



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA  
(Set up by an Act of Parliament)

PR-50/2019-DD/116/2019/BOD/563/2020

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:-

CA. Arun S Jain  
Partner, M/s J M T & Associates, Mumbai

...Complainant

-Vs.-

CA. Prashant Ramesh Surve (M. No. 156500)  
Partner, M/s Surve & Associates, Mira Road

...Respondent

[PR-50/2019-DD/116/2019/BOD/563/2020]

MEMBERS PRESENT:

CA. Prasanna Kumar D., Presiding Officer

(Physically at ICAI Bhawan, IP Marg,  
New Delhi)

Mrs. Rani Nair, (IRS, Retd.), Government Nominee

(Through video conferencing)

Date of Final Hearing: 6<sup>th</sup> August, 2021

1. The Board of Discipline, vide Report dated 11<sup>th</sup> February, 2021 held that CA. Prashant Ramesh Surve (M. No. 156500) is guilty of "Professional Misconduct" falling within the meaning of Item (8) of Part-I of the First Schedule of the Chartered Accountants Act, 1949.

2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against CA. Prashant Ramesh Surve and communication dated 29<sup>th</sup> July, 2021 was addressed to him thereby granting him an opportunity of being heard in person and/or to make written representation before the Board on 6<sup>th</sup> August, 2021.

3. CA. Prashant Ramesh Surve did not appear before the Board on 6<sup>th</sup> August, 2021. CA. Prashant Ramesh Surve vide email dated 5<sup>th</sup> August, 2021 acknowledged the receipt of letter dated 29<sup>th</sup> July, 2021 electronically and also acknowledged findings of the Board in his case. He accepted that he is guilty of professional misconduct, has no further say regarding the extant matter and extended his apology for not following the procedure prescribed by the Institute. Since the written representation of the Respondent had been received, keeping in view the provisions of Rule 15 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Board decided to consider the case of the Respondent for award of punishment.

4. The Board has carefully gone through the facts of the case along with the written representation of CA. Prashant Ramesh Surve.

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5. As per the Findings of the Board as contained in its report, **CA. Prashant Ramesh Surve** categorically accepted his guilt that he did not communicate with the Complainant before accepting the statutory audit of M/s British Electric Insulating Co Private Ltd for the Financial year 2017-18. Thus, it has already been held that **CA. Prashant Ramesh Surve** is Guilty of Professional Misconduct falling within the meaning of Item (8) of Part I of the First Schedule of the Chartered Accountants Act, 1949.

6. Upon consideration of the facts of the case, the consequent misconduct of **CA. Prashant Ramesh Surve** and keeping in view his written representation before it, **the Board decided to Reprimand CA. Prashant Ramesh Surve (M. No. 156500).**

Sd/-  
**CA. PRASANNA KUMAR D.**  
(PRESIDING OFFICER)

Date: 10<sup>th</sup> January, 2022

सही प्रतिलिपि होने के लिए प्रमाणित /  
Certified to be true copy

*Bisw*

बिषा नाथ तिवारी / Bisw Nath Tiwari  
कार्यकारी अधिकारी / Executive Officer  
अनुशासनात्मक निदेशालय / Disciplinary Directorate  
इंस्टिट्यूट ऑफ चार्टर्ड एकाउंटेंट्स ऑफ इंडिया  
The Institute of Chartered Accountants of India  
आईसीएआई भवन, विश्वास नगर, शाहदरा दिल्ली  
ICAI Bhawan, Vishwas Nagar, S

**CONFIDENTIAL**

**BOARD OF DISCIPLINE**

**Constituted under Section 21A of the Chartered Accountants Act 1949**

**Findings under Rule 14(9) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007**

**File No. : [ PR/50/2019/DD/116/2019/BOD/563/2020]**

**CORAM:**

**CA. Prasanna Kumar D., Presiding Officer**

**(attended physically from ICAI, BKC, Mumbai)**

**Mrs. Rani Nair (IRS, Retd.), Government Nominee**

**(attended through VC)**

**CA. Durgesh Kumar Kabra, Member**

**(attended physically from ICAI, BKC, Mumbai)**

**In the matter of:**

**CA. Arun S. Jain**

**Partner, M/s J M T & Associates,**

**Chartered Accountants**

**Room no. 14, 1st Floor,**

**Laud Mansion, M Karve Road,**

**Chorni Road (East),**

**Mumbai**

**....Complainant**

**-vs-**

**CA. Prashant Ramesh Surve (M. No. 156500) in Re:**

**404, Saraswati Tower,**

**Near Don Bosco School,**

**Pleasant Park**

**Mira Road (East)**

**Mira Road-401107**

**....Respondent**

**DATE OF FINAL HEARING**

**: 29<sup>th</sup> January, 2021**

**PLACE OF HEARING**

**: Through video conferencing /Physically**

**PARTIES PRESENT:**

**Complainant**

**: CA. Arun S. Jain**

**FINDINGS:**

1. At the outset, the Board noted that the Complainant did not specifically make any allegations against the Respondent in Form 'I' and merely mentioned item(s)/clauses wherein according to him the Respondent is Guilty and provided form ADT-1 etc. However, from written statement of the Respondent submitted at prima facie stage it was observed that the Complainant alleged as under:

**✓**

- (a) The Respondent did not communicate in writing with the Complainant being the previous auditor, before accepting the statutory audit of M/s British Electric Insulating Co Private Ltd ("Company") for the financial year 2017-18.
- (b) The Respondent accepted the audit without first ascertaining whether the requirement of Section 225 of the Companies Act, 1956 / Section 140 of the Companies Act, 2013 have been duly complied with by the Company.
- (c) The Respondent did not exercise due diligence or was grossly negligent in conduct of his professional duties.
- (d) The Respondent brought disrepute to the profession or the Institute as a result of his action.

The Respondent had been held prima facie guilty only with respect to the charges falling within the meaning of Item (8) of Part I of First Schedule to the Chartered Accountants Act, 1949 and the said view had been accepted by the Board of Discipline and accordingly, the Respondent has been examined during enquiry in respect of the said charge only.

2. The Board noted that at the time of hearing, neither the Respondent nor his authorized representative was present before it. However, the Respondent vide his e-mail dated 29th January, 2021 accepted his guilt and submitted that he has nothing further to say in the matter. Thus, the Board heard the submissions of the Complainant who was present before it through video conferencing and duly considered the documents available on record.
3. The Board on perusal of the documents on record noted that the Respondent in his written statement submitted at the prima facie opinion stage as well as the further written statement admitted that he did not communicate with the Complainant prior to accepting the audit of M/s British Electric Insulating Co Private Ltd for the financial year 2017-18. He had prepared the letter but could not serve it on the Complainant due to human error of his staff.
4. The Board noted that the Code of Ethics, 2009 with respect to misconduct charged under Item (8) of Part I of First Schedule to the Chartered Accountants Act, 1949 provides as under:  
*"Members should therefore communicate with a retiring auditor in such a manner as to retain in his hands positive evidence of the delivery of the communication to the addressee. In the opinion of the Council, communication by a letter sent "Registered Acknowledgement due" or by hand against a written acknowledgement would in the normal course provide such evidence."*  
In the instant case, the Respondent categorically accepted his guilt that he did not communicate with the Complainant before accepting the statutory audit of M/s British Electric Insulating Co Private Ltd for the financial year 2017-18. Accordingly, the Board decided to hold the Respondent guilty of Professional Misconduct falling within the meaning of Item (8) of Part I of the First Schedule to the Chartered Accountants Act, 1949.

**CONCLUSION:**

5. Thus, the Board of Discipline, in view of the above, is of the considered opinion that the Respondent is **Guilty** of Professional Misconduct falling within the meaning of Item (8) of Part I of First Schedule to the Chartered Accountants Act 1949.

Sd/-  
**CA. PRASANNA KUMAR D.**  
**(PRESIDING OFFICER)**

Certified to be true copy

  
**Mukesh Kumar Mittal**  
Assistant Secretary,  
Disciplinary Directorate  
The Institute of Chartered Accountants of India,  
ICAI Bhawan, Vishwas Nagar, Shahdra, Delhi-110032