with the copy of appointment letter and the consent received from him which was submitted to ROC / uploaded on MCA-21 portal. Also, the copy of financial statements of the Company for the FY 2015-16, which had been audited by CA. Vikas Marwah, had only been submitted to ROC / uploaded on MCA-21 portal by the Company.

- 3.2. The Complainant has also submitted the copy of appointment letter and consent dated 03.09.2014 received from 'M/s Gagandeep Kirandeep & Co.', Chartered Accountants in respect of their appointment as the Statutory Auditors of the Company for the FY 2014-15. The Complainant has further submitted the copy of Form ADT-1 and ADT-3 to prove that initially, M/s Gagandeep Kirandeep & Co. was also appointed as the Statutory Auditors of the Company for five financial years i.e. 2015-16 to 2019-20, however, later on, they resigned as the Company's Auditors for the said period. The Complainant has also submitted the resignation letter given by M/s Gagandeep

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Kirandeep & Co. From the copy of Form ADT-3 and resignation letter supra, it is noted that M/s Gagandeep Kirandeep & Co. had resigned as Statutory Auditor of the Company on 23.06.2016. Further, from the copy of ADT-1 and appointment letter submitted to ROC by the Company in respect of appointment of CA. Vikas Marwah, it is noted that he was appointed as the Auditor of the Company for the FY 2015-16 on 14.07.2016 after the resignation given by M/s Gagandeep Kirandeep & Co. as stated supra. However, the Respondent has submitted the copy of his appointment letter and board resolution dated 17.12.2015, copy of letter dated 20.12.2015 through which the communication with the previous auditor has been stated to be done by the Respondent and copy of letter dated 25.12.2015 through which the Respondent received the response / No Objection from the previous auditor as stated by him. In such case where the previous auditors i.e. M/s Gagandeep Kirandeep & Co. had themselves resigned only on 23.06.2016, the appointment of the Respondent as the Statutory Auditors of the Company for the FY 2015-16 w.e.f. 17.12.2015 is not possible. Thus, it also raises a doubt on the authenticity of the documents submitted by the Respondent in his defence.

- 3.3. On further inspection of Company's documents from MCA-21 portal, it is also noted that the Company had appointed M/s Musamji & Patel, Chartered Accountants as its Statutory Auditors for the FY 2016-17. In this regard, the Company has submitted the copy of resolution passed at its Extra Ordinary General Meeting held on 19.08.2017 in respect of appointment of M/s Musamji & Patel, Chartered Accountants as its Statutory Auditors, which reads as under:

"APPOINTMENT OF M/s. MUSAMJI & PATEL, CHARTERED ACCOUNTANTS, STATUTORY AUDITOR:

RESOLVED THAT in accordance with Section 139(8) of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), M/s. Musamji & Patel, Chartered Accountants (Membership No. 130010W), Mumbai, be and are hereby appointed as Statutory Auditors of the Company for the FY 2016-17 to fill up the casual vacancy caused by the resignation of M/s. V. Marwah & Co., Chartered Accountants (Membership No. 016436N), Mumbai and shall hold the office from the conclusion of this meeting until the conclusion of the ensuing Annual General Meeting, on such

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remuneration to be fixed by any of the Directors of the Company in consultation with them." (emphasis added)

3.4. Thus, from the above, it is amply clear that new auditors of the Company for the FY 2016-17 were appointed only after the resignation given by CA. Vikas Marwah which once again raises a doubt on the authenticity of the documents submitted by the Respondent in his defence. Thus, it appears that the Respondent had conducted the audit of the financial statements of the Company for the FY 2015-16 and issued his audit report on the same only in collusion with the management / Directors of the Company to enable the Company to procure the tender.

3.5. The copy of board resolution dated 17.12.2015 which has been submitted on record by the Respondent in respect of his appointment as the Statutory Auditor of the Company for the FY 2015-16, reads as under:

"Copy of Resolution passed in Board of Directors meeting held on 17th Dec 2015 at Regd. Office: 01 Chirag Colony, Bhatendi Morh, Jammu.

*Chairman of the meeting informed the board that **our auditors M/s V Marwah & Co has informed that they may not be available for audit of our balance sheet and other financial statements for the financial year 2015-16 and company may be needing services of another auditor for the purpose of audit as there may be urgency due to requirement of audited financial statements required for filing of Government tenders. He further informed that M/s Tarun Khanna & Co, Chartered Accountants, Jammu has given his consent for audit of financial statements....."***
(emphasis added)

3.6. Though the above Board resolution has referred the name of M/s V Marwah & Co. as the Company's Auditors, however, it is noted that M/s V Marwah & Co. were appointed as the Auditors of the Company for the FY 2015-16 w.e.f. 14.07.2016 only and M/s Gagandeep Kirandeep & Co. were the Auditors of the Company as on the date of above board resolution i.e. 17.12.2015. Thus, it is amply clear that the Respondent had failed to ensure the compliance of the provisions of Section 140 of Companies Act 2013 in respect of his appointment as the Statutory Auditor of the Company for the FY 2015-16. Had the Respondent ensured the compliance of Section 140 of the Companies Act 2013, he would have known that the details of previous auditors given

in the board resolution were not correct. Thus, the Respondent is *prima facie* Guilty of Professional Misconduct falling within the meaning of Item (9) of Part-I of First Schedule to the Chartered Accountants Act, 1949.

- 3.7. In this regard, it may further be stated that principle of professional behaviour given in Code of Ethics imposes an obligation on professional accountants to comply with relevant laws and regulations of the law as well as the profession and avoid any action that may bring discredit to the profession. The professional accountants should act in a manner consistent with the reputation of the profession and refrain from any conduct which might bring disrepute to the profession. It is viewed that the involvement of the Respondent in issuing the forged audit report and falsely auditing the financial statements of the Company for the FY 2015-16 as per the wishes/desires of the management of the Company is likely to create a wrong impression and might tend to lower the image of the profession in the eyes of public. As such, the alleged act of the Respondent for issuing the forged audit report on the financial statements of the Company for the FY 2015-16 is highly condemnable and such an act also renders him *prima facie* Guilty of 'Other Misconduct' falling within the meaning of Item (2) of Part-IV of First Schedule to the Chartered Accountants Act, 1949.
- 3.8. As regards **Second Allegation** of Respondent's failure to exercise due diligence and gross negligence in the conduct of his professional duties, the Complainant has submitted the copy of comparative statement wherein a comparison of the figures of various heads of financial statement submitted to ROC which were audited by CA. Vikas Marwah and financial statements submitted to IRCON which were audited by the Respondent for the FY 2015-16 have been made and various discrepancies have been informed wherein some figures/heads have either not been reported by the Respondent or wrongly reported by him. In this regard, the comparison of various line items/heads as disclosed in Balance Sheets and Statement of Profit & Loss for the year ending on 31.03.2016 which were audited by the Respondent and by CA. Vikas Marwah, has also been carried out as under:

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Particulars	Amount (As per the Balance Sheet and Statement of P&L, audited by the Respondent) (C-15 to C-16)	Amount (As per the Balance Sheet and Statement of P&L, audited by the CA. Vikas Marwah) (C-33 to C-40)
Share Capital	30,00,000.00	30,00,000.00
Reserve & Surplus	3,87,11,416.26	3,00,68,677.07
Long Term Borrowings	38,72,701.00	34,22,701.00
Trade Payables	15,58,85,929.12	14,23,58,706.00
Other Current Liabilities	13,07,82,527.00	1,63,38,644.00
Short Term Provisions	1,54,07,480.17	1,05,84,100.00
Fixed Assets – Tangible	12,97,24,494.00	69,47,519.00
Capital Work in Progress	-	4,35,000.00
Non-Current Investments	3,59,28,004.07	2,96,49,928.07
Long Term Loans & Advances	1,72,00,000.00	-
Inventory	40,50,000.00	70,00,000.00
Trade Receivables	10,05,68,528.00	8,69,93,275.12
Cash & Cash Equivalents	91,49,947.88	92,12,533.88
Short Term Loans & Advances	5,01,41,216.00	2,97,79,762.00
Other Current Assets	8,97,863.61	3,57,54,810.00
Revenue from Operations	65,18,04,342.57	48,32,11,827.57
Other Income	2,86,423.00	5,25,644.00
Total Expenses	60,75,70,762.50	45,31,33,001.87
Profit after Tax	2,91,12,522.89	2,04,69,783.70

From the above, it is noted that the Respondent has reported/disclosed the excess / increased net profit of Rs. 86,42,739/- in the financial statements of the Company for the FY 2015-16 along with variations in amounts of other heads of income/expense/assets/liabilities. It is further noted that while the financial statements audited by CA Vikas Marwah has disclosed the total amount of 'Tangible Fixed Assets' as Rs. 69.47 lakhs only, the financial statements audited by the Respondent has disclosed the same as Rs. 12.97 crores. Thus, a large variation has been seen in the disclosure of Tangible Fixed Assets in both financial statements. In this regard, the Respondent has failed to submit any submission or documentary evidences in his defence. It is pertinent to mention here that though the Respondent has submitted the copy of his audit working papers, but those audit working papers are proving that the Respondent has certainly conducted the audit of the Company for the FY 2015-16 but the Respondent has not submitted anything to prove that financial statements had

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reported/disclosed the correct figures. Further, it has already been viewed in above paragraphs that the Respondent had issued the forged audit report and had falsely audited the financial statements of the Company for the FY 2015-16. Thus, in the extant matter, in the absence of documents submitted on record by the Respondent, it is viewed that the Respondent is *prima facie* Guilty of 'Professional Misconduct' falling within the meaning of Item (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949.

3.9. Thus, taking an overall view of facts / evidences on record and in terms of reasoning as above, I am of the opinion that in respect of the allegations made out in the instant complaint, the Respondent is *prima facie* **GUILTY** of Professional & 'Other' Misconduct falling within the meaning of Item (9) of Part-I of First Schedule, Item (2) of Part-IV of First Schedule and Item (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949. The said items of the Schedule to the Act, states as under:

Item (9) of Part I of the First Schedule:

"A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct if he:

x x x x x
(9) accepts an appointment as auditor of a company without first ascertaining from it whether the requirements of section 225 of the Companies Act, 1956 in respect of such appointment have been duly complied with".

Item (2) of Part IV of the First Schedule:

"A member of the Institute, whether in practice or not, shall be deemed to be guilty of other misconduct, if he:

x x x x x
(2) in the opinion of the Council, brings disrepute to the profession or the Institute as a result of his action whether or not related to his professional work."

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:

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

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3.10. The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 10th August 2022. The Committee on consideration of the same, concurred with the reasons given against the charges and thus, agreed with the prima facie opinion of the Director (Discipline) that the Respondent is Prima Facie **GUILTY** of Professional and Other Misconduct falling within the meaning of Item (9) of Part-I of First Schedule, Item (2) of Part-IV of First Schedule and 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:**

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	05 th September 2018
2.	Date of Written Statement filed by the Respondent	27 th October 2018
3.	Date of Rejoinder filed by the Complainant	19 th November 2018
4.	Date of Prima Facie Opinion Formed by Director (Discipline)	24 th March 2021
5.	Written Submissions filed by the Respondent after PFO	29 th October 2022, 25 th September 2025
6.	Written Submissions filed by the Complainant after PFO	24 th September 2025

5. **Written submissions filed by the Respondent: -**

5.1. The Respondent vide letter dated 29th October 2022 inter-alia, made the submissions which are given as under:-

- (i) The Company had informed the Respondent that the previous auditor was CA Vikas Marwah, Partner of M/s V Marwah & Co., who would not be available, and accordingly, the Respondent was appointed.

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- (ii) The Respondent obtained NOC from CA Vikas Marwah, which was also furnished with the aforesaid reply. It is questionable how CA Vikas Marwah issued such NOC if he was in fact the previous auditor of the Company, as in that case he ought to have declined the request immediately upon receipt.
- (iii) Subsequently, vide ICAI communication dated 03.10.2018, it was revealed that the Company had filed with ROC and Income Tax authorities a balance sheet for FY 2015–16 audited by CA Vikas Marwah with certain adjustments in the heads of income, expenses, assets, and liabilities.
- (iv) Upon enquiry, the Company explained that as CA Vikas Marwah was available later, the financial statements were re-audited by him and filed accordingly, while no filing was made with ROC regarding the Respondent's appointment.
- (v) The appointment letter dated 14.07.2016 issued to M/s V Marwah & Co. produced by the complainant indicates a Board Meeting on 14.07.2016; however, Form MGT-7 filed with ROC evidences that no such Board Meeting was held on that date.
- (vi) The Respondent had duly audited the financial statements of the Company for FY 2015–16 as produced, examined the books of account, and maintained working papers, which have already been submitted.
- (vii) It later transpired that the financial statements given to the Respondent for audit were originally received by the Company from the email of CA Vikas Marwah dated 06.04.2016. A copy of the said email and attachments has been enclosed.
- (viii) This establishes that the Company subsequently altered/adjusted its books of account after the Respondent's audit and procured a second audit from M/s V Marwah & Co.
- (ix) Any adjustments or changes in the accounts were effected by the Company itself and not by the Respondent.
- (x) The Company has been engaged in financial and business disputes since 2016, with cross-complaints filed by both parties before the Crime Branch, Jammu.

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- (xi) Multiple litigations are pending before the Hon'ble High Court of Jammu & Kashmir, including CRM(M) No.354/2021, CrIM No.1139/2021, and CrIM No.1140/2021. The allegations raised in the present complaint are also interconnected with the said disputes and litigations.

5.2. The Respondent vide letter dated 25th September 2025 inter-alia, made the submissions which are given as under:

- i. The Respondent was appointed as the auditor of Beigh Construction Company Private Limited for FY 2015-16 through a resolution passed by the company's Board of Directors on December 17, 2015. The appointment was made due to a casual vacancy created when the previous auditors, M/s V Marwah & Co, expressed their inability to conduct the audit for FY 2015-16, citing urgency for audited financial statements required for government tenders.
- ii. The ADT-1 form and associated appointment letter for Gagandeep Kirandeep & Co were signed by the same director, Shri Imran Beigh, but were filed with the Registrar of Companies (RoC) on September 19, 2016, with late fees, suggesting backdating and manipulation of records.
- iii. The Respondent sought a "No Objection Certificate" (NoC) from M/s V Marwah & Co on December 20, 2015, which was promptly issued on December 25, 2015. Based on the NoC and the records provided by the company, the Respondent believed that M/s V Marwah & Co was the previous auditor and accepted the appointment without suspicion.
- iv. The Respondent argued that the company management, led by Shri Imran Beigh, colluded with M/s V Marwah & Co to manipulate records and present fabricated accounts to the Respondent for audit.
- v. The Respondent claimed that he was misled by the company management and was a victim of conspiracy, rather than a participant in any wrongdoing.
- vi. The Respondent asserted that he complied with Sections 139 and 140 of the Companies Act, 2013, regarding the validity of his appointment as auditor. He argued that any violations of these sections were due to subsequent manipulative acts by the company management and should not be attributed to him.
- vii. The Respondent acknowledged variations between the financial statements audited by him and those audited by M/s V Marwah & Co but attributed these

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discrepancies to the manipulated accounts presented by the company management. He emphasized that the audit was conducted based on the trust that the management had prepared truthful accounts, as required under the Companies Act, 2013, and auditing standards.

- viii. He maintained that he did not knowingly act against the dignity of the CA profession and that his actions were in compliance with professional standards. The Respondent also provided details of the NoC issued by M/s V Marwah & Co and the trial balance presented by the company management during the audit.

6. **Written submissions filed by the Complainant: -**

The Complainant vide letter dated 24th September 2025 inter-alia, made the submissions which are given as under:-

- (i) The appointment letters issued to CA Tarun Khanna are clearly fabricated as an afterthought by the Company and CA Tarun Khanna to present a defence. As per Clause 9 to Part I of the First Schedule, a Chartered Accountant in practice shall be deemed to be guilty of professional misconduct if he accepts an appointment as auditor of a company without first ascertaining from it whether the requirements of Section 225 of the Companies Act, 1956 in respect of such appointment have been duly complied with.
- (ii) As per Section 225 of the Companies Act, CA Tarun Khanna should have been duly appointed as an auditor by the Board of Beigh Construction Company Pvt. Ltd. However, as per the attached ADT-1 and ADT-3 of the said company available from the Registrar of Companies, the following were the appointed statutory auditors for the respective financial years, i.e. for FY 2014–15, Gagandeep Kirandeep & Co. gave consent dated 03.09.2014 and was appointed in the AGM on 30.09.2014, and the same was confirmed in the letter issued by the Company dated 30.09.2014. For FY 2015–16, Gagandeep Kirandeep & Co. gave consent on 02.09.2015 and was reappointed in the AGM on 30.09.2015, with confirmation provided in the Board Resolution and letter dated 30.09.2015. On 23.06.2016, Gagandeep Kirandeep & Co. resigned due to "preoccupation in other assignments," and the Board appointed CA Vikas Marwah & Co., who gave their consent to be appointed as auditors on 25.06.2016. BCC confirmed this appointment by letter dated 14.07.2016. From the

above, it is evident that since M/s Gagandeep Kirandeep & Co. resigned only on 23.06.2016, the appointment of the Respondent as the Statutory Auditor of the Company for FY 2015–16 with effect from 17.12.2015 was not possible.

- (iii) The explanation provided by the Respondent makes it clear that the letters allegedly exchanged between CA Tarun Khanna and CA Vikas Marwah were fabricated as an afterthought to create an illusion of defence. A simple verification through the ROC/MCA portal would have revealed that M/s Gagandeep Kirandeep & Co. was still the auditor of the Company at the time these letters were exchanged
- (iv) The claim that the Respondent learned of his appointment as auditor only on 03.10.2018 is denied as misleading and false. The Respondent was fully aware of the circumstances and acted as a co-conspirator with Mr. Imran Beigh of Beigh Construction Company Pvt. Ltd. to obtain financial gains from IRCON International Ltd. ("IRCON") by submitting forged balance sheets. This is further substantiated by the fact that if the Respondent genuinely believed he remained the Company's auditor, he would have raised objections or made communications to the Company regarding the non-filing of returns and other statutory compliances for FY 2015–16 well before 03.10.2018, which is more than two years after the due dates. Additionally, CA Vikas Marwah never sought a No Objection Certificate (NOC) from CA Tarun Khanna when being reappointed as the Company's auditor.
- (v) The contention in reply to point 1.4 is false and misleading, as already addressed above. The lapses on the part of the Company with respect to compliance under the Companies Act have no bearing on or connection with the fraudulent activities of the Respondent.
- (vi) With regard to the balance sheet of Beigh Construction Company Pvt. Ltd. for the financial year 2015–16, the Respondent's claims are denied as false and misleading. The Respondent did not conduct any audit of Beigh Construction Company Pvt. Ltd. or AIMPL BCC JV. The financials of BCCPL for FY 2015–16 submitted to IRCON were received by Mr. Imran Beigh via email on 06.04.2016, and CA Tarun Khanna signed and authenticated them with the date 09.04.2016 without conducting any audit. This is further evidenced by the fact that CA Tarun Khanna also signed two other balance sheets of AIMPL BCC JV for FY 2013–14, backdated 28.09.2014, and for FY 2014–

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15, backdated 27.09.2015, both of which were attached in the same email dated 06.04.2016 and were submitted to IRCON for tender procurement.

- (vii) If the balance sheets of BCC for FY 2015–16 had indeed been signed based on an audit conducted by CA Tarun Khanna, it is inexplicable how the same email contained balance sheets for two previous financial years bearing his signature. The authenticity of the appointment and the audit has already been addressed in the above paragraphs and is not repeated here for brevity.
- (viii) One of the primary causes of the disputes and litigations between Beigh Construction Company Pvt. Ltd. and Amritanshu Infrastructure & Management Pvt. Ltd. (AIMPL) is the fraudulent balance sheets of AIMPL BCC JV and Beigh Construction Company Pvt. Ltd. signed by CA Tarun Khanna, which were used to obtain the tender from IRCON International Ltd. The complainant, upon discovering this fraud, filed an RTI with IRCON on 30.11.2016 and subsequently received the relevant documents as per the CIC Order dated 16.07.2018. These documents were submitted along with the original complaint. The frivolous Complaint/FIR No. 20-2018 filed by Imran Beigh before the Crime Branch, Jammu, was "Not Admitted," a copy of which is enclosed as Annex A-2. However, in Complaint/FIR No. 21-2021 filed against Mr. Imran Beigh, the Crime Branch, Jammu, submitted a Status Report dated 28.11.2023 in CRM(M) No. 354/2021 before the Hon'ble High Court of Jammu & Kashmir, wherein they also confirmed the forgery of balance sheets at Point No. 30. A copy of the report is enclosed as Annex A-3. Furthermore, in FIR No. 168-2019 filed by the Complainant with the Economic Offences Wing (EOW), Delhi, a charge sheet has been filed against the Respondent and others for the offence of balance sheet forgery. A copy of the same is enclosed as Annex A-4.

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

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

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Particulars	Date of meeting(s)	Status
1 st Hearing	5 th June 2023	Part heard and adjourned.
2 nd Hearing	30 th September 2025	Hearing concluded and decision taken

- 7.2 On the day of hearing on 5th June 2023, the Committee noted that the Complainant was present in person and appeared before it. The Counsel for the Complainant and Respondent along-with his Counsel were present through video conferencing mode. Thereafter, they gave a declaration that there was nobody present except them from where they were appearing and that they would neither record nor store the proceedings of the Committee in any form. Being first hearing of the case, the Complainant and the Respondent were put on oath. Thereafter, the Committee enquired from the Respondent as to whether he was aware of the charges and charges against the Respondent were read out. On the same the Respondent replied in the affirmative and pleaded Not Guilty to the charges levelled against him. In view of Rule 18 (9) of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Committee adjourned the case to later date. With this, the case was part heard and adjourned.
- 7.3 On the day of final hearing held on 30th September 2025, the Committee noted that the Complainant and Respondent alongwith their counsels were present. The Committee enquired from the Respondent since the composition of the Committee had changed subsequent to the last hearing held on 05/06/2023 in this case, whether he wished to have a de-novo hearing or may continue from the stage it was last heard. The Counsel submitted that the proceedings in the instant matter(s) be continued from the stage these were last heard.
- 7.4 The Committee requested the parties to make their submissions. The Complainant alleged that the Respondent failed to ensure compliance with Section 139 and 140 of the Companies Act during his appointment as an auditor. The Respondent argued that he relied on the company's Board resolution and a No Objection Certificate (NOC) from the previous auditor, Mr. Vikas Marwa, which was physically delivered. The Complainant questioned the authenticity of the NOC, citing the absence of an email trail and acknowledgment of receipt. The Complainant emphasized that the

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Respondent failed to verify the filing of ADT-1 and ADT-3 forms, which are mandatory under the Companies Act, and did not ensure proper compliance before accepting the appointment. The Respondent admitted to not investigating the non-filing of these forms but argued that he acted in good faith based on the company's explanation and did not suspect any fraudulent intent at the time.

- 7.5 The Complainant further alleged that the Respondent colluded with the company's director, Mr. Imran Baig, to manipulate financial statements for the purpose of obtaining a tender. The Respondent denied the allegations, claiming he was a victim of a conspiracy between Mr. Imran Baig and the previous auditor, Mr. Vikas Marwa. The Complainant countered that the Respondent failed to conduct independent verification and blindly relied on the company's documents, which is against the professional standards expected of a statutory auditor.
- 7.6 The Complainant then argued that the Respondent did not exercise due diligence while auditing the financial statements, as evidenced by discrepancies in the tangible fixed assets and profit figures between the Respondent's audit and the subsequent audit conducted by Mr. Vikas Marwa. The Respondent admitted that his audit lacked deeper analysis. However, he argued that the management is responsible for the financial statements and that he acted without suspecting fraud. He maintained that the discrepancies were due to fraudulent actions by the company's management and Mr. Vikas Marwa, which he was unable to detect at the time.
- 7.7 Based on the documents/material and information available on record and the oral and written submissions made by the parties, and on consideration of the facts of the case, the Committee concluded the hearing in subject matter and took the decision on the conduct of the Respondent.

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

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

- 8.1 The Committee noted that the following charges against the Respondent in respect of which the Respondent has been prima facie held guilty by Director (Discipline):-

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- (i) The Respondent had accepted the position of auditor of the Company for the FY 2015-16 without complying the requirement of Section 225 of the Companies Act 1956 (Section 140 of Companies Act 2013).
- (ii) Respondent's failure to exercise due diligence and gross negligence in the conduct of his professional duties.

8.2 The Committee noted that the first allegation related to acceptance by the Respondent, of audit of Baig Constructions Company Private Limited for the financial year 2015-16 without complying with the provisions of appointment of auditor given in Companies Act, 2013.

8.3 The Committee noted that the Respondent for the F.Y.2015-16 was not appointed in Company's AGM (which as per MCA records, took place on 30-09-2015) rather he was appointed in a Board meeting held on 17-12-2015 for the reason of unavailability of auditor (M/s V Marwah & Co) as evident from the appointment letter dated 17-12-2015 and Board's Resolution of even date available on record. Therefore, Respondent's appointment appeared to be made in casual vacancy owing to the non-availability of the auditor. Accordingly, it was noted by the Committee that in compliance with the applicable provision of Section 139(8), the Respondent's appointment subsequent to such Board resolution was also required to be ratified by the members in their General Meeting within three months of the Board Meeting. Besides, in accordance with the provisions of Section 139 and Section 140 read with Rules, the submissions of ADT-1 (for appointment of M/s V Marwah & Co and Respondent) and ADT-3 forms (for resignation of M/s V Marwah & Co) were also required to be updated by the Company within 30 days of such changes on MCA-21 portal.

8.4 In contrast to the above statutory provision for appointment, the Committee noted the admission of the Respondent that his appointment made by the Board on 17-12-2015 as statutory auditor for the F.Y.2015-16, was never ratified in the general meeting of the Company and on the date of his appointment, no statutory form (ADT-1 & ADT-3) in respect of appointment and resignation of M/s V Marwah & Co/CA Vikas Marwah was submitted by the Company on MCA-21 portal. The Committee confirmed the above stated facts from the MCA-21 portal and also noted the admission of

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Respondent that he did not obtain or even seen the resignation letter of M/s V Marwah & Co/CA Vikas Marwah and had relied upon the aforesaid appointment letter and Board resolution only. The Committee also noted that the Respondent had brought on record the copy of his communication letter dated 20-12-2015 made with CA Vikas Marwah before accepting his appointment as auditor and also the reply/NOC dated 25-12-2015 received from CA Vikas Marwah thereon and he issued his Audit Report for the F.Y.2015-16 on 09-04-2016. Thus, the Committee noted that though the Respondent was provided with copy of appointment letter and Board resolution by the Company for his appointment, but his appointment was neither ratified in the general meeting nor updated on MCA-21 portal by the Company. Still the company obtained the audited financials from the Respondent for the F.Y.2015-16 which was later on submitted to IRCON for allotment of tender to the Company as claimed by the Complainant.

- 8.5 The Committee noted the contention of the Complainant about the authenticity of the relied upon document of Respondent in respect of his appointment i.e. Respondent's Communication/NOC dated 20-12-2025 made with M/s V Marwah & Co/ CA Vikas Marwah and his (CA Vikas Marwah) reply dated 25-12-2025 thereon. The Complainant pointed out the absence of any email trail or acknowledgment of physical delivery of such letters.
- 8.6 In this regard the Committee noted the statement of Respondent that the aforementioned letters were delivered and collected back by his staff member physically on 25-12-2015 however, without obtaining any acknowledgment thereof. The Committee questioned the Respondent's statement of absence of any acknowledgment or email trail for the aforesaid communication/NOC, especially since the offices of the Respondent and CA Vikas Marwah were in different cities i.e. Jammu and Pathankot respectively. The Respondent however, failed to address the issue.
- 8.7 The Committee on referring to MCA-21 portal, further noted that though the Company through its Board resolution appointed Respondent on 17-12-2015 as its statutory auditor for the F.Y.2015-16, it had initially appointed M/s Gagandeep Kirandeep & Co/CA Gagandeep Singh as its statutory auditor w.e.f. 30-09-2015 in its AGM held on 30-09-2015 for the five years 2015-2020. M/s Gagandeep Kirandeep & Co/CA Gagandeep Singh resigned w.e.f.23-06-2016 and upon his resignation M/s V Marwah

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& Co./CA Vikas Marwah was appointed as its auditor w.e.f. 14-07-2016. Thus the Committee observed that on the date of appointment of Respondent i.e. on 17-12-2015, CA Vikas Marwah was not the auditor of the Company as claimed by the company in its Board resolution dated 17-12-2015 given to Respondent for his appointment. The Committee also noted that CA Vikas Marwah (after Respondent) had also issued his audit report on the financials for the F.Y. 2015-16 on 01-09-2016 which were filed on MCA-21 portal. However, the Committee noted that the necessary statutory forms (ADT-1 & ADT-3) in respect of these appointment of M/s V Marwah & Co./CA Vikas Marwah and resignation of M/s Gagandeep Kirandeep & Co/CA Gagandeep Singh were filed by the Company on MCA-21 portal only after the so called appointment of the Respondent on 17-12-2015 and even after the issuance of Audit Report by him on 09-04-2016.

8.8 The Committee thus observed that even before the above so called appointment of the Respondent, the Company for the same F.Y. 2015-16 appointed M/s Gagandeep Kirandeep & Co/CA Gagandeep Singh as its statutory auditor w.e.f. 30-09-2015, who resigned w.e.f. 23-06-2016 and then Company had then appointed M/s V Marwah & Co./CA Vikas Marwah as its statutory auditor in casual vacancy w.e.f. 14-07-2016. The Committee noted that all the statutory forms in respect of aforesaid appointments and resignation were submitted by the Company well after obtaining the Audit Report from the Respondent on 09-04-2016. Therefore, it is clear that the Company without complying with the provisions of Section 139 and Section 140 of the Companies Act, 2013, had wrongfully appointed Respondent as its statutory auditor w.e.f. 17-12-2015 and obtained the audited financial statements (for the F.Y. 2015-16) from the Respondent on 09-04-2016. This appointment as well as issuance of audited financials were made without intimating to ROC.

8.9 The Committee noted that the entire sequence of events viz appointment of the Respondent as statutory auditor on 17-12-2015 in place of CA. Vikas Marwah, who was not at all auditor on that date, the so called communication of the Respondent with CA. Vikas Marwah by hand delivery when both are situated in distant cities, submission of audited financials (for FY 2015-16) by the Respondent in record time on 09-04-2016 and above all not filing of Respondent's appointment with ROC but filing appointments/resignations of other CAs as auditors; gives rise to the suspicion

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about the entire conduct of the Company and Respondent in the matter. Accordingly, even if it is presumed that there is no connivance of the Company and Respondent in the entire matter, the Committee was of the view that the Respondent, before acceptance of the office of statutory auditor, was required to obtain/verify at least the resignation letter of M/s V Marwah & Co/CA Vikas Marwah and before issuing his audit Report was required to ensure the ratification of his appointment in the General Meeting of the Company. Therefore, the Committee concluded that the Respondent, in accordance with the provision of Item (9) of Part- I of the First Schedule to the Chartered Accountants Act,1949 before accepting the audit, was required to ensure that his appointment has been made in accordance with provisions of Section 139 and 140 of the Companies Act,2013.

8.10 The Committee noted the admission of the Respondent that he neither obtained any resignation letter of M/s V Marwah & Co/CA Vikas Marwah (which is a fundamental requirement for determining the existence of a casual vacancy) nor enquired from the Company about the submission of aforementioned statutory forms in respect of appointment of either of M/s V Marwah & Co/CA Vikas Marwah or in respect of his appointment. He merely relied upon the statement of Company's management and the Board's resolution dated 17-12-2015 that it was M/s V Marwah & Co/CA Vikas Marwah who were the previous auditor. The Committee further took note of the fact that the Respondent even did not bother to ensure the ratification of his appointment in Company's general meeting before signing his Audit Report for the F.Y. 2015-16 on 09-04-2016.

8.11 Thus, the Committee was of the view that mere Board's resolution and the appointment letter dated 17-12-2015 in the name of Respondent did not confirm his valid appointment in the Company in accordance with the aforementioned provisions of the Companies Act,2013. The Committee opined that the absence of a resignation letter and non-filing of ADT-1 and ADT-3 reflected procedural lapses that the Respondent should have identified and addressed the same before accepting the audit appointment and furthermore, he should have also ensured the ratification of his appointment in the general meeting before issuing his audit report for the F.Y. 2015-16.

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- 8.12 The Committee thus finds that the appointment of Respondent was in the violation of the provisions of Section-139 and 140 of the Companies Act, 2013 and it is evident that the Respondent had failed to ensure the compliance of these provisions before accepting his appointment as statutory auditor of the company for FY 2015-16. The Committee thus finds the Respondent **Guilty** of professional misconduct falling under clause (9) of Part I of the First schedule to the Chartered Accountants Act, 1949 for failure to ascertain compliance with Section 140 of the Companies Act before accepting the audit appointment.
- 8.13 Further, the Respondent has been prima facie held Guilty for his alleged act of issuing the forged audit report on the financial statements of the Company for the FY 2015-16. Besides the Respondent's failure of ensuring his valid appointment in accordance with the provisions of Companies Act, 2013, the Committee also noted the averment of the Complainant that the Respondent colluded with the company's Director, Mr. Imran Baig, to fabricate financial statements for tender purposes. As regards the aforesaid charge, the Committee further noted Complainant's submission that the figures of the Financials for the year ended 31-03-2016 particularly fixed assets and profits, were deliberately fabricated to meet the tender requirements of IRCON.
- 8.14 Further, the Committee also took note of the case filed by the Complainant with the Economic Offence Wing (EOW) on 19-08-2019 wherein the Respondent has been charge-sheeted on 25-08-2023 as accused. The said Charge Sheet mentions Respondent's admission during inquiry with regard to the conducting of audit of the Company to enable it to submit the audited financials for the purpose of tender. Besides, the Complainant has also put forth a Status Report dated 28-11-2023 filed by EOW in Hon'ble Court of Jammu & Kashmir where it is mentioned in its para 30 regarding the forgery of the Financial Statement as on 31-03-2016 by the Respondent in connivance with Sh. Imran Beigh, the director of the Company and using of inflated figures to procure the contract.
- 8.15 The Committee noted the submission of the Respondent that he denied collusion and argued that he was a victim of a conspiracy between the director of the Company Mr. Imran Baig and CA Vikas Marwah. The Committee, on overall consideration of the matter, observed the following:

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- (i) Respondent was not able to reasonably explain the reason for not having any acknowledgement of the communication with CA Vikas Marwah despite its physical delivery in different city.
- (ii) Respondent's failure to ensure the appointment and resignation of CA Vikas Marwah as statutory auditor for the year 2015-16 as claimed by management in Board resolution and his failure to ensure the ratification of his own appointment in general meeting.
- (iii) Respondent's failure to retain the Financials of the Company of 2014-15, which is claimed to have been audited by CA Vikas Marwah, which though as per the MCA - 21 portal have been audited by CA Gagandeep Singh.
- (iv) Respondent's failure to provide the any specific working paper in respect of independent verification of financial statements including assets and other inflated figures.
- (v) The reference of admission of the Respondent in the Charge Sheet of EOW, that he had conducted audit on urgent basis to enable the company to submit tender.
- (vi) Status Report dated 28-11-2023 filed by EOW with Hon'ble court of Jammu & Kashmir wherein the forgery of the Financial Statement as on 31-03-2016 by the Respondent in connivance with Sh. Imran Beigh, the director of the Company and using of inflated figures to procure the contract, is mentioned.

8.16 The Committee viewed that the above stated reasons were indicative of the complicit role of Respondent in the matter and he has not produced any concrete evidence to show that there was no collusion with the management to enable them to submit fabricated audited financials for the year ended 31-03-2016 for allotment of tender. The Committee viewed that this act of the Respondent is highly condemnable and such an act also renders him **Guilty** of 'Other misconduct' falling within the meaning of Item (2) of Part IV of First Schedule.

8.17 As regards the **second allegation** of Respondent's failure to exercise due diligence and gross negligence in the conduct of his professional duties, the Committee noted that the Complainant highlighted discrepancies in the audited financial statements of

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the Company for the year ended 31-03-2016, including inflated fixed assets and profits, and argued that the Respondent failed to conduct a thorough audit. The Complainant pointed out that the Respondent did not provide any documentary trail showing how he arrived at the figures he audited and certified in the financial statements for the year ended 31-03-2016. The Committee further noted that the Respondent admitted that his audit was not exhaustive however, argued that he did not suspect any fraudulent intent at the time. The Respondent stated that he relied on the financial statements provided by the company's management and conducted the audit to the best of his competence. The Respondent stated that the discrepancies were due to fraud perpetrated by the company's management, which he was not competent to detect.

- 8.18 The Committee noted that there were significant differences in the audited figures of financials certified by Respondent on 09-04-2016 and subsequently certified by CA Vikas Marwah on 01-09-2016 for the F.Y. 2015-16 as discussed in para 8.12 of the PFO. The audited financial statements signed by the Respondent showed inflated fixed assets, Turnover and profits compared to subsequent audit done by CA Vikas Marwah for the same financial year and submitted with ROC. The Committee noted a significant difference in the figures of tangible fixed assets which was reported as Rs.12.97 crores in comparison to the figure of Rs.69.47 lakhs reported by CA Vikas Marwah. Even the figure of fixed assets certified by Respondent (Rs.12.97 crores) was noted to be significantly different with that of previous year's figure which was only Rs.4.35 lacs
- 8.19 The Committee noted the argument of the Respondent that for the verification of the opening balance he relied upon the copy of the financial statements for the previous year ended on 31-03-2015 provided by Company's director which were audited by CA Vikas Marwah and that while conducting audit he exercised due diligence in verifying the figures and maintained various working papers.
- 8.20 Notwithstanding, the Committee also noted the audit for the F.Y.2014-15 as evident from ROC portal was not conducted by CA Vikas Marwah but CA Gagandeep Singh and moreover, the copy of financials audited by CA Vikas Marwah for the F.Y. 2014-15 and claimed to be relied upon by the Respondent to verify opening balances, has

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not been retained by the Respondent as working paper and produced on record. Further, while the Respondent in his defence has submitted the copy of his audit working papers, however, the Committee noted that he failed to submit any specific document or evidences to substantiate the substantial value of the fixed assets or to substantiate the value of revenue or expenses he audited and certified. Thus, the working papers submitted by the Respondent did not demonstrate a thorough examination of material aspects of the financial statements, and the absence of detailed analysis indicated lack of due diligence on the part of the Respondent. The Respondent argued that the discrepancies in his audit were due to fraud perpetrated by the company's management. The Committee, however, observed that as per SA 240 (Auditor's Responsibilities Relating to Fraud), owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the SAs. However, at the same time it was also noted that SA 240 also requires the auditors to exercise professional skepticism throughout the audit and recognizing the possibility that a material misstatement due to fraud could exist and accordingly design his audit procedures to detect material misstatements due to fraud.

- 8.21 The Committee noted that Respondent's appointment was not made in Company's AGM but in the middle of the year. In spite of this, at the time of Respondent's appointment there was no document available on MCA-21 portal in respect of appointment or resignation of CA Vikas Marwah as auditor of the company for the F.Y. 2015-16. The Committee further noted that the financial statements for the previous financial year 2014-15, were not submitted on MCA-21 portal till the date of issuance of audit report of Respondent for the F.Y.2015-16 and that the copy of Financials for such previous year (2014-15) though given to the Respondent for verification of opening balances, were said to be taken back by the management of the Company. Thus, the Committee was of the view that these circumstances which existed at the time of Respondent's appointment and conduct of audit should have raised suspicion of any possible malafide on the part of the management and the Respondent should have taken more care and caution while carrying out his professional responsibilities in accordance with SA 240. On the contrary, the Committee in fact found it interesting that in spite of all these issues the statutory audit for FY 2015-16 was completed by

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the Respondent in record time on 09-04-2016 i.e. within Nine days of the completion of the Financial Year.

8.22 Thus, considering all the aforementioned facts that existence of circumstances as stated above, the lack of relevant working papers to substantiate the material difference in the figures of financial statements for the year ended 31-03-2016 audited by Respondent with those financial statements for same period available on MCA-21 portal, the Committee viewed that the Respondent did not perform the audit of the Company for the F.Y. 2015-16 in accordance with the standards of auditing and was grossly negligent while carrying out the audit. The Committee thus finds that the Respondent is guilty of professional misconduct under clause (7) of Part I of Second Schedule.

8.23 Accordingly, in view of the above and based on the documents/material and information available on record and after considering the oral and written submissions made by the Respondent, the Committee was of the view that the Respondent is **GUILTY** of Professional & 'Other' Misconduct falling within the meaning of Item (9) of Part-I of First Schedule, Item (2) of Part-IV of First Schedule and Item (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949.

9. **Conclusion:**

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

Charges (as per PFO)	Findings	Decision of the Committee
Para 2.1 as above	Para 8.1 to 8.23 as given above	GUILTY - as per Item (9) of Part-I and Item (2) of Part-IV of First Schedule and Item (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949.

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

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

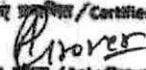
Sd/-
(Adv. VIJAY JHALANI)
GOVERNMENT NOMINEE

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

Sd/-
(CA. SATISH KUMAR GUPTA)
MEMBER

DATE : 08th November 2025

PLACE : Noida

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

अंजू गोस्वामी / Anju Goswami
सहायक सचिव / Assistant Secretary
अनुशासनमय विभाग / Disciplinary Directorate
भारतीय सशस्त्र लेखाकार संघ
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