The Institute of Cost Accountants of India

Board of Discipline u/s 21A of The Cost Accountants Act, 1959

Final order number: ICMAI/BOD/2026/48

Complaint number	Com/21-CA(125)/2024
In the matter of	CMA Eswara Reddy Marthala (M/47445) [Complainant] Vs CMA Someshwara Babu (M/32325) [Respondent]
Date of Hearing	As per records and order sheet
Date of order	19th August, 2026

CORAM:

1	Shri P.K. Pujari, IAS (Retd)	Presiding Officer
2	CMA Avijit Goswami	Member

PRESENT IN HEARINGS

1	CMA(Dr) Hemant Kumar Sindhwani	Director (Discipline)

Brief of the Case

1. The Disciplinary Directorate is in receipt of a complaint in Form I dated 28th December, 2023 in triplicate together with the prescribed complaint fee of Rs 2950/- (inclusive of GST) from CMA Eswara Reddy Marthala (hereinafter referred to as the "complainant"), bearing membership number 47445 against CMA Someshwara Babu (hereinafter referred to as the "respondent") bearing membership number 32325, containing certain allegations against the respondent falling under various provisions of the Cost Accountants Act, 1959.
2. The complaint consists of 5 pages (including annexures). Form I is reproduced below in verbatim:

FORM I

[See sub-rule (1) of Rule 3]

S.no	**Particulars**	**Details**
1.	Name of the Complainant: (With membership number, if member of (Institute of Cost Accountants of India)	CMA Eswara Reddy Marthala M. No. 47445
2.	Name of the member/firm against whom complaint is being made: (With membership number/registration number of the firm, if known)	CMA Someshwara Babu M. No. 32325
3.	Latest Address of the Complainant for Communication	Flat # 110, Surya's yogitha enclave, Road No.10C, Bandari Layout, Nizampet, Hyderabad Pin Code: 500 090
4.	Last Available Professional Address of the Member/Firm against whom complaint is made	Flat # 110, Surya's yogitha enclave, Road No.10C, Bandari Layout, Nizampet, Hyderabad Pin Code: 500 090
5.	Particulars of allegation(s), serially numbered together with corresponding clause/part of the relevant Schedule (s), or Particulars of allegation(s) serially numbered together with clause/part of the relevant Schedule(s) under which the alleged acts commission or omission or both would fall.	1. Subject of email: "Election officer Appointment for Hyderabad Elections", Which is not true and misleading. 2. The Managing Committee of Hyderabad Chapter was taken under the control of The Secretary on 9th November 2023, where as this email was addressed to the members on 13th November 2023 and claimed by K. Someswara Babu himself as Chairman of the chapter under his name and used Chapter email id for sending this email, which he can't use after 9th November 2023. It is the responsibility of the Hyderabad chapter to share the information to the members of Hyderabad but that was not happened. 3. First Paragraph of the email states that "This has reference to the said subject and bring to your kind notice that the under

		regulation 146A of the Cost and Works Accountants Regulations the Institute Council has given direction and appointed Institute Secretary as "Election Officer" received through mail on 9th November 2023 for the Hyderabad Chapter elections to be held soon and notification yet to be released." ....How the Secretary is appointed as "Election Officer". This is totally misrepresenting the information. Further Mr. K. Someswara Babu is an ex-chairman w.e.f 09th itself how can afterwards he can communicate the members in the status of Chairman
6.	Particulars of evidence(s) adduced in support of the allegation(s) made	Copy of mail
7.	Name(s) of person who have knowledge of the facts of the case.	The information was received by me through the whatsapp group, officially maintaining by the Hyderabad Chapter in the name of "CMA Hyd Chapter Members" and holding 300+ members. All the members in the group are aware about this information.

3. The above complaint was scrutinized and was registered in terms of Rule 5 of the Cost and Works Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 and the same was proceeded with in the manner as prescribed in Chapter III of the Rules and was registered by the Disciplinary Directorate by giving a unique number, **Complaint No. Com/21-CA(125)/2024.**

4. A copy of the complaint dated 28th December, 2023 together with the annexure totaling 4 pages was sent to the respondent vide letter No. G/DD/Com-CA(125)/(M/32325)/02/01/2024 dated 25th January, 2024 in terms of sub-rule (3) of Rule 8 of the Cost and Works Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 with a request to send the response through a written statement in your defence within 21 days from the date of service of this letter.

5. The respondent has submitted his written statement vide letter dated 05th February, 2024 (served on 13th February, 2024) consisting of 1 pages. The same is reproduced here below:

Quote

To
Shri Rajendra Bose
Director (Discipline)
The Institute of Cost Accountants of India,
12, Sudder Street, kolkata – 700016

Sub: Response to your letter Ref No.Com/21-CA (125)/2024, Dated 25th January 2024
Ref: Complaint No. Com/21-CA (125)/2024

Dear Sir,
I trust this message finds you well, I am writing to provide clarity and rectify a miscommunication that recently occurred regarding the elections at the Hyderabad chapter.

On 9/11/2023 @ 15:25 pm, the Hyderabad chapter received an email from the secretary conveying directives from the council of the Institute of Cost Accountants of India regarding the functioning of the Hyderabad Chapter. One of the key points outlined was that elections are to be conducted by the secretary of the Institute.

Upon being informed about the email on the same day, I took action on Monday, 13th November, 2023 after two consecutive holidays on 11th and 12th November (2nd Saturday & Sunday). I instructed our staff to communicate to our members promptly.

Regrettably, due to a typographic error made by the staff, the message conveyed that the secretary has been appointed as election officer instead of the intended message, which was appointing the secretary as the administrator until the elections are held in Hyderabad.
I want to sincerely acknowledge and take full accountability for this oversight. It was never my intention to mislead any member, and I deeply regret any confusion caused by this error.

I am committed to rectifying this situation promptly and ensuring that the correct information reaches all members. Your understanding in this matter is highly appreciated. If you have any further questions or concerns, please feel free to reach out.

Thank you for your understanding
Yours Faithfully
CMA K.Someswara Babu
No.32325

Unquote

7. The defence submission dated 05th February, 2024 submitted by the Respondent was forwarded to the complainant vide letter No. G/DD/Com-CA(125)(M-47445)/02/03/2024 dated 28th March, 2024 calling upon him to submit a rejoinder in terms of Rule 8(4) of the Cost and Works Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007

The Institute of Cost Accountants of India
Board of Discipline

8. The Complainant, vide letter dated 25th April, 2024 submitted sent his Rejoinder of 04 pages, which is reproduced below in verbatim:

Quote

To
The Director (Discipline)
The Institute of Cost Accountants of India
12, Sudder Street, kolkata 700 016

Sub: Submission of objections Complaint No.Com/21-CA(125)/2024-CMA Eswara Reddy Marthale(M/47445) (Complaint) Vs. CMA K.Someswara Babu (M/32325) (Respondent) - Reg..'
Ref: Your letter Ref No.G/DD/Com-CA125)/(M-47445)/02/03/2024 dated 28 March 2024

Respected Sir,

Thank you very much for your letter forwarding the reply given by the respondent, in response to my complaint.

According to the correspondence from the office of the Secretary of the Institute, which reads as: "as per the council directions the secretary will be the administrator of the chapter till the election of new managing committee and the office beards of the chapter", it is clear that the management committee and all the MC members, including the Chairman and the other office bearers ceased to hold the respective positions at once on 9th November 2023. [A copy of the mail received by the chapter is attached for your reference]

Now, firstly, I would "appreciate the respondent for acknowledging and expressing his full accountability for the mistake, under the pretext of a typographic error", but the things done by the respondent are intentional and without authority. The respondent has ceased to be office bearer w.e.f 09 November 2023, upon the "Secretary of the Institute taking over as the 'Administrator' of the Chapter, till the election of new Managing Committee and the Office Bearers of the Chapter", and in that situation what authority has allowed him to instruct the staff on 13 November 2023 in the capacity of Chairman.

The respondent has allegedly involved in this situation as:

1. There is a malicious intention and ulterior motive with the respondent to misrepresent the members by morphing the message. It is very clear when we compare both the mails. [Both the copies are attached for your ready reference.]

2. Being a common member using the Institute property in an unethical way to misrepresent the members in the capacity as Chairman, the respondent ignored that he has ceased to the office bearer w.e.f. 09th November 2023 and he communicated to the members on 13th November 2023. Though we are part of one of the largest professional body in the world and being a professional member, all our actions towards the mother Institute and members ought to be in a professional and ethical

The Institute of Cost Accountants of India
Board of Discipline

way. Here the respondent clearly missed the way and his actions are very clear in an unprofessional way.

3. The mistake is not "typographic error" as mentioned by the respondent and further I strongly believe that the mail is not sent by the chapter staff, because when the staff has clear instructions from the Secretary's office, on 09th November 2023, then how can they put the name of the respondent, that too, as in the capacity of chairman. Even now also the respondent is trying to mislead the situation by saying typographic error. Here there is no question of typographic error and his intention and actions with malicious and with ulterior motive, and are very clear and insulted the Secretary's office.

4. The respondent in mentioning, in his reply, that this is a typographic error, he had ignored that a common member cannot have authority to instruct the chapter staff, but he did the same and it results in "nothing but taking over the authority into hands in unethical way" and insulting the Secretary's office, which is a clear-cut violation of professional ethics.

Hence, I urge your good authority and request to initiate the disciplinary action against the respondent as he himself agreed and expressed his mistake and accountability.

Thanking you,
Yours faithfully
Eswara Reddy Marthale
M.No.47445

Unquote

9. **Investigation and Analysis**

Upon preliminary examination of the matter, it is observed that certain clarifications/ supporting documents are required from the respondent. Accordingly, the respondent was called upon to furnish the following information/documents in terms of Rule 8(5) of the Cost and Works Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, vide communication dated 6th June 2024. The respondent submitted his response vide communication dated 14th June 2024. The information sought and the replies of the Complainant are tabulated below;

Sr. No.	Query	Reply of the Respondent
1)	On which date did the Secretary of the Institute had sent an email to Hyderabad Chapter of Cost	On 9/11/2023 @ 15:25 pm, the Hyderabad chapter received an email from the secretary conveying directives from the

The Institute of Cost Accountants of India
Board of Discipline

	Accountants regarding directions of Council under Regulation 146A of the Cost and Works Accountants Regulations, 1959?	council of the Institute of Cost Accountants of India regarding the functioning of the Hyderabad Chapter.
2)	What was the content of such email and what directions were given by the Secretary of the Institute to Hyderabad Chapter of Cost Accountants?	Content of Email dated 9th November, 2023 @15:25 Pm received from the secretary is as follows: Email Subject: Directions of Council under Regulation 146A of the Cost and Works Accountants Regulations 1959. The following directions have been given by the Council under Regulation 146A of the Cost and Works Accountants Regulations regarding Election of Managing Committee of Hyderabad Chapter: i) The Election of Managing Committee of Hyderabad Chapter had to be stopped midway on the date of polling on 31st May, 2023 because of mismatches in the list of Voters of the Chapter. Therefore the Election of Managing Committee has to be conducted afresh under supervision of Secretary of the Institute. It is directed as follows:

		ii) The Secretary is authorized to appoint Election Officer from the Institute to conduct the fresh Election of Managing Committee. iii) The list of voters of Hyderabad Chapter shall be correctly prepared for members of the Chapter and students who have taken membership of the Chapter and cleared all their dues as on 31st March, 2023 in pursuance of Bye Law 19 (2). iv) The Secretary of the Institute will be the Administrator of the Chapter till the Election of new Managing Committee and the office bearers of the Chapter.
3)	Did you send any email to the members of the Hyderabad Chapter on 13th November 2023 from the official email id of the Chapter communication the directions given under Regulation 146A by the Secretary of the Institute?	Upon being informed about the email on the same day, I took action on Monday, 13th November, 2023 after two consecutive holidays on 11th and 12th November (2nd Saturday & Sunday). I instructed our staff to communicate to our members promptly. Regrettably, due to a typographic error made by the staff, the message conveyed that the secretary has been appointed as election officer instead of the intended message, which was appointing the

		secretary as the administrator until the elections are held in Hyderabad.
4)	Were you a member of the Managing Committee of the Chapter on the day the directions to Hyderabad Chapter was given by the Secretary of the Institute?	I wish to bring to your attention a few pertinent facts regarding this matter. The elections were cancelled by the Election Officer, as detailed in his letter dated 9/11/2023. Traditionally, an outgoing Chairman of a Chapter hands over the charge to the newly elected Chairperson chosen by the Managing Committee. However, due to the cancellation of the elections, a new Managing Committee could not be constituted. In the absence of a successor to hand over the charge, I have continued to serve as Chairman and have kept the Secretary of the Institute informed, as per my email dated 01/06/2023. Initially, it was assumed that re-elections would be conducted within 4 to 6 weeks. Unfortunately, the re-elections did not take place until 30/01/2024. In the interim, I received a letter from the Secretary on 09/11/2023, stating that the latter would assume charge of the activities of the Hyderabad Chapter with immediate effect. From 09/11/2023 to till the new committee formed i.e. 31/01/2024.
5)	If your answer to (4) above is in	In the absence of a successor to hand over

	affirmative, please provide details of the position held in the Managing Committee of Hyderabad Chapter.	the charge, I have continued to serve as Chairman and have kept the Secretary of the Institute informed, as per my email dated 01/06/2023. Initially, it was assumed that re-elections would be conducted within 4 to 6 weeks. Unfortunately, the re-elections did not take place until 30/01/2024
6)	If your answer to (4) above is in negative, please state in what capacity such email dated 13th November 2023 was sent to the members of the Hyderabad Chapter	The above explanation is self-explanatory for this point. I acknowledge that the Chapter staffs have mistakenly informed members that the Secretary of the Institute has been appointed as the Election Officer for the re-election process. This was an oversight, and I take full responsibility for the error. I am committed to rectifying this situation promptly and ensuring that the correct information reaches all members. Your understanding in this matter is highly appreciated.

8. **Comments of the Disciplinary Directorate**

a) The complaint arises from an email dated 13^{th} November, 2023 circulated to the members of the Hyderabad Chapter stating that the Secretary of the Institute had been appointed as the "Election Officer" for the Hyderabad Chapter elections. The complainant has alleged that the said communication was misleading and was issued by the Respondent despite his having ceased to hold the office of Chairman with effect from 9^{th} November, 2023.

b) The Respondent has not disputed the issuance of the email and has admitted that the statement regarding the appointment of the Secretary as "Election Officer" was incorrect.

The Institute of Cost Accountants of India
Board of Discipline

However, he has consistently maintained that the same occurred due to an inadvertent typographical error while communicating the Council's directions and has accepted responsibility for the mistake.

c) From the records available, it is observed that the directions issued by the Secretary of the Institute on 9th November, 2023 authorized the Secretary to appoint an Election Officer and further provided that the Secretary would act as Administrator of the Chapter until the election of a new Managing Committee. Thus, the statement contained in the impugned email was factually incorrect.

d) However, except for the allegations made by the complainant, no material has been brought on record to establish that the Respondent intentionally misrepresented the Council's directions or acted with any mala fide motive. The Respondent has admitted the error and expressed regret for the confusion caused. Further, no evidence has been produced to demonstrate that the Respondent derived any undue benefit or caused any prejudice to the members on the basis of the said communication.

e) The discrepancy appears to be an isolated and inadvertent error. In the absence of any material demonstrating dishonest intent, mala fide conduct, or deliberate misrepresentation, no mens rea can be attributed to the Respondent. It is a settled principle of law that actus non facit reum nisi mens sit rea—an act does not constitute culpability unless accompanied by a guilty mind.

9. **Findings and order of Board of Discipline**

a) The Board has considered the complaint, the written statement of the Respondent, the rejoinder of the Complainant, the material available on record, and the comments of the Director (Discipline).

b) The allegation pertains to an email dated 13th November, 2023 circulated to the members of the Hyderabad Chapter, wherein the Secretary of the Institute was stated to have been appointed as the "Election Officer". The Respondent has admitted that the said statement was incorrect. However, he has consistently maintained that the same was the result of an inadvertent typographical error while communicating the directions issued by the Institute and has accepted responsibility for the same.

The Institute of Cost Accountants of India ★ Board of Discipline

c) The Board notes that the directions issued by the Secretary of the Institute on 9th November, 2023 authorised the Secretary to appoint an Election Officer and to function as Administrator of the Chapter till the election of a new Managing Committee. Although the impugned communication was factually inaccurate, no material has been brought on record to establish that the Respondent deliberately misrepresented the said directions or acted with any mala fide intention.

d) The Board further observes that no evidence has been adduced to demonstrate that the Respondent derived any undue benefit or caused any prejudice to the members on the basis of the said communication. In the absence of any material establishing dishonest intent or deliberate misconduct, the error appears to be isolated and inadvertent in nature.

e) In view of the above findings, the Board is of the considered opinion that the allegations are not supported by cogent evidence and fail to establish any act of professional or other misconduct on the part of the Respondent. The allegations remain unsubstantiated and are insufficient to warrant disciplinary action under the provisions of the Cost Accountants Act, 1959.After detailed deliberations, the Board decided to order for closure of the matter in accordance with Rule 9(3) (a) of the Cost and Works Accountants (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007 and inform the Complainant and the Respondent accordingly.

f) The matter stands disposed of accordingly.

CMA Avijit Goswami

(Member)

Shri P.K. Pujari, IAS (Retd)

(Presiding Officer)

The Institute of Cost Accountants of India
Board of Discipline

Place: New Delhi
Date: 19th August, 2026

Distribution under Rule 15(3) of the Rule

1) Director(Discipline), Institute of Cost Accountant of India
2) Complainant, CMA Eswara Reddy Marthala (M/47445)
3) Respondent, CMA Someshwara Babu (M/32325)

The Institute of Cost Accountants of India ★ Board of Discipline