



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

[PR-296/14-DD/321/14/DC/576/17]

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

In the matter of:

Shri Davinder Kumar Ahluwalia, New Delhi

-vs-

CA. Priya Wadhwa Chawla (M.No.516631), Delhi

[PR-296/14-DD/321/14/DC/576/17]

Date of Order: 6 August, 2020

MEMBERS PRESENT:

1. CA. Nihar Niranjana Jambusaria, Presiding Officer
2. Shri Arun Kumar, IAS (Retd.), Government Nominee
3. Ms. Nita Chowdhury, IAS (Retd.), Government Nominee
4. CA. (Dr.) Debashis Mitra, Member
5. CA. Jay Chhaura, Member

1. That vide report dated 03rd February, 2020, the Disciplinary Committee held CA. Priya Wadhwa Chawla (M.No.516631), Delhi (hereinafter referred to as the "Respondent") GUILTY of professional Misconduct falling within the meaning of Clauses (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 as amended from time to time.

2. That an action under Section 21B (3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and communication dated 22nd July, 2020 was addressed to her thereby granting an opportunity of being heard in person and/or to make a written representation before the Committee on 06th August, 2020 at New Delhi.

3. The Respondent appeared before the Committee on 06 August, 2020, and submitted her written representations dated 13/03/2020, and the same is further sent through an email dated 30/07/2020 on the findings of the report of Disciplinary Committee.

CA. Priya Wadhwa Chawla (M.No.516631), Delhi



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4. The Respondent was present before the Committee in New Delhi office of ICAI and was connected through Video Conferencing mode. On being asked about her submissions, she submitted that she has already submitted his written statement in response to the findings of the committee. In addition to that she submitted that the contentious certificate was not actually issued in the present case rather she produced the original copy before the Committee during the time of the hearing. She further submitted that by the deceitful act of one of the directors and accounts manager scanned copy of the alleged certificate was wrongly used. She pleaded before the Committee to take a lenient view in her case as she was in the initial stage of her career and this Chartered Accountancy qualification is the only source of her livelihood.

5. The Committee while looking into the matter and the conduct of the Respondent is of the opinion that Respondent is grossly negligent in issuing a certificate with regard to the net worth of the Complainant without any authorization or consent. The Committee points out gross negligence on the part of the Respondent while issuing the certificate for approval which was duly signed sealed and dated by her. The Committee further points out that she was not appointed by the person to issue the said certificate rather the documents were provided by the third person to her of which she does not have any record whatsoever and also did not exercise her professional skepticism while issuing such a certificate . Hence, the Committee is of the view that apart from showing casual behavior while issuing a certificate for approval which was duly signed sealed and dated, the Respondent was also grossly negligent in the conduct of her professional duties. Accordingly, ends of justice can be met if reasonable punishment is given to her.



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6. Thus, keeping in view the facts and circumstances of the case as aforesaid, the material on record, submissions of the Respondent before it, this Committee orders that the name of the Respondent i.e CA. Priya Wadhwa Chawla (M.No.516631) be removed from the register of members for a period of 01 (one) Year.

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Sd/-

(CA. NIHAR NIRANJAN JAMBUSARIA)
PRESIDING OFFICER

Sd/-

(SHRI ARUN KUMAR, IAS (RETD.)
GOVERNMENT NOMINEE

Sd/-

(MS. NITA CHOWDHURY, IAS (RETD.)
GOVERNMENT NOMINEE

Sd/-

(CA. (DR.) DEBASHIS MITRA)
MEMBER

Certified to be true copy

Suneel Kumar

CA. Suneel Kumar
Assistant Secretary,
Disciplinary Directorate

The Institute of Chartered Accountants of India,
iCAI Bhawan, Vishwas Nagar, Shadra, Delhi-110032

Sd/-

(CA. JAY CHHAIRA)
MEMBER

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – I (2019-2020)]
[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

File No. PR- 296/14-DD/321/14-DC/576/17

In the matter of:

Shri. Davinder Kumar Ahluwalia,
C-41, Second Floor,
Dayanand Colony,
Lajpat nagar – IV,
NEW DELHI 110024

.... Complainant

Versus

CA. Priya Wadhwa Chawla (M.No. 516631)
M/s. P Wadhwa & Associates
182-A, Indira Vihar,
Near Kingsway Camp,
Delhi – 110009

.... Respondent

MEMBERS PRESENT:

Shri Jugal Kishore Mohapatra, I.A.S. (Retd.) (Government Nominee) & Presiding Officer

Ms. Rashmi Verma, I.A.S. (Retd.) (Government Nominee)

CA. Babu Abraham Kallivayalil, Member

CA. Dayaniwas Sharma, Member

DATE OF FINAL HEARING/ORDER : 28.08.2019

PLACE OF FINAL HEARING/ORDER : ICAI, New Delhi

PARTIES PRESENT:

Complainant : Shri Davinder Kumar Ahluwalia

Respondent : CA. Priya Wadhwa Chawla (along with her Counsel)

BRIEF OF THE DISCIPLINARY PROCEEDINGS:

1. The Committee noted that first hearing in the matter was fixed on 23rd May, 2019 and notice of the said hearing was duly sent to the Complainant and the Respondent. However, the said hearing was adjourned due to paucity of time.

1.1 On the day of next hearing held on 28th August, 2019, the Complainant was present. The Respondent along with her Counsel was present. Since both the Complainant and the Respondent were personally present, the Committee started hearing on the matter. The Complainant explained the charge against the Respondent. The Respondent opted to defend her case and also decided to make her submissions in the matter. Thereafter, the Respondent made her submissions on the charges. The Committee also raised questions to the Complainant and the Respondent. After hearing the submissions, the Committee decided to conclude the hearing in the aforesaid matter.

BRIEF OF THE CHARGES AND FINDINGS

2. The Committee noted that charges relates to the issuance of a certificate dated 14th May, 2012 by the Respondent with regard to the Net Worth of the Complainant without any authorisation or consent from him. Based on the fraudulent certificate of the Complainant's Net Worth issued by the Respondent firm, their client Ms. Olga Neeraj Bhatia got a loan sanctioned and disbursal of Rs. 18.00 lacs from Bank of Maharashtra, Palam Vihar Branch, Gurgaon, Haryana. This act of fraud was done by Ms. Olga Neeraj Bhatia with active support and connivance of the Respondent firm and Branch Manager, Bank of Maharashtra. A criminal case in EOW Palam Vihar, Gurgaon has already been registered.

3. The Respondent in her submissions has claimed that the Complainant was a shareholder of M/s Summit Aviation Private Limited and was also performing supervisory level functions in the Company.

3.1 The Respondent stated that she was associated with M/s Summit Aviation Private Limited for professional consultancy services relating to TDS matters. She had prepared the statement on the basis of documents shown to her by Ms. Vijeta Kohli, Officer incharge of Accounts Deptt of the Company. The Respondent also submitted that the Complainant has voluntarily and wilfully agreed to be bank guarantor for various credit facilities sanctioned to

the Company by banks. ✓

3.2 The Respondent also submitted that she has only sent a scanned copy of "Statement of Asset and Liabilities" of the Complainant as requested by Ms. Vijeta Kohli in the normal course of business and this statement is not the sole basis of sanction of Car loan to Mrs. Olga. Further, the Respondent has expressed a surprise as to how a Bank can give loan based on an unattested photo copy of scanned statement.

4. The Complainant alleged that the act of issuing fraudulent statement of Net Worth was done in connivance of Respondent, Ms. Olga Neeraj Bhatia and the Branch Manager, Bank of Maharashtra. The Complainant has also filed a criminal case in PS Amar Colony, New Delhi which was later forwarded to Economic Offence Wing (EOW, Palam Vihar) Gurgaon.

5. The Complainant has claimed that his relationship with the Company, its Directors and officials does not mean that the Complainant has authorized them to forge or falsify documents & records to take a loan from bank. During the course of hearing, the Complainant submitted that he has never met the Respondent before, and no documents were supplied by him to the Respondent for preparation of statement of net worth. Also, that his signatures were a mere cut & paste. He also said that the Respondent has prepared certificate on the request of a third party namely Ms. Kolhi who was an accountant's manager in the Company.

6. The Counsel for the Respondent has taken a plea that the certificate of Net Worth was not issued by the Respondent as she only prepared the certificate and gave a scanned copy of the same to the Company for approval. The issuance of original certificate was pending which she purported to issue once the authorization of Complainant is given to her. The Counsel submitted that it is the photocopy of scanned certificate that was misused by the Company for seeking the car loan.

7. After taking into the submissions and documents on record, the Committee submits its findings as under:-

7.1 On perusal of the Certificate, it is seen that the same was given in the name and signature of the Respondent and that the stamp of her firm M/s P Wadhwa & Associates, Chartered Accountants, Delhi was affixed on the same. In the Certificate while giving the details of the assets and liabilities of the Complainant as on 31.03.2012, she has certified that she verified the book value of statement of assets and liabilities declared by the Complainant as on 31.03.2012 from the relevant record produced before her for verification. The Committee observed that the Respondent failed to bring on record any documentary evidence which

could show that net worth statement of the Complainant was issued after his consent and/or authorization.

7.2 The Committee is of the view that the Respondent should have followed all the required norms and ensured proper authorisation from the person whose assets and liabilities are being certified before signing the certificate, the plea taken by the Respondent that the same had been issued on the basis of the request of an official of the Company is not acceptable. However, no evidence of connivance of the Respondent with the management of the Company was found. Accordingly, in view of above facts, the Committee decided to hold the Respondent Guilty of professional misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

Conclusion

8. Thus, in the considered opinion of the Committee, the Respondent is **GUILTY** of professional misconduct falling within the meaning Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

Sd/-

(SHRI JUGAL KISHORE MOHAPATRA, I.A.S. (Retd.))
GOVERNMENT NOMINEE & PRESIDING OFFICER

Sd/-

(MS. RASHMI VERMA, I.A.S. (Retd.))
GOVERNMENT NOMINEE

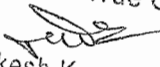
Sd/-

(CA. BABU ABRAHAM KALLIVAYALIL)
MEMBER

Sd/-

(CA. DAYANIWAS SHARMA)
MEMBER

DATE: 03rd February, 2020
PLACE: NEW DELHI

Certified True Copy

Mukesh Kumar Mittal
Assistant Secretary
Disciplinary Directorate
The Institute of Chartered Accountants of India
CAI Bhawan, I.P. Marg, New Delhi-110 002