

**BOARD OF DISCIPLINE**

(Constituted under Section 21A of the Chartered Accountants Act 1949)

**FINDINGS UNDER RULE 14 (9) READ WITH RULE 15 (2) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007**

**FILE No: PR/392/2021/DD/393/2021/BOD/822/2025**

**CORAM (PRESENT IN PERSON):**

**CA. Rajendra Kumar P, Presiding Officer**  
**Ms. Dolly Chakrabarty, IAAS (Retd.), Government Nominee**

**IN THE MATTER OF:**

**CA. Ajay Bhargava (M. No. 075456),**  
Flat No.1B, Harbans Apartment, 113/25-A, Swaroop Nagar,  
Kanpur.....**Complainant**

**Versus**

**CA. Vivek Beriwal (M. No. 410205)**  
F5, New Bhandari Building, 73 31 Coperganj,  
Kanpur..... **Respondent**

Date of Final Hearing : 01<sup>st</sup> September 2025  
Place of Final Hearing : ICAI Bhawan, Lucknow

**PARTIES PRESENT (IN PERSON):**

Complainant : CA. Ajay Bhargava  
Respondent : CA. Vivek Beriwal

**FINDINGS:**

**BACKGROUND OF THE CASE**

1. That the Respondent was admitted as a partner in M/s Bhargava Ajay & Associates (hereinafter referred to as the "Complainant Firm") with effect from 01<sup>st</sup> January 2015. However, owing to his unethical behaviour, all the partners of the Complainant Firm unanimously resolved to relieve him from the Firm with effect from 01<sup>st</sup> January 2019. Subsequently, and as asserted by the Complainant, the Respondent, without securing No Objection Certificate (NOC) from the Complainant Firm or its partners, undertook multiple audit assignments which were previously handled by the Complainant Firm.

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2. That as per the Complainant, the Respondent applied for the Multipurpose Empanelment Form (MEF) and, in this regard, demanded a sum of Rs. 5,00,000/- from the Complainant for withdrawing his name from the MEF, under the presumption that the Complainant Firm would be precluded from obtaining the bank audit.
3. That according to the Complainant, an amount of Rs. 3,17,302/- remains due and payable by the Respondent to the Complainant Firm, as per the audited financial statements of the Complainant Firm for the financial year ending on 31<sup>st</sup> March 2020.
4. That the Respondent, with malafide intent, secured the statutory audit assignment of one of the Complainant Firm's clients under his newly established firm, "M/s Beriwal Vivek & Associates" and further advised the said client to file backdated documents with the Registrar of Companies (ROC).

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**CHARGES ALLEGED:**

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5. That as per the provisions of Section 139 (1) of the Companies Act, 2013, the Company at its first AGM appoints an individual or a firm as an auditor who holds office from the conclusion of that meeting till the conclusion of its sixth AGM and thereafter, till the conclusion of every sixth meeting, but the Respondent signed the consent and certificate dated 04<sup>th</sup> September 2019 for appointment as auditor of 'Alveo Healthcare Private Limited' (hereinafter referred to as the "**Company**") on behalf of his Firm for five years and the Company had filed this consent certificate with ROC on 29<sup>th</sup> December 2020, meaning thereby, after relieving from the Complainant Firm, the Respondent had signed the backdated letter on 04<sup>th</sup> September 2019 for appointment as auditor in the Company.
6. The Respondent, though being removed from the Complainant Firm on 01<sup>st</sup> January 2019 had signed the financial statements for the year ending 31<sup>st</sup> March 2019 of the Company on 06<sup>th</sup> September 2019 in the name of the Complainant firm when he was not actually authorized to do so.
7. As per Balance Sheet of the Company as on 31<sup>st</sup> March 2017, the audit fee payable was shown as Rs. 1,50,000/- and in the year ending on 31<sup>st</sup> March 2018, the fee was shown as Rs. 50,000/-. Accordingly, the Complainant raised question as to how the fees was reduced and how the payment was made. The Complainant stated that Rs.1,50,000/-, which in his opinion, either was made by opening a new current account in the name and style of the Complainant firm, without the knowledge of the Complainant firm fraudulently or it was written off in the financials with the malafide intention. The Respondent's act was unethical and calls for disciplinary action. The Complainant further stated that the Respondent managed to obtain the audit fee from the Complainant Firm in his personal name and failed to refund such amount amounting to Rs. 1,50,000 (till 31<sup>st</sup> March 2017), Rs. 50,000/- (for 31<sup>st</sup> March 2018) and Rs. 10,000/- (for 31<sup>st</sup> March 2019). Thus, the total amount is Rs. 2,10,000/- plus Rs. 3,17,302/- due to the Complainant Firm.
8. That the Respondent has taken away with himself all the important records and relevant business documents without seeking the prior consent of all the remaining partners. Such an act by the Respondent is believed to be an act of theft on his part, which is not only against

the law, contravening its provisions but also hurts the sentiments of the remaining partners. Thus, the Respondent has willingly and knowingly committed an act of fraud by abusing his position and shaking the trust of the remaining partners.

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#### **BRIEF OF PROCEEDING HELD:**

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9. The details of the hearing fixed and held in the matter are given as under: -

<b>S. No.</b>	<b>Date of Hearing</b>	<b>Status of hearing</b>
1.	1 <sup>st</sup> September 2025	Matter Heard and Hearing Concluded

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#### **BRIEF SUBMISSIONS OF THE PARTIES:**

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##### **COMPLAINANT**

10. The Complainant, while reiterating his submissions made before the Director (Discipline), has raised several objections to the Prima Facie Opinion of the Director (Discipline) against the Respondent, as key facts and evidence crucial to the complaint have been omitted or overlooked. The Complainant highlighted that audit fees totalling ₹2,00,000 for two financial years (Rs. 1,50,000/- in 2016-17 and Rs. 50,000/- in 2017-18) remain unpaid to his firm, despite being falsely recorded as paid, and for FY 2018-19, Rs. 10,000/- remains unpaid.
11. The Complainant also submitted that the Respondent has failed to provide any evidence refuting the allegation of audit documentation removal. At all relevant times, the Respondent held partner-level access to firm records. The subsequent absence of essential documentation upon the Respondent's exit strongly supports the inference that such records were taken during his tenure. Although direct proof of removal is unavailable due to the nature of his access, the resulting prejudice to the firm, loss of records, and breach of trust are substantial and undeniable. Additionally, ICAI precedents have previously accepted such evidence in similar cases. The Complainant prayed accordingly.

##### **RESPONDENT**

12. The Respondent, while reiterating his submissions made before the Director (Discipline), submitted that Director (Discipline) holding him guilty based on withholding the audit working papers, engagement documents and audit documentation, which being the property of the audit firm, is on the base of SQC 1 and SA 230; for which the complainant has never accused him in his allegation(s). The allegation made by the Complainant is that the Respondent took away with himself (after retirement from the firm) all important records and relevant business documents, which are not specifically the audit working papers, engagement documents, and audit documentation. Therefore, the Respondent should not be held guilty for the allegation that has never been made. The view of the Director (Discipline) is simply on matters that are not present in the allegation.

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13. The Respondent further submitted that a few of the documents, which the Respondent believes are of a personal nature apart from the firm's property, are necessary to determine the dues. Non submission of any of such document again proves the malicious intent of the Complainant and the bogus nature of the allegation(s). The Respondent prayed accordingly.

**OBSERVATIONS OF THE BOARD:**

14. The Board confined its findings exclusively to the charge set out in Paragraph (8), after duly apprising the Respondent thereof because the allegations contained in Paragraphs (5), (6) and (7) were not pursued, as the Director (Discipline), in his Prima Facie Opinion dated 21<sup>st</sup> May 2025, had already absolved the Respondent in respect of those allegations. The Board of Discipline, while considering the said Prima Facie Opinion at its 341<sup>st</sup> meeting held on 29<sup>th</sup> June 2025, concurred with the reasoning contained therein. In consequence thereof, the Board resolved to initiate further proceedings only in respect of the charge specified in Paragraph (8), in accordance with the provisions of Chapter IV of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.
15. With respect to the allegation that the Respondent took away important records and relevant business documents without obtaining the prior consent of the remaining partners, the Complainant alleged that the Respondent removed documents of Alveo Healthcare Pvt. Ltd. and Signa Pharma Pvt. Ltd. for the period from 2016 to 2019.
16. Upon examination, the Board observed that, at the time of filing the complaint, the Complainant raised allegation solely in relation to the Company. During the hearing, the Respondent categorically stated that no documents were taken by him. In contrast, the Complainant failed to produce any evidence to substantiate the claim that the Respondent removed documents of the Company at the time of his departure from the Complainant firm. Accordingly, the Board found no basis to establish such removal of documents by the Respondent.
17. The Board further observed that the Respondent was fully aware that he would be accountable for any future disputes relating to the financial documents of the Company, if any, since he is the signatory to the balance sheets of the Company. Conversely, the Complainant's contention that the Complainant firm would be answerable in such disputes, on the ground that the Respondent was a partner in the firm at the time of signing the documents, is found to be without merit and unsupported by any cogent reasoning or evidence.
18. The Board also took note of the following relevant extract from Standard on Auditing (SA) 230. A25 of the said Standard states as under: -

*"Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services*

*Engagements', issued by the Institute, provides that, unless otherwise specified by law or regulation, audit documentation is the property of the auditor. He may at his discretion, make portions of, or extracts from, audit documentation available to clients, provided such disclosure does not undermine the validity of the work performed, or, in the case of assurance engagements, the independence of the auditor or of his personnel."*

Thus, upon reading the above provision, it is evident and apparent that the responsibility of maintaining audit working papers lies with the auditor, and such working papers are the property of the auditor, in the instant case, the Respondent.

19. It stands undisputed before the Board that the financial statements of Alveo Healthcare Pvt. Ltd. bear the signature of the Respondent. Consequently, the Board further observed that the working papers and all related documents are deemed to be the property of the Chartered Accountant who has signed them and in the event of any misconduct or allegation arising in relation to such documents, the said Chartered Accountant shall be responsible. Moreover, the Complainant has not adduced any evidence to establish that these documents belong to the firm.
20. Thus, on conjoint perusal of the above, the Board was of the view that the Complainant has not been able to substantiate his allegation that the Respondent had taken away with himself all the important records and relevant business documents without seeking prior consent of all the remaining partners or that the Respondent has willingly and knowingly committed an act of fraud by abusing his position and shaking the trust of remaining partners.

## CONCLUSION:

21. Thus, in conclusion, in the considered opinion of the Board, the Respondent is '**Not Guilty**' of Other Misconduct falling within the meaning of Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949. Accordingly, the Board passed an Order for closure of the case in terms of the provisions of Rule 15 (2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.
22. Ordered accordingly. The case stands disposed of.

Sd/-

CA. Rajendra Kumar P  
Presiding Officer

Sd/-

Dolly Chakrabarty, IAAS (Retd.)  
Government Nominee

Date: 26-09-2025

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

  
निशा शर्मा / Nisha Sharma

सहायक सचिव / Assistant Secretary

अनुशासनिक निदेशालय / Disciplinary Directorate

भारतीय सार्वजनिक लेखाकार संस्थान

The Institute of Chartered Accountants of India

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