



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

**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.**

**File No.: PR/173/17/DD/208/2017/DC/985/2019**

**In the matter of:**

**Shri Ashutosh Goenka,**  
Managing Director,  
M/s Meenakshi (India) Limited,  
New No.29/16, Whites Road,  
3<sup>rd</sup> Floor, Royalpettah,  
Chennai 600 014

**..... Complainant**

**Versus**

**CA. Anant Kankani (M.No.111603),**  
24/2, Avenue Road,  
Nungambakkam,  
Chennai 600 034

**..... Respondent**

**Members present:**

**CA. Atul Kumar Gupta, Presiding Officer**  
**Smt. Anita Kapur, Member (Govt. Nominee)**  
**Shri Ajay Mittal, Member (Govt. Nominee)**  
**CA. Chandrashekhar Vasant Chitale, Member**  
**CA. Manu Agrawal, Member**

**Date of Final Hearing: 17<sup>th</sup> August 2020 through Video Conferencing**  
**Place of Hearing: Gurugram**

**Party Present :**

**CA. Anant Kankani (M.No.111603) - Respondent**

1. Vide report dated 10<sup>th</sup> February 2020 (**copy enclosed**) the Disciplinary Committee was of the opinion that **CA. Anant Kankani (M.No.111603)** was **GUILTY** of Professional Misconduct falling within the meaning of clause (2) of Part II of the Second Schedule to the Chartered Accountants Act, 1949, related to secretly disclosing confidential information of the Company M/s Meenakshi India Limited (hereinafter referred to as the '**Company**') and lodging complaint against it with www. ethicspoint.com as well as to its client VF Corporation making false, distorted, misleading, dishonest and self-serving allegations with VF Corporation against the Company while being in employment of the Company. It is noted that the Respondent was held guilty under Clause (2) of Part II of Second Schedule to the Chartered Accountants Act, 1949 as per which the Respondent:

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“being an employee of any company, firm or person, discloses confidential information acquired in the course of his employment except as and when required by any law for the time being in force or except as permitted by the employer”

2. An action under Section 21B (3) of the Chartered Accountants Act, 1949 was contemplated against the Respondent and communication dated 7<sup>th</sup> August 2020 was addressed to him thereby granting him an opportunity of being heard in person and/or to make a written representation before the Committee on 17<sup>th</sup> August 2020 through video conferencing.

3. The Respondent appeared before the Committee on 17<sup>th</sup> August 2020 through video conferencing from his personal location, and made oral submissions wherein he had inter-alia stated that the Complainant was evading complying with orders of the Honorable Supreme Court and Honorable Madras High Court and the Respondent had to comply with orders else he would have been held in contempt of the said Courts. The Company being a supplier to VF Corporation was obliged to operate within a set of ethical standards compatible with VF Corporation's Code of Business Conduct. Still, as per the Respondent, the Company was trying to hoodwink them when they informed VF Corporation that the bank had not sanctioned funds when the fact was that the Company intended not to make payment to employees as directed by the Court. So he lodged complaint as the Respondent was duty bound to disclose the mischief. He was required to comply with the law of the land and not circumvent it. The information was only about statutory violations of court orders and labour laws and had nothing to do with business activity of the complainant company. For whatever legally was disclosed, the Respondent cannot be illegally penalized.

4. The Committee considered the oral as well as written submissions, as available on record/made by the Respondent and viewed that being legal abiding individual, the Respondent should have adopted an appropriate recourse by taking the matter with statutory authorities in India instead of filing complaint or hosting unverified information on certain social media website which may directly affect the business of its employer. It was noted that the website [www.ethicspoint.com](http://www.ethicspoint.com) was a site to lodge complaints against suppliers of the Corporation. Such unethical behavior of the Respondent was not only an attempt to wipe out the Complainant's business but also exposed the business secrets of the Company. The Committee disapproved the behavior of the Respondent. It was viewed that such an act on the part of the Respondent resulted in ruining the faith and confidence which the Company had into its Chartered Accountant employee as the Respondent being the General Manager, Finance and Accounts of the Complainant Company was a core member of the senior management team of the Company possessing full knowledge of the business secrets/ policies of the Complainant Company. Accordingly, the Committee was of the view that the alleged misconduct of the Respondent had been established whereby the Respondent being the employee of the Company disclosed confidential information acquired during the course of his employment to a website which was neither required by law nor done with due permission of the employer thereby violating the provision of clause (2) of Part II of the Second Schedule to the Chartered Accountants Act, 1949.

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5. The Committee was thus of the opinion that the misconduct on the part of the Respondent has been held and established within the meaning of clause (2) of Part II of the Second Schedule to the Chartered Accountants Act, 1949 and keeping in view the facts and circumstances of the case as aforesaid, ordered that the name of the Respondent be removed from the Registers of members for a period for a period of 05 (five) years.

sd/-

[CA. Atul Kumar Gupta]  
Presiding Officer

sd/-

[Smt. Anita Kapur]  
Member, (Govt. Nominee)  
(approved & confirmed through e-mail)

sd/-

[Shri Ajay Mittal]  
Member, (Govt. Nominee)

(approved & confirmed through e-mail)

sd/-

[CA. Chandrashekhar Vasant Chitale]  
Member

sd/-

[CA. Manu Agrawal]  
Member

(approved & confirmed through e-mail)

Date: 17<sup>th</sup> August 2020 through Video Conferencing

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Certified to be True Copy

*Mohita Khanna*

(Mohita Khanna)  
Assistant Secretary  
Disciplinary Directorate  
The Institute of Chartered Accountants of India



**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.:[PR/173/17/DD/208/2017/DC/985/2019]**

**In the matter of:**

**Shri Ashutosh Goenka,**  
Managing Director,  
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**..... Complainant**

**Versus**

**CA. Anant Kankani (M.No.111603),**  
24/2, Avenue Road,  
Nungambakkam,  
Chennai 600 034

**..... Respondent**

**MEMBERS PRESENT:**

**CA. Atul Kumar Gupta, Presiding Officer**  
**CA. Amarjit Chopra, Government Nominee**  
**CA. Rajendra Kumar P., Member**  
**CA. Chandrashekhar Vasant Chitale, Member**

**DATE OF HEARING : 10.12.2019**

**PLACE OF HEARING : ICAI Bhawan, Chennai**

**PARTIES PRESENT:**

**Complainant : Shri Kishore Kumar Thakaur**  
**[on behalf of the Complainant]**  
**Counsel for Complainant : Shri Ashok Kumar Anchalia, Advocate**  
**Respondent : CA. Anant Kankani**



## **CHARGES IN BRIEF:**

1. Mr. Ashutosh Goenka, Managing Director of M/s Meenakshi India Ltd., Chennai, the Complainant, has lodged a complaint against CA. Anant Kankani, the Respondent, and the Director (Discipline) in his prima facie opinion has held the Respondent guilty.

The Complainant has alleged the following against the Respondent:-

- 1.1 *Secretly disclosed confidential information of the Company (Meenakshi India Limited) i.e. copy of Bank Sanction letter to a third party (customer) an information, acquired during the course of employment without permission/approval from the employer .*
- 1.2 *Lodged complaint making false, distorted, misleading, dishonest and self-serving allegations with VF Corporation against the employer company while being in employment of the Company.*
- 1.3 *Unauthorisedly accessed personal e-mail of Mr. Ashutosh Goenka, Managing Director with mala fide intention of misusing such sensitive and confidential information of the Company.*
- 1.4 *Took away important and confidential data/information of the Company.*

## **FINDINGS:**

2. The Respondent was employed by the Complainant as General Manager, Finance & Accounts during the period from July 1, 2010 to April 7, 2017. He was also the Chief Financial Officer of the Complainant and was responsible for entire commercial operations including accounts and finance functions, taxation and all statutory compliances. Thus, he was a core member of the senior management team and was a party to all key decisions involving business operations thereby he was in full knowledge of the business secrets, policies of the Complainant and had free excess to vital and the confidential data and information about the company, its directors and associates.



3. The Complainant also submits that the Respondent was relieved from the services of the company on and with effect from April 7, 2017 prior to which a notice of such termination was served on him on February 15, 2017. The Complainant further submits that the Respondent was paid an additional sum of Rs.12.50 lakhs as ex gratia after Respondent had given the following undertaking:

*"I have handed over all assets including documents, files, data to the company. Further, I confirm that I do not possess any files, documents, information hardcopy or softcopy.*

*I shall duly and faithfully observe and comply with my subsisting obligations in respect of confidentiality and non-use of proprietary and confidential information of the company and non-solicitation of any of the employees, ex employees, (who has been in the employment of the company during the preceding 12 months), clients, customers, suppliers, etc., for any purpose, directly or indirectly, either of my own or on behalf of / in conjunction with any third party."*

4. The Complainant alleges that when the Respondent was in the notice period, he had lodged a complaint on March 21, 2017 with [www.ethicspoint.com](http://www.ethicspoint.com) regarding embezzlement of funds. This website is a site to lodge complaints against suppliers of the Corporation for unethical practices. The fact is proved from point no.12 of a letter written by the Respondent to the Complainant on April 26, 2017. The Respondent prior to this letter on April 5, 2017 has sent an e mail to one Sucheta on her e mail id [sucheta.ramprakash@vfc.com](mailto:sucheta.ramprakash@vfc.com) informing the said person about certain confidential information. It is pertinent to note that the Respondent has committed these acts while he was still in employment with the Complainant.

5. The Complainant company is a manufacturer of garment and textile and supplies these garments to M/s V F Corporation. The Complainant has alleged that the act of the Respondent has caused irreparable damage to its business. The Complainant informs that



about 40% of its turnover is from V F Corporation and one single factory employing about 700 persons was dedicated for this manufacturing operation. The Complainant painfully submits that consequent to the lodging of the complaint by the Respondent on ethics.com, the entire business was lost thereby not only causing financial loss to the Complainant but also putting the family and livelihood of 700 employees in jeopardy.

6. The Respondent in his defense submits that he was orally informed of his termination on 15<sup>th</sup> February, 2017 as he had refused to file an affidavit before Hon'ble Supreme Court. The Respondent submits that the Hon'ble High Court has passed a judgement wherein the company was asked to pay arrears for a period of about 20 months to its employees based on a revised scale. The Complainant had approached Supreme Court on this matter. The Respondent submits that while the matter was in Supreme Court there was a pressure from V F Corporation for making payment of arrears to the employees as V F Corporation being one of the export customers of the Complainant had conducted audit of the facilities to ensure that the workers are being paid as per laws of the land. The Respondent submits that the Complainant paid about 40 to 45% of wages to its employees and as per the order of the High Court was to have deposited the balance 50% with the Court registry. The Respondent submits that the arrears of about 40 to 45% was made by bank transfers and the company wanted to pay the balance in cash. The company thus wanted the Respondent to withdraw the petition from Supreme Court as he was the person who had signed the affidavit. The Respondent refused for the said withdrawal. The Respondent alleges that in the garb of making payment in cash to the employees, the management of the company planned to embezzle the funds. This information he shared with ethicspoint.com which is a whistle blower website as per his submission.





7. The Committee questioned the Respondent as to why he shared this sensitive information to ethicspoint.com a whistle blower to V F Corporation and why he did not approach the income tax authorities, Ministry of Corporate Affairs or SEBI. The Respondent informed during the hearing that he wanted to stop the fraud that could have been committed by the management of the Complainant company. The Committee does not approve this behavior from a Chartered Accountant. Instead of taking the matter to statutory authorities in India, the Respondent has chosen route which has almost wiped out the Complainants' business. This act of the Respondent is unbecoming of a professional and has brought disrepute to brand CA. Faith and confidence are the key to an employee and he is expected to maintain the same in his daily working with his employer. The act of the Respondent has resulted in demolition of this faith and confidence which a corporate has with its employee like the Respondent who is involved in managerial decision making and exposed to business secrets of the Company. The Committee does not find any merit in the submissions made by the Respondent and thereby holds him guilty.

8. The Complainant has also alleged that the Respondent has unauthorizedly accessed personal e mail of Mr. Ashutosh Goenka, Managing Director of the Complainant Company with mala fide intention of misusing such sensitive and confidential information of the company as well as his personal information, to meet and subserve his selfish and dishonest ends. In the view of the Committee, the Complainant has not been able to prove beyond doubt that the Respondent had accessed personal e mail of Mr. Ashutosh Goenka and accordingly, the Respondent is not guilty on this count.

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**CONCLUSION:**

9. In conclusion, Respondent is held guilty of professional misconduct falling within the meaning of clause (2) of Part II of the Second Schedule to the Chartered Accountants Act, 1949.



**Sd/-**

**(CA. ATUL KUMAR GUPTA)  
PRESIDING OFFICER**

**Sd/-**

**(CA. AMARJIT CHOPRA)  
GOVERNMENT NOMINEE**

**Sd/-**


**(CA. RAJENDRA KUMAR P.)  
MEMBER**

**Sd/-**

**(CA. CHANDRASEKHAR VASANT CHITALE)  
MEMBER**

**DATE : 10-2-2020**

**PLACE : New Delhi**

Certified Copy  
  
Ajay Kumar  
Deputy Secretary  
Disciplinary Committee  
The Institute of Chartered Accountants of India  
ICAI Bhawan, I.P. Marg, New Delhi-110 002