

BOARD OF DISCIPLINE

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

**FINDINGS OF THE BOARD OF DISCIPLINE 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**

File No: [PR/G/337/2017/DD/347/17/BOD/481/2018]

CORAM: (PRESENT IN PERSON)

CA. Rajendra Kumar P, Presiding Officer
Ms. Dolly Chakrabarty, Government Nominee
CA. Priti Savla, Member

IN THE MATTER OF:

Sh. S B Sankar,
Supdt. of Police, HOB,
Central Bureau of Investigation, Anti-Corruption Branch,
D No. 1-83-21/4, M V P Colony, Sector 8,
Visakhapatnam.....

Complainant

Versus

CA. Kaza Ambika Prasad (M.No. 024006),
Satya Residency G-3, D No. 30-7-33, Bhanu Street, DABA Gardens,
Visakhapatnam.....

Respondent

Date of Final Hearing : 24th December 2025
Place of Final Hearing : ICAI Bhawan, Chennai

PARTIES PRESENT (Through Video Conference):

Complainant Department : Shri Sunil Gulia, Inspector
Respondent : CA. Kaza Ambika Prasad
Counsel for Respondent : Shri Utsav Hirani, Advocate

FINDINGS:

BACKGROUND OF THE CASE:

1. On the written complaint dated 19th December 2011 by Sri R. Venkata Rao, IDBI Bank Ltd., Vizag Retail Asset Centre (RAC), Visakhapatnam, a case was registered by CBI, ACB, Visakhapatnam against Sri Surendranath Datti, the then AGM and Central head, IDBI Bank, (RAC), Visakhapatnam and others (including the Respondent) for incongruity in the matter of sanction and disbursal of home loans to different persons. The Respondent, along with his wife, Smt. Jancy Prasad Kaza had taken a loan from the

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IDBI Bank of Rs.40.00 Lacs for the purchase of 8 plots in Edge City Layout, Vizianagaram.

2. The Director (Discipline) vide his Prima Facie Opinion (PFO) dated 19th September 2018 held the Respondent Not Guilty in respect of the allegation made out in the instant complaint. However, the Board in its 99th meeting held on 12th December 2018 after considering the said PFO along with the Complaint, Written Statement, Rejoinder and Additional Documents available on the record, opined that "since the Respondent was one of the accused in the Charge Sheet filed by CBI and the case was pending trial in the Court of Principal Special Judge (CBI Cases), Vishakhapatnam, the matter needs to be examined further to ascertain the role of the Respondent in the matter. Accordingly, the Board did not agree with the prima facie opinion of the Director (Discipline) and was of the view that the Respondent is prima facie Guilty of Other Misconduct falling within the meaning of Clause (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949 read with section 22 of the said Act and decided to proceed under Chapter IV of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007."

CHARGE ALLEGED:

3. The Respondent and his wife, in connivance with Direct Sales Associates Shri Dadi Surya Kiran and Panel Valuer Shri K. Kamaraju had overvalued the property. This loan later became NPA.

BRIEF OF PROCEEDINGS HELD:

4. The details of the hearings fixed and held in the said matter are given below:

S. No.	Date of Hearings	Status of hearings
1.	02 nd August 2019	Adjourned at the request of the Respondent..
2.	11 th September 2019	Adjourned at the request of the Complainant.
3.	24 th December 2025	Matter Heard and Concluded.

BRIEF SUBMISSIONS OF THE RESPONDENT:

5. In his written statement dated 14th March 2019, the Respondent submitted that the disciplinary proceedings are fundamentally defective because the complaint was filed without proper authorization from an officer of the rank of Joint Secretary, as required under the ICAI disciplinary rules. The authorization relied upon by the Disciplinary Directorate was issued only in September 2018, long after the complaint was filed in October 2017, and therefore could not have formed part of the original complaint. That because the complaint was not authorized in accordance with the disciplinary rules, and that there is sufficient proof of this lapse being covered up subsequently by making misrepresentation of the fact of authorization in the Prima Facie Opinion, this enquiry needs to be closed forthwith.
6. The Respondent further submitted that the defect of lack of authorization could not be cured subsequently, as an act void ab initio cannot be ratified without satisfying the legal requirements of valid ratification, which are absent in the present case. The

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Respondent argues that the Director (Discipline) failed to rectify this defect at the initial stage under Rule 5 (5) and unlawfully proceeded with the enquiry.

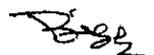
7. Since a matter based on the same set of facts, documents, witnesses is pending before the court of law, continuation of this enquiry and any conclusion by the Board of Discipline can lead to gross injustice and irrevocable harm to the Respondent, and thus this enquiry at least needs to be stayed till the conclusion of the criminal case imitated by the same complainant against the Respondent.

OBSERVATIONS OF THE BOARD:

8. Upon a meticulous consideration of the material placed on record and the submissions advanced on behalf of the parties, it emerges that the complaint in Form-I was instituted on 30th October 2017. However, the authorization purportedly empowering the complainant to initiate the said proceedings was executed by the competent authority only on 6th September 2018, nearly one year after the institution of the complaint. The record reveals that such an authorization was accorded at a conspicuously belated stage, long after the completion of pleadings, including the filing of the written statement, rejoinder, and even the submission of additional documents by the parties. It is a settled principle of law that a valid authorization to institute disciplinary proceedings must exist either contemporaneously with, or prior to, the filing of the complaint. An authorization granted post facto does not satisfy this mandatory legal requirement.
9. The Board observed that no valid authorization was in existence at the time of institution of the complaint in Form-I, which is sine-qua-non for initiating the disciplinary proceedings under the Chartered Accountants Act, 1949 and the Rules framed thereunder. The authorization relied upon by the complainant department was executed after an inordinate and unexplained delay of nearly one year. The requirement of authorization is statutory in character and admits of no dilution; it mandates strict compliance at the time of filing the complaint. An authorization furnished ex post facto cannot be recognised in the eyes of law, nor does it cure the foundational defect in the institution of proceedings. In the absence of a valid and contemporaneous authorization, the complaint fails to meet the essential statutory preconditions and is rendered devoid of legal sanctity. Such a defect goes to the very root of the matter and is incurable at any subsequent stage. The complaint, therefore, is liable to be held void ab initio.
10. Considering the above, the Board deems it wholly unnecessary to embark upon an examination of the merits of the allegations contained in the complaint. The complaint is accordingly dismissed as not maintainable. As a necessary corollary, the proceedings stand terminated, and the Respondent is acquitted of all charges and held Not Guilty.

CONCLUSION:

11. For the reasons recorded hereinabove, the Board records its findings that the Respondent is **Not Guilty** of Other Misconduct 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.



12. The Complaint stands disposed of in the above terms.

Sd/-
CA. Rajendra Kumar P
Presiding Officer

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

Sd/-
CA. Priti Savla
Member

Date:16-01-2026

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy


बिष्वा नाथ तिवारी / Bishwa Nath Tiwari
वरिष्ठ कार्यकारी अधिकारी / Senior Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
आई.सी.ए.आई. भवन, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)