



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

[PR/371/20/DD/03/2021/BOD/790/2025]

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:

Shri Sushil Parasrampuria,
166, Bangur Avenue, Block A
Kolkata.....

Complainant

Versus

CA. Saket Parasrampuria (M.No.307382)
M/s VRSP & Associates,
273/274 Block B, Bangur Avenue, Ganpati Apartment, Ground Floor,
Kolkata.....

Respondent

[PR/371/20/DD/03/2021/BOD/790/2025]

MEMBERS PRESENT (Through Video Conference):

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

Date of hearing and passing of Order: 05th February 2026

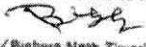
1. The Board of Discipline vide its findings dated 16th January 2026, was of the view that **CA. Saket Parasrampuria (M.No.307382)** is **GUILTY** of Professional Misconduct falling within the meaning of Item (11) of Part I of the First Schedule to the Chartered Accountants Act, 1949.
2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against **CA. Saket Parasrampuria (M.No.307382)** and communication dated 02nd February 2026 was addressed to him thereby granting him an opportunity of being heard on 05th February 2026 which was exercised by him by being present through video conferencing. He confirmed receipt of the findings of the Board and requested the Board to take a sympathetic view on the case and promised not to repeat it.
3. Thus, upon consideration of the facts of the case, the consequent misconduct of **CA. Saket Parasrampuria (M.No.307382)** and keeping in view his representation before it, the Board decided to **REPRIMAND** him.

Sd/-

CA. Rajendra Kumar P
(Presiding Officer)

Sd/-

Ms. Dolly Chakrabarty (IAAS, retd)
(Government Nominee)

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

बिष्णुनाथ तिवारी / Bishwa Nath Tiwari
उपनिदेशक / Senior Executive Officer
अनुशासनमयक निदेशकालय / Disciplinary Directorate
भारतीय चार्टेड अकाउंटन्ट्स 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.)

BOARD OF DISCIPLINE

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

FINDINGS OF THE BOARD OF DISCIPLINE 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/371/20/DD/03/2021/BOD/790/2025

CORAM: (PRESENT IN PERSON)

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

IN THE MATTER OF:

**Sh. Sushil Parasrampur, 166, Bangur Avenue, Block A
Kolkata.....Complainant**

Versus

**CA. Saket Parasrampur (M.No.307382)
M/s VRSP & Associates,
273/274 Block B, Bangur Avenue, Ganpati Apartment, Ground Floor,
Kolkata.....Respondent**

Date of Final Hearing : 22nd December 2025
Place of Final Hearing : ICAI Bhawan, Kolkata

PARTIES PRESENT:

In Person

Complainant : Shri Sushil Parasrampur
Counsel for Complainant : Shri Swaraj Shaw, Advocate

Through VC

Respondent : CA. Saket Parasrampur
Counsel for Respondent : Shri Utsav Hirani, Advocate

FINDINGS:

BACKGROUND OF THE CASE:

1. The Complainant is a Director of M/s Sundar Commercials Pvt Ltd (hereinafter referred to as the "**Company**") and holding 33.5% of the total paid-up share capital of the Company along with his wife. The Respondent is holding 5% of the total paid-up share capital of the Company in personal capacity. The Respondent, along with her parents and brother are also holding 66.2% of the total paid-up share capital. As per the recorded information, the said Company is a Family Company.

2. As per the Complainant, the Company is run by two Directors, i.e. the Complainant and Mrs. Usha Parasrampurua (Mother of the Respondent). However, on account of a family dispute and with the malicious intention of taking over the said Company, the Respondent, along with his father, decided to become Executive Director in the Company. To give effect to the same, a notice for extra ordinary general meeting was issued on 16th October 2020 for the appointment of the Respondent and his father Mr. Shiv Prakash Parasrampurua, as a director of the Company without convening the Board Meeting. The Complainant sent a letter to the Respondent with respect to the illegality of the EOGM notice issued on 16th October 2020 and requested the Respondent to withdraw the same; however, he denied. Thereafter, the Complainant attended the same meeting; however, the meeting was not convened as per the scheduled time. Therefore, the Complainant, along with his wife, had to leave that place. Thereafter, the Complainant received an email dated 07th November 2020 with respect to the appointment of the Respondent and his father. As per the Complainant, the aforesaid meeting never took place. The Complainant also stated that the Respondent managed to finalize the financial statements of the Company without convening a board meeting for the same.
3. The Director (Discipline) vide its Prima Facie Opinion (PFO) dated 17th December 2024 held the Respondent Guilty in respect of the allegation made out in the instant complaint.

CHARGE ALLEGED:

4. The Respondent cannot become an Executive Director of the Company while holding the Certificate of Practice as per the provisions of Item (11) of Part-I of First Schedule of the Chartered Accountants Act 1949 and Chapter-II Section 14.1.11.iv of the Code of Ethics, 2020 and Appendix 'D' on "Guidelines for Practice in Corporate Form" of Code of Ethics, 2020. The Complainant also stated that the Respondent cannot become Executive Director of the Company as he holds a substantial interest in the Company and the meeting for his appointment was actually not convened.

BRIEF OF PROCEEDINGS HELD:

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

S. No.	Date of hearings	Status of hearings
1.	15 th October 2025	Adjourned at the request of the Respondent.
2.	22 nd December 2025	Matter heard and concluded.

BRIEF SUBMISSIONS OF THE RESPONDENT:

6. The Respondent vide letter dated 25th February 2025, while reiterating his previous submissions, refuted the Prima Facie Opinion and submitted that in response to the Company's actions to safeguard its own self-interests, Mr. Sushil Parasrampurua filed a petition before NCLT, Kolkata, under CP No. 11/KB of 2021 on December 1, 2020. The case was admitted on April 15, 2021, but no relief was granted to the petitioner, while the Respondent, including the statutory auditors, were asked to file their replies. Despite multiple hearings and adjournments, the matter was ultimately dismissed on April 13, 2023, for non-prosecution, with the tribunal stating that "it appears that the petitioner is not interested in pursuing this matter." The Respondent was not involved in the day-to-day affairs of the Company and was not responsible for the financial or operational decisions of the Company. The allegations raised by the Complainant are baseless, and

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the dismissal of his petition before NCLT further substantiates the lack of merit in the Complainant's claim.

7. The Respondent further submitted that he was never appointed as an Executive Director, Whole-time Director, or Managing Director of the company, but only as a Director Simplicitor, which is expressly permitted under the Chartered Accountants Act, 1949, and the Code of Ethics, 2020. He never took part in the day-to-day management, did not sign cheques, GST returns, or financial statements, and never entered into any contract or authorized transactions. The Respondent further clarifies that he never received any remuneration, salary, or benefits from the Company, which is supported by his income tax returns.
8. Moreover, there is no documentary evidence provided in the PFO to substantiate the claim that the Respondent acted in an executive or managerial capacity. The onus of proving the allegations lies on the complainant, and in this case, no material proof has been furnished to establish that the Respondent was anything more than a director simpliciter. Furthermore, the petition filed by the Bank before the Debt Recovery Tribunal ("DRT"), wherein the Complainant, M/s Sundar Commercials Pvt. Ltd., Mrs. Usha Parasrampuriah, and Mr. Shiv Prakash Parasrampuriah have been impleaded as parties, the Respondent was not named therein. Bank had further initiated a judicial proceeding before Metropolitan Magistrate Court, Kolkata under NI Act, wherein the Complainant and M/s Sundar Commercials Pvt. Ltd., have been impleaded as parties, but the Respondent has not been made a party to any of the said proceedings. This unequivocally establishes, beyond any reasonable doubt, that the Respondent was never involved in the day-to-day operations of the Company. Consequently, all contentions raised by the Complainant, as well as the conclusions drawn by the Director (Discipline), are rendered unsustainable and devoid of merit.
9. The Respondent further submitted that a crucial aspect of professional independence is ensuring that a Chartered Accountant does not provide professional services to an entity where a potential conflict of interest may arise. In the present case, the Respondent has never provided any professional services to the company. He has neither served as its statutory auditor, tax auditor, nor internal auditor. His association with the company is limited solely to his role as a non-executive director and as a shareholder in a family-owned enterprise. Holding shares in a family-owned company does not, by itself, constitute professional misconduct. A breach of professional independence must be demonstrated with substantive evidence, and no such evidence has been produced. The allegation that the Respondent was classified as an executive director in the company's Form DIR-12 filing does not hold merit. The filing of Form DIR-12 under the Companies Act, 2013, is the responsibility of the Company, and not that of the director. The Respondent had no control over the terminology used in the company's regulatory filings, and a mere designation does not determine the actual role played by an individual in a company. The law does not impose any obligation on a director to correct filings made by the company unless the director was responsible for making such filings. The burden of proof lies with the complainant to establish that the Respondent functioned as an executive director. No evidence has been presented to indicate that he performed any managerial or executive functions, which renders the allegation baseless.
10. Therefore, the Respondent's role was limited only to that of a non-executive director in a family-owned company, which is permissible under the Code of Ethics. He acted in good faith, disclosed his position to the Institute of Chartered Accountants of India (ICAI), and never provided professional services to the company. In the absence of any evidence of professional misconduct, conflict of interest, or breach of independence, the allegations

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are unfounded. The Respondent prays that the inquiry be closed, and he be exonerated of all charges.

OBSERVATIONS OF THE BOARD:

11. The Board noted that the core of the allegation against the Respondent is that, while admittedly holding a valid Certificate of Practice, he assumed the position of Executive Director of the Company, an act expressly prohibited under the governing statutory and ethical framework regulating the profession of Chartered Accountants. The Respondent, while not disputing the existence of his Certificate of Practice during the relevant period, has sought to evade the charge by asserting that he was merely a director simplicitor and not an Executive Director.

Thus, at the outset, it becomes necessary to advert to the statutory provisions and ethical standards that occupy the field.

Item (11) of Part I of the First Schedule for the Chartered Accountants Act, 1949 unequivocally declares that: -

"A Chartered Accountant in practice shall be deemed to be guilty of professional misconduct, if he: -

***Clause (11):** engages in any business or occupation other than the profession of chartered accountants unless permitted by the Council so to engage:*

Provided that nothing contained herein shall disentitle a chartered accountant from being a director of a Company, (not being a managing director or a whole-time director), unless he or any of his partners is interested in such company as an auditor; (emphasis added)

The Code of Ethics, 2020 further elucidates this distinction. Chapter II, Section 14.1.11(iv) defines the expression "Director simplicitor": -

"Director Simplicitor

2.14.1.11(iv) As regards the question of permitting a member in practice to be a Promoter/Promoter- Director, Subscriber to the Memorandum and Articles of Association of any Company, it was decided that:

(a) Director of a Company

(1) The expression "Director Simplicitor" means an ordinary/simple Director who is not a Managing Director or Whole time Director and is required only in the Board Meetings of the company and not paid any remuneration except for attending such meetings.

(2) A member in practice is permitted generally to be a Director Simplicitor in any Company including a board-managed Company and as such he is not required to obtain any specific permission of the Council in this behalf unless he or any of his partners is interested in such Company as an auditor, irrespective of whether he and/or his relatives hold substantial interest in that Company."

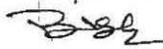
Further, Guidelines for Practice in Corporate Form of Practice as mentioned in Annexure 'D' to the Code of Ethics, 2020 stipulates as follows: -

"Appendix 'D'

(Please refer to pages 29 & 159)

Guidelines for Practice in Corporate Form of Practice

As per the existing Code of Ethics, a member in practice is permitted generally to be a 'Director Simplicitor' in any company and as such he is not required to obtain any specific permission in this regard irrespective of whether he and/or his relatives hold substantial



interest in that company. However, a member in practice shall not hold the position of Managing Director or Whole-time Director of a Body Corporate if he and/or his relatives hold substantial interest in such concern. In the alternative, a member in practice can occupy such positions by surrendering his Certificate of Practice (COP). Where substantial interest is not so held, a member in practice can hold these positions only after obtaining specific and prior approval of the Council in which case the member will be regarded as being in part-time practice and therefore can neither do attest function nor he can train articled/audit assistants.

To empower the members to face the emerging challenges in the service sector as well as to equip them for the opportunities in the non-audit service area, the Council at its 261st meeting held from 1st to 3rd August, 2006 reviewed the aforesaid position and in the interest of the profession, decided to allow members in practice to render Management Consultancy and Other Services in Corporate form, subject to the guidelines to be issued by the Institute in this regard.

The Council decided to allow members in practice to hold the office of Managing Director, Whole-time Director or Manager of a body corporate within the meaning of the Companies Act, 1956 provided that the body corporate is engaged exclusively in rendering Management Consultancy and Other Services permitted by the Council in pursuant to Section 2(2)(iv) of the Chartered Accountants Act, 1949 and complies with the conditions(s) as specified by the Council from time to time in this regard...."

Therefore, as rightly recorded in the PFO, a Chartered Accountant in practice cannot become a Managing Director or Whole-Time Director without the specific permission of the Council. However, a Chartered Accountant in practice can become a Director Simplicitor without any permission, regardless of whether the member holds a substantial interest in the Company or not.

12. The Board observed that the statutory filings made by the Company before the Registrar of Companies, particularly Form DIR-12 dated 7th November 2020 (The date of appointment of the Respondent as a Director), unequivocally classify the Respondent as an Executive Director. Further, this classification is a formal statutory declaration carrying legal consequences. The Respondent's appointment as Director on 14th October 2020, as declared in Form DIR-2, stands contemporaneously corroborated by the said filing.
13. The Board further observed that during the hearing before it, the Respondent admitted that he was holding a Certificate of Practice at the relevant time. He sought to explain away the incriminating entry in Form DIR-12 by contending that the same was incorrectly filed by the Company. This plea, however, is wholly untenable. Furthermore, the Respondent neither raised any contemporaneous objection to the filing nor took any steps to cause its rectification. Silence, in such circumstances, operates against the Respondent, particularly when the statutory record unequivocally reflects his designation as an Executive Director.
14. The Respondent's conduct after the filing of the complaint further undermines his defence. The complaint in Form I was lodged on 25th November 2020. It was only thereafter, on 10th February 2021, that the Respondent addressed an email to the ICAI seeking permission to act as a Director simplicitor. This belated request, made after initiation of disciplinary proceedings, bears the unmistakable imprint of an afterthought and cannot be permitted to retrospectively sanitise an act that was impermissible on the date it was undertaken.
15. Significantly, despite having opportunities, the Respondent has failed to place on record any material whatsoever to substantiate his assertion that he functioned merely as a Director Simplicitor. A plea, howsoever emphatically urged, cannot substitute proof, particularly when it runs contrary to statutory filings made under the Companies Act, as in the instant matter. The Board also takes note of the Complainant's contention that the

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Respondent held a substantial interest in the Company and that the meeting for his appointment was not duly convened. While these aspects further cloud the legitimacy of the Respondent's appointment, the Board finds that even dehors these contentions, the Respondent's assumption of the role of Executive Director while holding a Certificate of Practice stands squarely in violation of Item (11) of Part I of the First Schedule to the Chartered Accountants Act, 1949, Chapter II, Section 14.1.11(iv) of the Code of Ethics, 2020, and Appendix 'D' thereto.

16. After the detailed perusal of the documents on record and submissions made by the parties, the Board is of the view that the defence of the Respondent being a Director Simplificator is found to be a mere assertion devoid of evidentiary support and is accordingly rejected. The Complainant has been able to substantiate with corroborative and conclusive evidence in his claim that the Respondent cannot become an Executive Director of the Company while holding the Certificate of Practice as per the provisions of Item (11) of Part-I of First Schedule of the Chartered Accountants Act 1949 and Chapter-II Section 14.1.11.iv of the Code of Ethics, 2020 and Appendix 'D' on "Guidelines for Practice in Corporate Form" of Code of Ethics, 2020.

CONCLUSION:

17. Considering the foregoing, in the considered opinion of the Board, the Respondent is held '**Guilty**' of Professional Misconduct falling within the meaning of Item (11) of Part I of the First Schedule to the Chartered Accountants Act, 1949.

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
विश्वनाथ 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
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