

**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/325/21-DD/374/2021/BOD/718/2024**

**CORAM: (PRESENT IN PERSON)**

**CA. Rajendra Kumar P, Presiding Officer  
Ms. Dolly Chakrabarty, Government Nominee**

**IN THE MATTER OF:**

**Shri Pradeep Ddungung,  
Dy. Director of Income Tax (Inv.)  
O/o of the Deputy Director of Income Tax (Investigation), Unit – 2  
7<sup>th</sup> Floor, Central Revenue Building (Annexe), Main Road  
Ranchi.....Complainant**

**Versus**

**CA. Pravin Kumar (M. No. 411286),  
Beed Banglow, Tatisilwai  
Ranchi.....Respondent**

**Date of Final Hearing : 16<sup>th</sup> January 2026  
Place of Final Hearing : ICAI Bhawan, Lucknow**

**PARTY PRESENT (IN PERSON):**

**Counsel for Complainant Department : Shri. Shikhar Nigam, Advocate  
Counsel for Respondent : CA. Suneel Kumar Appaji**

**FINDINGS:**

**BACKGROUND OF THE CASE:**

1. As per the version of the Complainant, a search and seizure action U/s 132(1) of the Income Tax Act, 1961 was conducted in the case of M/s Vijeta Projects Group of Companies, Ranchi on 09.02.2021. During the search & seizure, gross irregularities were found regarding the maintenance of books of accounts of M/s Vijeta Projects & Infrastructure Limited (hereinafter referred to as the "**Company**"). It was found that the Company was engaged in the practice of booking bogus sub-contract and profession fee expenses to lower the profit and evade taxes. As per the Complainant, the Respondent was working as a consultant in the Head Office of the Company at West Morabadi, Ranchi. His role in the office of the Company was to finalize the books of accounts of the Company. The Complainant also stated that the residence of the Respondent was also searched U/s 132(1) of the Income Tax Act 1961.

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2. As regard the modus operandi, the Complainant stated that the company used to file TDS return in the name of bogus sub-contractors. Payments against sub-contract work were shown to be paid to these bogus sub-contractors and TDS amount was shown to be deducted and deposited against their PAN. But actually, no payment regarding the contract work was made to them, only the TDS amount was deposited against their PAN. Bank statements of these bogus sub-contractors were also requisitioned from the respective banks and there was no proof of any bank transactions between the Company and these persons found pertaining to the contract/professional work. The Complainant also stated that on perusal of the ITR of these bogus sub-contractors, they found that these sub-contractors have taken the receipts as appeared in their 26AS, and declared very low net profit accordingly, which resulted in the refund of such TDS amount. These bogus expenses booked in the books of accounts of the company resulted in reducing of profit.
3. The Director (Discipline) vide his Prima Facie Opinion bearing reference number PR/G/325/21-DD/374/2021 dated 08<sup>th</sup> January 2024, held the Respondent prima facie Guilty in respect of the allegation made out in the instant complaint for the reasons as recorded in the said PFO.

**CHARGE ALLEGED:**

4. The Complainant alleged that during the search and seizure proceedings, the Respondent was confronted with all material facts, and his statement was recorded under Section 132(4) of the Income Tax Act, 1961 on 10<sup>th</sup> February 2021, at his residential premises. In the said statement, the Respondent categorically admitted that the Company was indulging in the practice of booking bogus expenses in the guise of sub-contract work and professional expenses. The Respondent further admitted that he himself had filed the Income Tax Returns of most of these bogus sub-contractors and had furnished his personal email ID in their respective returns. The Complainant further stated that the Respondent reiterated these facts in his subsequent statement on oath recorded under Section 131(1A) of the Income Tax Act, 1961 at the Company's office, wherein he again acknowledged that he had filed the Income Tax Returns of most of the bogus sub-contractors. The Complainant also alleged that it was found during the search proceedings that the PAN of the Respondent's father was used to book such bogus expenses, and that the Respondent's father stated during the search that his son, i.e., the Respondent, had filed his Income Tax Return on his behalf.
5. The Complainant alleged that the Respondent was fully aware of all the facts and had actively facilitated the Company in booking bogus expenses by providing and using false information relating to such expenses. It was further alleged that the Respondent wilfully indulged in such acts, which are contrary to the standards of integrity, objectivity, and professional conduct expected of a Chartered Accountant. Accordingly, the Complainant contended that the Respondent is guilty of professional misconduct as defined under the Second Schedule to the Chartered Accountants Act, 1949.

**BRIEF OF PROCEEDINGS HELD:**

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

S. No.	Date of Hearing	Status of hearing
1.	01 <sup>st</sup> September 2025	Part Heard and Adjourned.
2.	16 <sup>th</sup> January 2026	Matter Heard and Concluded.

A2

**SUBMISSION OF THE PARTIES:**

7. The Respondent respectfully submits that the complaint, as filed, suffers from a fundamental procedural defect since the Complainant has failed to specify the exact clause or item of the Second Schedule to the Chartered Accountants Act, 1949 that is alleged to have been violated. In terms of Sub-rule (5) of Rule 5 of the Chartered Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, such a defect is required to be mandatorily rectified before proceeding further. However, the Director (Discipline) proceeded with the matter without directing the Complainant to rectify the said defect, thereby rendering the entire action invalid and void ab initio.
8. The Respondent further submits that, through his detailed submissions dated 20<sup>th</sup> January 2023, he had categorically explained that none of the clauses of the Second Schedule were attracted to the facts of the case. The Respondent had also specifically requested the Directorate to intimate the precise clause allegedly violated, so as to enable him to submit an effective and appropriate response. Despite this clear request, no clarification or reply was received from the Directorate, and the matter was proceeded with as though no submissions had been made by the Respondent at all.
9. It is further submitted that, to the Respondent's utter surprise, the Prima Facie Opinion records a finding that the Respondent is guilty under Item (2), Part IV of the First Schedule to the Chartered Accountants Act, 1949, even though no such allegation was ever made by the Complainant. The Respondent submits that the Director (Discipline) has no jurisdiction or authority to independently invoke or introduce a new clause or item not alleged in the complaint. The role of the Director (Discipline) is confined strictly to investigating the allegations as made by the Complainant. The determination of the applicability of any particular clause or schedule is a matter that falls exclusively within the domain of the Board of Discipline or the Disciplinary Committee, as the case may be.
10. Accordingly, the Respondent submits that the action of the Director (Discipline) in invoking a fresh clause and forming the Prima Facie Opinion thereon is beyond the scope of his powers, illegal, and void ab initio. Since the Board has also concurred with such a defective Prima Facie Opinion without examining the underlying legal infirmities, the entire disciplinary process stands vitiated.
11. In view of the above, it is respectfully submitted that the Prima Facie Opinion being legally defective deserves to be set aside, and the matter ought to be closed forthwith, or in the alternative, proceeded with strictly in accordance with law after curing the fundamental defects. The Respondent further submits that any continuation of proceedings without addressing these basic legal infirmities would constrain him to seek appropriate judicial intervention, including a claim for costs.

**OBSERVATIONS OF THE BOARD:**

12. The Board noted that during the proceedings, both the Counsels for the Complainant and the Respondent appeared and made their submissions. A specific query was made regarding the identity of the Statutory Auditor and Tax Auditor of the Company and whether any action had been initiated by the Income Tax Department against them. The Counsel for the Complainant Department stated that no such information is available to them, and they had not received any details in this regard. Further, the Counsel for the Respondent confirmed that they had no information on this matter.

A2

13. On perusal of the material on record, the Board observed that the Respondent's role was limited to assisting in the preparation of the Company's accounts. He was not the Statutory Auditor or Tax Auditor of the Company, nor was he a signatory to the financial statements. There was no evidence that the Respondent had certified the accounts or had any statutory responsibility for the finalization of the financial statements submitted to the authorities. The Complainant's inability to identify or demonstrate any adverse action against the Statutory Auditor or Tax Auditor further highlighted that the responsibility for the accounts' certification and submission did not lie with the Respondent.
14. The Board also noted that mere assistance in the preparation of accounts, without any involvement in certification or attestation, does not, by itself, constitute "Other Misconduct" under Item (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949. There was no evidence to suggest that the Respondent had acted with knowledge of any wrongdoing, or that he had actively facilitated or authorized any false or bogus entries in the accounts.
15. Considering the above, the Board was of the view that the allegations against the Respondent, insofar as they relate to professional/ other misconduct, were not substantiated. The Respondent had only helped in preparing the accounts and had no statutory or certification role. Consequently, the Board concluded that the Respondent could not be held guilty of "Other Misconduct" under the Chartered Accountants Act, 1949 and the rules framed thereunder, based on the material available. Accordingly, the Board held that the Respondent is **Not Guilty** of the charge of Other Misconduct in this matter.

**CONCLUSION:**

16. 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.
17. Ordered Accordingly. The Case stands disposed of.

Sd/-  
CA. Rajendra Kumar P  
Presiding Officer

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

Date:31-01-2026

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy



अरुण कुमार / Arun Kumar

वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer

अनुशासनात्मक निदेशालय / Disciplinary Directorate

भारतीय सनदी लेखाकार संस्थान

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