

BOARD OF DISCIPLINE

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

**FINDINGS UNDER RULE 14 (9) READ WITH RULE 15 (2) OF THE
CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF
PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES)
RULES, 2007**

CORAM (PRESENT IN PERSON):

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

IN THE MATTER OF:

Sh. Gajendra Prasad Panda,
Flat No.302, Nandighosh Ashraya
Ayodhya Nagar, Berhampur
Odisha.....

Complainant

Versus

CA. Amara Kanta Padhy (M No. 054595)
Giri Road, Near Geeta Bhawan,
District Ganjam, Brahmapur
Odisha.....

Respondent

Date of Final Hearing : 15th October 2025
Place of Final Hearing : ICAI Bhawan, Kolkata

PARTY PRESENT (IN PERSON):

Respondent : CA. Amara Kanta Padhy

FINDINGS:

BACKGROUND OF THE CASE:

1. The present case arises from a complaint dated 14th December 2022, wherein the Complainant has alleged professional misconduct on the part of the Respondent, a Chartered Accountant who had earlier been engaged as his Statutory auditor. According to the Complainant, the professional relationship between the parties deteriorated due to the Respondent's alleged unauthorized and inappropriate conduct. It is stated that after deciding to change his auditor, the Complainant discovered that the Respondent had forcibly added himself as the auditor on the Complainant's Income Tax portal and had proceeded to conduct the tax audit for the financial year 2021-22 without obtaining any formal authorization or consent. The Complainant has further alleged that the Respondent threatened to file a false complaint against him with the Income Tax Department.
2. The Complainant asserts that all professional dues pertaining to the FY 2020-21 audit had been fully settled on 17th March 2022, and that no outstanding payments were owed to the Respondent at the time of filing the present complaint. The situation reportedly worsened

when the Complainant attempted to appoint a new auditor. The Respondent is said to have objected to this change by issuing a letter dated 19th November 2022 to the incoming auditor, CA Siba Prasad Mishra, of M/s Bhabani & Siba (hereinafter referred to as the "**New Auditor**"). wherein he claimed to have already prepared the audited financial statements for FY 2021-22. In the same communication, the Respondent alleged that the Complainant had refused to discharge his tax liabilities and had forcibly taken back his Digital Signature Certificate (DSC). The Complainant, however, disputes these allegations, contending that they are false and unfounded, emphasizing that the responsibility for maintaining books of account and ensuring tax compliance lies with the assessee, and that the control of the DSC legally and practically rests solely with the assessee.

3. In view of the ongoing dispute between the parties, the new auditor, CA Siba Prasad Mishra, sought guidance from the ICAI Directorate via email dated 21st November 2022, before proceeding with the audit assignment. The Directorate, in its response dated 30th November 2022, clarified that if the said email was intended to raise a complaint of professional misconduct against the Respondent, it was required to be submitted in the prescribed Form I. However, no formal complaint was filed by the new auditor thereafter.

CHARGES ALLEGED:

4. The Respondent had forcibly added his name as Chartered Accountant in the Complainant's income tax ID and conducted tax audit of the Complainant for FY 2021-2022 without receiving any written authorization from the Complainant.
5. The Respondent had written a letter to the Incoming Auditor stating therein that he should not accept the audit assignment of the Complainant as the Respondent had already audited the financial statements of the Complainant, but the Complainant has refused to discharge his tax liability.

BRIEF OF PROCEEDINGS HELD:

6. The details of the hearing fixed and held in the said matter are given as below:

S. No.	Date of Hearing	Status of hearing
1.	14 th December 2024	Part heard and adjourned.
2.	15 th October 2025	Matter Heard and Concluded.

BRIEF SUBMISSIONS OF THE RESPONDENT:

7. The Respondent vide letter dated 07th October 2025, submitted that the present complaint has been maliciously initiated by the Complainant after the Respondent declined to issue an unqualified audit report for FY 2021-22, as doing so would have violated Section 278 of the Income Tax Act, 1961. When he refused to comply, the Complainant deactivated his reappointment on the Income Tax portal and appointed another auditor and later filed the present complaint. This clearly demonstrates the Complainant's mala fide intent to harass and discredit the Respondent.
8. The allegations made are false, fabricated, and unsupported by any evidence. The Respondent, a law-abiding and ethical professional, has maintained cordial relation with the Complainant, who had reappointed him year after year since FY 2014-15. The accusation of threats or misconduct are baseless and intended only to damage the Respondent's reputation.

9. The audit engagement being contractual in nature, no public interest has been affected by its termination. The opinion of the learned Director (Discipline) that public interest was prejudiced or that the Complainant faced hardship is misconceived and unsupported by evidence. The Respondent has fully cooperated with the Directorate and acted with fairness and integrity throughout.
10. It is further submitted that the Respondent's professional communication to the new auditor was lawful and made in good faith. The complaint, filed in collusion between the Complainant and the new auditor, is misconceived, malicious, and deserves to be dismissed. The Respondent has not violated any provision of the Chartered Accountants Act, 1949, and therefore prays that the present proceedings be dropped in the interest of justice.

OBSERVATIONS OF THE BOARD:

11. After careful consideration of the facts on record, the oral submissions made by the Respondent during the hearing, and the written submissions placed before the Board, it is observed that the Complainant on both dates of hearing did not appear or furnished any additional information in support of the allegations despite due notice. Hence, the matter has been proceeded ex-parte to the Complainant.
12. The Board noted that there were two allegations against the Respondent as raised in the Complaint that (i) The Respondent had forcibly added his name as Chartered Accountant in the Complainant's income tax ID and conducted tax audit of the Complainant for Financial Year 2021-2022 without receiving any written authorization from the Complainant and (ii) that the Respondent had written a letter to the Incoming Auditor stating therein that he should not accept audit assignment of the Complainant as the Respondent had already audited the financial statements of the Complainant but the Complainant has refused to discharge his tax liability.
13. The Board noted that, with respect to the first charge, the Director (Discipline), in his Prima Facie Opinion (PFO) dated 4th July 2024, after a thorough examination, had dropped the same for the reasons recorded in the said PFO. Accordingly, only the second allegation—that the Respondent had written a letter to the Incoming Auditor advising him not to accept the audit assignment of the Complainant, on the ground that the Respondent had already audited the Complainant's financial statements but the Complainant had refused to discharge his tax liability—was taken up for further consideration and inquiry before the Board.
14. The Board noted that the Respondent has clarified his position comprehensively, both in writing and during the hearing. He stated that he had duly verified the documents, carried out the audit, and issued a qualified report based on his professional judgment. He also informed the client about the discrepancies and advised payment of additional tax. The Respondent further emphasized that the Complainant had disagreed with certain audit observations and was desirous of obtaining an unqualified report, which he, in adherence to his professional ethics, refused to issue. The Respondent also explained that after his Digital Signature Certificate (DSC) was taken by the Complainant's representatives without authorization, he did not upload the audit report and had no further role in the matter.
15. With respect to the maintainable charge relating to the alleged obstruction of the incoming auditor and purported misrepresentation, the Board observes that the Respondent has explained his conduct as being limited to the discharge of his professional responsibility and observance of professional courtesy. He had only communicated factual information to the incoming auditor and categorically stated that there was no iota of threat or intent to obstruct. The record does not contain any conclusive evidence indicating that the Respondent acted with malafide intention or that his communication caused any hindrance to the

appointment or functioning of the new auditor. Furthermore, the Respondent's explanation that he had already completed the audit and his role had ceased after deactivation stands corroborated by the factual circumstances.

16. Considering the totality of facts, the absence of corroborative evidence from the Complainant, and the explanations furnished by the Respondent, the Board is of the considered opinion that the conduct of the Respondent does not establish any professional or other misconduct under Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949.

CONCLUSION:


17. Thus, in conclusion, in the considered opinion of the Board, the Respondent is '**Not Guilty**' of Other Misconduct falling within the meaning of Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949. Accordingly, the Board passed an Order for closure of the case in terms of the provisions of Rule 15 (2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.
18. The Complaint stands disposed of in the above terms.

Sd/-
CA. Rajendra Kumar P
Presiding Officer

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

Date:08-12-2025

प्रमाणित होने के लिए प्रमाणित / Certified to be True Copy


नीलम पुंडीर / Neelam Pundir
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
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