

CONFIDENTIAL

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

[Constituted under Section 21B of the Chartered Accountants (Amendment) 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. : [PPR/P102A/15/DD/71/INF/16-DC/932/18]

In the matter of:

CA. Ujjavalkumar Vallabhdas Chaniyara (M.No.151776), Ahmedabad in Re:

E-231, Supath-II,
Near Hotel Regenta,
Near Old Wadaj Bus Stand,
Ashram Road,
Ahmedabad- 380 013.

.....Respondent

MEMBERS PRESENT:

CA. Atul Kumar Gupta, Presiding Officer
Shri Rajeev Kher, IAS Retd. (Govt. Nominee)
CA. Chandrasekhar Vasant Chitale, Member

DATE OF FINAL HEARING : 10.08.2019

PLACE OF FINAL HEARING : ICAI Tower, Mumbai

PARTIES PRESENT

Respondent: CA. Ujjavalkumar Vallabhdas Chaniyara
Counsel for the Respondent : CA. Deepak R Shah

Charges in Brief:-

1. The Committee noted that in the Prima-Facie Opinion formed by Director (Discipline) in terms of Rule 9 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, The Respondent is GUILTY of professional misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949. The aforesaid Clause (7) states that:-

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

2. The allegations in this case a letter dated 30th April, 2015 along with other documents was received from Addl. Commissioner of Income Tax, Ahmedabad (hereinafter referred to the "Informant") citing their report on Billing Racket by M/s Pradip Overseas Ltd. alleging that the Respondent had issued certificate in Form No.3CB and 3CD in respect of M/s Ideal Enterprise and other entities fully knowing that no business was actually being carried on by them.

Brief facts of the Proceedings:

3. On the day of hearing i.e. 10/08/2019, CA. Ujjavalkumar Vallabhdas Chaniyara (the Respondent) alongwith his Counsel appeared before the Committee. The Respondent was put on oath. Thereafter, the Committee asked the Respondent whether he wishes the charges to be read out or it can be taken as read. The Respondent stated before the Committee that he was aware of the charges made against him and same may be taken as read. On being asked to the Respondent whether he pleads guilty, he replied in negative. Thereafter, the Committee sought whether he wishes to proceed with his defence. Thereafter, the Respondent placed his defence. After considering all papers available on record, the Committee decided to proceed with the matter.

Findings of the Committee

4. The committee reviewed the audit report which was on record. The Committee categorically questioned the Respondent about Stock verification carried out by him to which the Respondent replied that stock was subject to confirmation and no physical verification of stock was done by him.

dr

5. The Committee also noted that neither cash-in hand was verified by the Respondent nor records of the bank statements corroborate the turnover certified by him. Moreover, Creditors and Debtors which was Rs.8.46 crores and Rs.8.53 crores respectively were also subject to confirmation which was not received from the party and as an auditor the Respondent has not verified the same.
6. The Committee observed that the Respondent has stated in his oral submission that he never visited the alleged Company's site and was unaware about the owner and never met them anywhere during the alleged period. And also neither the Company nor the Respondent took confirmation from the third party, rather the Respondent had merely written it is subject to confirmation which does not depict true and fair view on financial statements audited by him.

Conclusion

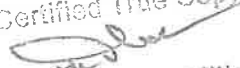
7. In the light of above and keeping in view the facts and circumstances of the case and looking into the entire scenario it transpires that the Respondent is grossly negligent in verifying the stock, cash in hand, bank balance and in obtaining confirmation from the third parties being debtors and creditors. Even the Respondent never met owner of these firms and premises of the firms are not known to the Respondent. These facts show his association in falsification of account and creation of fabricated accounts for ulterior motives. Accordingly, the Committee is of the view that the Respondent is **GUILTY** of professional misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

Sd/-
(CA. ATUL KUMAR GUPTA)
PRESIDING OFFICER

Sd/-
(SHRI RAJEEV KHER, IAS RETD.)
GOVERNMENT NOMINEE

Sd/-
(CA. CHANDRASEKHARVASANTCHITALE)
MEMBER

DATE: 10-02-2020
PLACE: New Delhi

Certified True Copy

Mukesh Kumar Mittal
Assistant Secretary
Disciplinary Directorate
Institute of Chartered Accountants of India
Panchsheel Park, New Delhi-110 002



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

[PPR/P102A/15/DD/71/INF/16-DC/932/18]

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.

[PPR/P102A/15/DD/71/INF/16-DC/932/18]

In the matter of:

CA. Ujjavalkumar Vallabhdas Chaniyara (M.No.151776), Ahmedabad in Re:

E-231, Supath-II,

Near Hotel Regenta,

Near Old Wadaj Bus Stand,

Ashram Road,

Ahmedabad- 380 013.

.....Respondent

MEMBERS PRESENT:

1. CA. Atul Kumar Gupta, Presiding Officer
2. Shri Rajeev Kher, I.A.S. (Retd.), Government Nominee
3. CA. Amarjit Chopra, Government Nominee
4. CA. Rajendra Kumar P, Member
5. CA. Pramod Kumar Boob, Member

DATE OF MEETING : 03.07.2020 (Through Video Conferencing)

1. That vide findings under Rule 18 (17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 dated 10.02.2020, the Disciplinary Committee was inter-alia of the opinion that **CA. Ujjavalkumar Vallabhdas Chaniyara (M.No.151776)** (hereinafter referred to as the **Respondent**) was **GUILTY** of professional misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountant Act, 1949.

2. The Respondent was present before the Committee in Ahmedabad office of ICAI through video conferencing mode. He submitted that he qualified CA in June 2012 and the transactions in books were made prior to June 2012. He submitted that a common Complaint was filed against 6 Chartered Accountants and that he was not a part of the alleged fraud.

CA. Ujjavalkumar Vallabhdas Chaniyara (M.No.151776), Ahmedabad in Re:



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

[PPR/P102A/15/DD/71/INF/16-DC/932/18]

3. The Committee noted that the Respondent did not submit any specific defense with documentary evidences as to verification of stock etc. instead submitted his defense stating that case was filed against 6 Chartered Accountants and he was not a part of any fraud. Therefore, it is opined by the Committee that the Respondent is grossly negligent in the conduct of his professional duties. The Committee opined that it is already been proven that the Respondent is grossly negligent in the conduct of his professional duties. Accordingly, end of justice can be met if the respondent is punished for his gross negligence.

4. Therefore, keeping in view the facts and circumstances of the case, material on record and submissions of the Respondent before it, the Committee ordered that the name of the Respondent i.e. CA. Ujjavalkumar Vallabhdas Chaniyara (M.No.151776) be removed from the register of members for a period of 02 (Two) Years.

sd/-

(CA. ATUL KUMAR GUPTA)
PRESIDING OFFICER

sd/-

(CA. AMARJIT CHOPRA)
GOVERNMENT NOMINEE

sd/-

(SHRI RAJEEV KHER, I.A.S. RETD.)
GOVERNMENT NOMINEE


(approved & confirmed through email)

(CA. RAJENDRA KUMAR P)
MEMBER

(approved & confirmed through email)

(CA. PRAMOD KUMAR BOOB)
MEMBER

Certified to be true copy


Mukesh Kumar Mittal
Assistant Secretary,
Disciplinary Directorate
The Institute of Chartered Accountants of India,
ICAI Bhawan, Vishwas Nagar, Shahdra, Delhi-110032