



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

[PR/33/16-DD/97/16-DC/1028/19]

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.

[PR-PR/33/16-DD/97/16-DC/1028/19]

In the matter of:

Sh. Arrikat Thomas Abraham,
Director, M/s Syssoft Infotech (India) Private Limited,
B 403, Uranus Sai Baba Galaxy,
Opp. Oshiwara Bus depot,
New Link Road
Goregaon (West),
MUMBAI - 400 104

.... Complainant

Versus

CA. K.V. Shankaran (M. No. 033960)
M/s K V Shankaran & Associates (FRN 109900W),
Chartered Accountants,
C-909, Mahavir Trinkets,
Opp. Kanjur Marg Railway Station,
Kanjur Marg West,
MUMBAI - 400 078

..... Respondent

MEMBERS PRESENT:

1. CA. (Dr.) Debashis Mitra, Presiding Officer
2. CA. Amarjit Chopra, Government Nominee
3. CA. Babu Abraham Kallivayalil, Member
4. CA. Rajendra Kumar P, Member

DATE OF MEETING : 27.05.2021 (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

Sh. Arrikat Thomas Abraham, Director, M/s Syssoft Infotech (I) Pvt. Ltd., Mumbai-vs-CA. K.V. Shankaran (M. No. 033960)
Mumbai



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11.02.2021 the Disciplinary Committee was inter-alia of the opinion that **CA. K.V. Shankaran (M. No. 033960)** (hereinafter referred to as the **Respondent**) was **GUILTY** of professional misconduct falling within the meaning of Item (10) of Part I of the Second Schedule and Item (2) of Part IV of the First Schedule of Chartered Accountant Act 1949.

2. The Committee noted that the Respondent was present before the Bench through Video Conferencing mode from Mumbai office of ICAI. The Respondent was administered Oath. The Respondent submitted that his only source of income is from his practice. He, however, admitted professional misconduct on his part and regretted for the same. He further mentioned that he had returned Rs 4 lakh to the Company which was taken as loan by him for higher studies of his son who was going to USA. The Committee asked him about his scope of work to which the Respondent submitted that he was handling taxation and audit matters. The Respondent admitted that he had no evidence to prove that he took money as advance fee and was solely based on mutual understanding. Therefore, he requested the Committee to consider his case mercifully and take a lenient view.

3. The Committee noted that the Respondent had confessed before the service tax authority that the amount collected as Service tax liability was not deposited to government exchequer and was used for personal purpose. The Committee noted that the Respondent had accepted that he had taken loan from the auditee which is not allowed as the same impairs his independence as an auditor. The Committee also noted that the Respondent in another case against him vide ref. No. PR-295/2014-DD/313/2014/DC/550/2017 was awarded punishment of removal of name for period of 05 (Five) years along with the fine of Rs.1,00,000/- (One Lakh Rupees) on charge of taking blank cheques and depositing the same in his bank account for personal use and also utilized the cash given for service tax payments and embezzled the money by using the same for his personal benefit. The Committee, accordingly, was of considered view that the Respondent is a habitual offender and ends of justice shall be met if severe punishment is granted to the Respondent.

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. K.V. Shankaran (M.No.033960)** from the register of members for **05(Five) Years** along with fine of **Rs. 1,00,000/- (One lakh Rupees)**, In case of failure of payment of fine,



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name be removed further for 06(Six) months. The Committee further clarified that this punishment to run concurrently with the punishment awarded vide Ref. No. PR/295/14/DD/313/14-DC/550/17(supra).

sd/-
(CA. (Dr.) DEBASHIS MITRA)
PRESIDING OFFICER

(confirmed & approved through email)
(CA. AMARJIT CHOPRA)
GOVERNMENT NOMINEE

(confirmed & approved through email)
(CA. BABU ABRAHAM KALLIVAYALIL)
MEMBER

sd/-
(CA. RAJENDRA KUMAR P)
MEMBER

Certified to be true copy

Jyotika Grover
Assistant Secretary,
Disciplinary Directorate
The Institute of Chartered Accountants of India,
ICAI Bhawan, Vishwas Nagar, Shandra, Delhi-110032

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2020-2021)]
[Constituted under Section 21B of the Chartered Accountants Act, 1949]

Findings under Rule 18(17) and 19(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

File No. : [PR/33/16-DD/97/16-DC/1028/19]

In the matter of:

Sh. Arrikat Thomas Abraham,
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B 403, Uranus Sai Baba Galaxy,
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.... Complainant

Versus

CA. K.V. Shankaran (M. No. 033960)
M/s K V Shankaran & Associates (FRN 109900W),
Chartered Accountants,
C-909, Mahavir Trinkets,
Opp. Kanjur Marg Railway Station,
Kanjur Marg West,
MUMBAI - 400 078

..... Respondent

MEMBERS PRESENT:

CA. Atul Kumar Gupta, Presiding Officer
CA. Amarjit Chopra, (Govt. Nominee)
CA. Pramod Kumar Boob, Member

DATE OF FINAL HEARING : 17.11.2020 (through Video Conferencing)
PARTIES PRESENT : Nil

Charges in Brief:-

1. In the instant matter, the Committee noted that the Respondent was held prima-facie guilty of Professional and/or Other Misconduct falling within the meaning of

Clause (10) of Part I of the Second Schedule and Clause (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949 read with section 22 of said Act on the charge of keeping of client money without opening separate bank account and misused that money by forging the blank signed cheques.

Brief facts of the Proceedings:

2. The Committee noted that on the day of hearing i.e., on 17th November, 2020, neither complaint nor Respondent was present before it. The Committee also noted that earlier the case was adjourned at request of the Respondent on 27.10.2020. In the absence of both the parties the Committee decided to conclude the hearing ex-parte the Complainant and the Respondent.

Findings of the Committee

3. The Committee noted that in present case M/s Syssoft Infotech (India) Private Limited (hereinafter referred to as the "Company") issued cheque for payment of service tax liability to the Respondent but he did not pay the same to Service tax Department and encashed the same in personal account. The Committee further noted that the Respondent had confessed before service tax officials that he did not pay service tax as he was in need of funds for personal matter and had forged blank signed cheques. He further promised to repay the funds to the Company and accordingly had repaid only 4,00,000/- till date i.e. 03.12.2015.
4. The Committee observed that the Respondent had neither submitted any written statement at PFO stage nor submitted any defence on Prima-facie opinion of the Director (Discipline). The Committee noted that on such serious charge absence of submission by the Respondent clearly indicates that he is not having anything in his defence and accepts the charge.
5. The Committee also noted that against same Respondent another company viz., M/s Alsecure & Protection Services India had made complaint had also filed case against him with the Directorate bearing case no. PR/295/2014-DD/313/2014. In

that case too the Respondent was held guilty due to his admission on record regarding misuse of money received for deposit the service tax for personal use.

Conclusion

6. In terms of the reasoning discussed above and in the considered opinion of the Committee in the absence of any defence from the Respondent, it is concluded that the Respondent is guilty under the said charges for Professional and/or Other Misconduct falling within the meaning of Item (10) of Part I of the Second Schedule and Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949 read with section 22 of said Act.

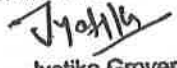
sd/-
CA. ATUL KUMAR GUPTA
(PRESIDING OFFICER)

(approved & confirmed through email)
CA. AMARJIT CHOPRA
(GOVERNMENT NOMINEE)

(approved & confirmed through email)
CA. PRAMOD KUMAR BOOB
(MEMBER)

DATE: 11TH FEBRUARY, 2021

PLACE: DELHI

Certified to be true copy

Jyotika Grover
Assistant Secretary,
Disciplinary Directorate
The Institute of Chartered Accountants of India,
ICAI Bhawan, Vishwas Nagar, Shahdra, Delhi-110032