



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
INDIA

(Set up by an Act of Parliament)

[PR/400/2022/DD/400/2022/BOD/731/2024]

ORDER UNDER SECTION 21A (3) OF THE CHARTERED ACCOUNTANTS ACT, 1949
READ WITH RULE 15 (1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF
INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF
CASES) RULES, 2007

In the matter of:

Smt. Malar Kodi

B-38, UGF, Vishal Enclave, Rajouri Garden,

New Delhi.....Complainant

Versus

CA. Ranjit Kumar Yadav (M. No. 525751)

B-239, 2nd Floor, West Vinod Nagar, Narwana Road,

New Delhi.....Respondent

[PR/400/2022/DD/400/2022/BOD/731/2024]

MEMBERS PRESENT (THROUGH VC):

CA. Rajendra Kumar P, Presiding Officer

Ms. Dolly Chakrabarty (IAAS, retd.), Government Nominee

Date of Hearing and Passing of Order: 25th September 2024

1. At the outset, the Board noted that the Findings of the Board were sent to the Respondent on 20th June 2024 and the records reflect that the same have been delivered to the Respondent through email as well as through speed post. However, the Respondent in the 320th meeting of the Board held on 15th July 2024, when this matter was listed for award of punishment, being present through VC denied receipt of the Findings of the Board. Accordingly, the Board adjourned the matter and as an abundant caution directed to the office to again send the Findings of the Board to CA. Ranjit Kumar Yadav (M. No. 525721) through email as well as hand delivery at the address of the Respondent with due acknowledgement, which was complied with by the office on 16th July 2024. Therefore, the Board, in the interest of justice and fairness, decided to adjourn the hearing of the matter to give the Respondent a last opportunity of being heard before the award of punishment.
2. The Board further noted that the notice dated 19th August 2024 was again sent to the Respondent requiring him to appear before it in its 323rd meeting held on 27th August 2024. However, Respondent choose neither to appear either in person or online nor sent any communication to seek an adjournment.
3. The Board furthermore noted that one more opportunity of being heard was granted to the Respondent vide notice dated 3rd September 2024 to appear before the Board on 17th September 2024. Though the said meeting was postponed to a later date, i.e., 25th September 2024 due to the Presiding officer not being well, however, again the

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Respondent choose neither to appear either in person or online nor sent any communication to seek an adjournment.

4. Besides the above, the matter was again listed on 25th September 2024 for which due notice was sent to the Respondent on 18th September 2024. The Respondent has neither sought any adjournment nor appeared before the Board either physically or online. Therefore, the Board considered it fit to take up the matter in the absence of the Respondent and concluded the hearing ex-parte.
5. The Board of Discipline vide its Findings dated 12th June 2024 was of the view that CA. Ranjit Kumar Yadav (M. No. 525751) is Guilty of Other Misconduct falling within the meaning of Item (2) of Part-IV of the First Schedule to the Chartered Accountants Act, 1949.
6. The Board observed that the Respondent himself has accepted that he has received more money than what was tax payable without informing the Complainant, who was his client. This act of the Respondent resulted in wiping out the trust of the public, which they have in professionals acting in the capacity of Chartered Accountants or auditors.
7. The Board is of the considered view that the Respondent should not have received the excess amount without informing and without the knowledge of the Complainant. Hence, the Respondent has grossly crossed all lines of professional decency. Thereby, the Board deems fit to punish the Respondent in a more appropriate manner and to act as a deterrent to others who embark upon such activities without the knowledge of their clients.
8. The Board thus deems it fit that the instant matter deserves punishment in its severity. Therefore, the Board decided to remove the name of CA. Ranjit Kumar Yadav (M. No. 525751) for a period of 03 months from the Register of Members and to impose a Fine of Rs. 1,00,000/- (Rs. One Lakh only) upon CA. Ranjit Kumar Yadav (M. No. 525751).

Sd/-

CA. Rajendra Kumar P
(Presiding Officer)

Sd/-

Ms. Dolly Chakrabarty (IAAS, rettd.)
(Government Nominee)

सही प्रतिलिपि होने के लिए प्रमाणित
Certified to be true copy

बिषा नाथ तिवारी / Bishwa Nath Tiwari
कार्यकारी अधिकारी / Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
इंस्टीट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया
The Institute of Chartered Accountants of India
आईसीएआई भवन, विश्वास नगर, शाहदरा, दिल्ली-110032
ICAI Bhawan, Vishwas Nagar, Shahdra, Delhi-110032

BOARD OF DISCIPLINE

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

FINDINGS UNDER RULE 14 (9) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATION OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

CORAM: (PRESENT IN PERSON)

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

IN THE MATTER OF:

Smt. Malar Kodi
B-38, UGF, Vishal Enclave, Rajouri Garden,
New Delhi – 110027.....Complainant

Versus

CA. Ranjit Kumar Yadav (M. No. 525751)
B-239, 2nd Floor, West Vinod Nagar, Narwana Road,
New Delhi – 110092.....Respondent

Date of Final Hearing : 07th May 2024
Place of Final Hearing : ICAI Bhawan, New Delhi

PARTIES PRESENT:

Complainant: Smt. Malar Kodi along with Authorized Representative Shri Tamil Selvon
Respondent: CA. Ranjit Kumar Yadav

FINDINGS:

BRIEF BACKGROUND OF THE CASE:

1. In the instant case, the Complainant was the Director of M/s Rainbow Power International Private Limited (hereinafter referred to as "**Company**"). The Company had been involved in the provisioning of Engineering and Power Sector Research and Consultancy Services since 2014. The Complainant said that the Respondent was appointed for auditing and managing tax and GST Returns of the Company for the financial year/(s) 2015-16 till February 2022. During his tenure, GST was introduced in 2016 (effective from the FY 2017-

18), which allowed to avail Input Tax Credit for the GST paid on purchase of goods and services to ease the burden of cascading of tax as the same can be thereafter adjusted towards the payment of GST. However, being unaware about it, the Complainant kept transferring the money towards payment of GST. The Complainant said that on 05.01.2022, when he got to know about the input tax mechanism, he raised grievance with the Respondent. However, the Respondent did not provide a satisfactory response and did not relinquish the GST login details as asked. It was then the Complainant found the fraud committed by the Respondent Firm. The Complainant also said that on 05.02.2022, when legal notice was issued to the Company, demanding a refund of the misappropriated amount, about the irregularities committed by the Respondent Firm and Respondent, the Respondent acknowledged the fraud, but did not return the money stolen. Instead, they falsely accused the Company by citing a forged unregistered rental deed from October 2021 to claim an undue amount trying to conceal their fraudulent activities.

CHARGES ALLEGED:

2. The complainant alleged the charges against the Respondent as under: -
 - 2.1 That the Respondent had committed misappropriation of funds, forgery, cheating, criminal breach of trust by demanding the money for payment of GST however encashing the same for his personal benefits, and adjusting the tax payable with the Input Tax Credit accumulated, without apprising the same to the Complainant, instead elucidating that Input Tax Credit mechanism is available only for the business whose turnover and dealings are in crores, since the transaction does not exceed a crore the Company is not eligible for the same.
 - 2.2 That the Respondent has raised fake invoices in the name of bogus Companies and issued to the Company to avail fake Input Tax Credit and defame the Company.
 - 2.3 The Respondent has forged an unregistered rental deed in October 2021 to defend the amount taken by him from the Complainant, by wrongly standing for that the amount is needed for the GST payment.
3. The Board of Discipline considered the Prima Facie Opinion formed by the Director (Discipline) in its meeting held on 8th March 2024 and concurred with the reasons given by the Director (Discipline) against the charges and thus, agreed with the Prima Facie Opinion that the Respondent is '**Not Guilty**' for the charges mentioned at Para 2.2 and 2.3 and '**Guilty**' for the charge mentioned at Para 2.1 above only. Thus, the Board decided to proceed with the hearing limited to the charge as mentioned above at Para 2.1 that the Respondent had committed misappropriation of funds, forgery, cheating, criminal breach of trust by demanding the money for payment of GST however encashing the same for his personal benefits, and adjusting the tax payable with the Input Tax Credit accumulated, without apprising the same to the

Complainant, instead elucidating that Input Tax Credit mechanism is available only for the business whose turnover and dealings are in crores, since the transaction does not exceed a crore the Company is not eligible for the same.

BRIEF OF THE PROCEEDINGS HELD:

4. The details of the hearing fixed and held in the said matter is given as under:

S. No.	Date of Hearing	Status of Hearing
1	7 th May 2024	Matter heard and the hearing is concluded.

OBSERVATION OF THE BOARD:

5. After thorough review of the documents on record and deliberations on the matter, the Board noticed following three things regarding financials of the Company: -

5.1 The Informant paid Rs. 3,73,950/- to the Respondent regarding payment of GST for FY 2017-2018 & FY 2018-2019 in 6 parts, for the Company. The Complainant corroborated said facts through bank statement and said fact is not rebutted anywhere by the Respondent.

5.2 Tax payable for FY 2017-2018 was Rs.3,08,878/- and for FY 2018-2019 was Rs. 51,372/-; thus, making Rs. 3,60,250/- as total tax payable.

5.3 The Input Tax Credit availed totals, Rs. 2,24,818 /- out of which Rs. 1,77,676/- are for FY 2017-2018 and Rs. 47,142/- are for FY 2018-2019, moreover, said fact is even admitted by the Respondent that he took said Input Tax Credit.

6. Board noted the details of amount paid towards payment of GST and GST payable as indicated in GSTR-3B for FY 2017-2018 and FY 2018-2019 as under:

TABLE-1

S. No.	Date	Party	Amount	Narration
1.	14-08-2017	CA Pooja Shukla (Respondent Wife)	72,000	GST for July 2017
2.	05-10-2017	CA Pooja Shukla (Respondent Wife)	1,15,200	GST for Sept
3.	16-01-2018	Respondent Firm	1,03,950	GST for December
4.	09-04-2018	Respondent Firm	17,658	GST for March 18
5.	11-02-2019	Respondent Firm	47,142	GST for January
6.	18-08-2021	Respondent Firm	18,000	GST for July 2021
	Total		3,73,950	

Details of amount paid towards payment of GST.

TABLE-2

Particulars	Tax Payable	ITC Utilized	Net Payable in Cash
For FY 2017-18			
IGST	62,658	10,500	52,158
CGST	1,22,400	83,588	38,812
SGST	1,22,400	83,588	38,812
Late Fees	1,420		1,420
Total (A)	3,08,878	1,77,676	1,29,782
For FY 2018-19			
IGST	47,142	6,840	
CGST		40,302	
Late Fees	4,230		4,230
Total (B)	51,372	47,142	4,230
Total (A+B)	3,60,250	2,24,818	1,34,012

GST Payable as indicated in GSTR-3B for FY 2017-2018 and FY 2018-2019

7. The Board noted that the Complainant has also provided a copy of Bank Statements of ICICI Bank of the Company for the financial year/(s) 2017-18 to 2021-22, wherein it is observed that the transactions cited by the Complainant, pertaining to funds transferred to the Respondent, are clearly evident in the Company's Bank Statements on the specified dates. Further, the amount transferred to the Respondent by the Complainant / the Company, it was also noted that amount of the Professional Fees was also transferred to him either in his account or in Respondent's Firm account.
8. The Board also noted that in the said GST returns, it is clear that Input Tax Credit of the Company had been fully used by the Respondent while filing the GST Returns. Thus, it is noted that Input Tax Credit was entirely taken / used by the Respondent for the payment of GST, while filing GST Return of the Company for the FYs 2017-18 and 2018-19, potentially reducing the GST payable amount by the said amount of Input Tax Credit availed. Upon comparison of the said amounts, the Board noted that against the total amount of GST Tax Payable (Net) in the GST Returns of Rs. 1,34,012/-, the total amount transferred to the Respondent in the Bank of account of the Respondent / Respondent Firm / his wife namely CA. Pooja Shukla was Rs. 3,73,950/-. Thus, it appears that on the one side the Respondent had taken money from the Complainant for the payment of GST, however on the other side he had used Input Tax Credit fully for the GST payment and made payment of the amount lesser than the amount taken by him from the Complainant. This incongruity suggests that while the Respondent received funds from the Complainant for GST payment (Rs. 3,73,950/-), the actual amount remitted by the Respondent was much less than what was received. The Respondent effectively used Input Tax Credit to cover the Gross GST liability of Rs. 3,60,250/- but taken payment more than what was paid to the tax authorities. Further, it is also surprising to note that at the time when the amount of Rs. 72,000 against payment of GST for July 2017 was transferred to the Respondent's wife CA. Pooja Shukla, at that time she was not even the partner of the Respondent's firm.

9. In nutshell, upon perusal of the above facts, the Board observed that Respondent received an amount from Complainant greater than the GST paid and Respondent even took the Input Tax Credit. Therefore, after taking into consideration all the transactions, the amount paid towards GST (**Rs. 3,73,950/-**), total tax payable (**Rs. 3,60,250/-**) and Total Input Tax Credit (**Rs. 1,34,012/-**), it is clear that after equating the said transactions, Respondent utilized the balance amount for himself without informing the Complainant. During the hearing, the Board enquired from the Respondent about the utilization of balance amount which the Respondent admitted/ confirmed that he has used the same amount for himself.
10. After encapsulating the above chain of transactions, the Board is of the view that the Respondent has received more amount than what is GST payable, and the Respondent also accepts that the excess amount which he has received from the Complainant as tax, utilised for himself. The Board is of the view that the Respondent should have collected only that amount, which was due as tax payable, but he did not do so. Respondent has committed an activity which does not speak of as a Professional Chartered Accountant using the client's money for himself without intimating the client. Thus, this breach of professional conduct forms a violation of Item (2) of Part-IV of the First Schedule to the Chartered Accountants Act, 1949.
11. Therefore, considering the fact and circumstances of the present case besides perusing the records and after hearing the parties, the Board concludes that the Respondent is '**Guilty**' of Misconduct.

CONCLUSION:

12. Thus, in conclusion in the considered opinion of the Board, the Respondent is held '**GUILTY**' of Other Misconduct falling within the meaning of Item (2) of Part-IV of the First Schedule to the Chartered Accountants Act, 1949.

Sd/-
CA. Rajendra Kumar P
Presiding Officer

Sd/-
Dolly Chakrabarty, IAAS (Retd.)
Government Nominee

Date: 12-06-2024

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नीलम पुंडीर / Neelam Pundir
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
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