



# भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

## THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

### DISCIPLINARY COMMITTEE [BENCH-V (2024-2025)]

[Constituted under Section 21B of the Chartered Accountants Act, 1949]

**ORDER UNDER SECTION 21B(3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 19(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007.**

PPR/HPC/DD/61/INF/18-DC/958/2018  
PPR/HPC/DD/60/INF/18-DC/847/2018  
PPR/HPC/DD/62/INF/18-DC/848/2018  
PPR/HPC/DD/63/INF/18-DC/849/2018  
PPR/HPC/DD/64/INF/18-DC/850/2018

**In the matter of:**

M/s. Sharp & Tannan (FRN 109982W) in Re: (Respondent 1)  
M/s. Sharp & Tannan (FRN 003792S) in Re: (Respondent 2)  
M/s. Sharp & Tannan (FRN 000452N) in Re: (Respondent 3)  
M/s. Sharp & Tannan LLP (FRN 127145W/W100218)  
[Formerly known as Sharp & Tannan (FRN 127145W) in Re: (Respondent 4)  
M/s. Sharp & Tannan Associates (FRN 109983W) in Re: (Respondent 5)

**CA. Shreedhar Tryambak Kunte (M.No.030062)** (Respondent 6)  
Ravindra Annexe,  
194, Churchgate Reclamation,  
Dinshaw Vaccha Road,  
Mumbai- 400 020 (Maharashtra)

**MEMBERS PRESENT:**

**CA. Ranjeet Kumar Agarwal, Presiding Officer (Present in person)**  
**Smt. Anita Kapur, Government Nominee (Present through Video Conferencing Mode)**  
**Dr. K. Rajeswara Rao, Government Nominee (Present through Video Conferencing Mode)**  
**CA. Piyush S. Chhajed, Member (Present in person)**  
**CA. Gyan Chandra Misra, Member (Present in Person)**

**Date of Hearing : 12<sup>th</sup> March 2024**

**Date of Order : 24<sup>th</sup> April, 2024**

1. That vide findings under Rule 18 (17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 dated 22<sup>nd</sup> January 2024, the Disciplinary Committee was, inter-alia, of the opinion that CA. Shreedhar Tryambak Kunte (hereinafter referred to as the "**Respondent 6**", who was identified as 'member answerable' by **Respondent 1 to Respondent 5**) was **GUILTY** of Professional Misconduct falling within the meaning of Item (2) and Item (5) of Part I of the First Schedule to the Chartered Accountants Act, 1949.

2. That pursuant to the said findings, an action under Section 21B(3) of the Chartered Accountants Act, 1949 was contemplated against the Respondent and a communication was



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addressed to him thereby granting an opportunity of being heard in person/through video conferencing and to make representation before the Committee on 12<sup>th</sup> March 2024.

3. The Committee noted that on the date of hearing held on 12<sup>th</sup> March 2024, the Respondent was present through Video Conferencing Mode and made his verbal submissions on the findings of the Disciplinary Committee. The Committee also noted that the Respondent relied on his written representation dated 07<sup>th</sup> March 2024, wherein, he apart from submitting the brief background of Respondent Firm(s) and their association with international entity i.e. Russell Bedford International had, inter-alia, submitted as under:

- a. That there was no direct link between the work received and the amount paid to international entity i.e. Russell Bedford International, which can be termed as 'referral fees.
- b. The Respondent Firm(s) had no intention initially of joining any foreign network for business purposes. However, they acquired membership to stay updated on international practices.
- c. No work was referred by the international entity.
- d. Work was referred to by professional firms operating in some other countries which were also members of the said international entity and were independent professionals like the Respondent Firm(s).
- e. Further the international entity had not played any part either in identifying or in directing the foreign clients to the Respondent Firm(s).
- f. The default in the matter was required to be treated as accidental and/or occurred due to bonafide belief, that while making such payments, there was no intent of violation of the provisions of the CA Act or its regulations.
- g. That the Respondent Firm(s) have not paid any fees termed as referral fees after 2015-16 to any international entity.
- h. The Respondent accordingly requested a lenient view in the case.

4. The Committee considered the reasoning as contained in the findings holding the Respondent Guilty of professional misconduct vis-à-vis written and verbal representation of the Respondent made before it.

5. Keeping in view the facts and circumstances of the case, material on record, including verbal and written representations on the Findings, the Committee is of the view that joining the International entity and agreeing to its Rules and By-laws, which as extracted in the findings of the Committee, provided for referral work and payment of fee for such referral, constituted Professional Misconduct in terms of Item (2) of Part 1 of the First Schedule to the Chartered Accountants Act, 1949. The Committee further observed that referral fees was actually paid in some years which amounted to sharing of fee with a person who was neither a Member of the ICAI, nor any other person to whom share in fee or profits of his professional business could be paid, allowed, or agreed to be paid. Further, the argument that now the referral fees was not being paid was irrelevant as the Respondent firm(s) admittedly continue to be part of the international entity and hence bound by its Rules and By-laws and the very fact of agreeing to pay is professional misconduct. Further, professional business was secured through other Members of the International entity, which was a Professional Misconduct in terms of Item (5) of Part 1 of the First Schedule of the Chartered Accountants Act, 1949.



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6. The Committee, hence, viewed that the ends of justice would be met if appropriate punishment is awarded to the Respondent in this case.

7. Accordingly, the Committee upon considering the nature of charges and the gravity of the matter ordered that the name of **CA. Shreedhar Tryambak Kunte (M.No.030062)** be removed from Register of Members for a period of 45 (forty-five) days, and a fine of Rs.1,00,000/- (Rupees One Lakh only) be imposed upon him, to be paid within 90 days of the receipt of the order and in case of failure in payment of fine as stipulated, the name of the Respondent be removed for a further period of 30 days from the Register of Members. The said punishment shall run concurrently in all the five cases referred to above.

Sd/-  
(CA. RANJEET KUMAR AGARWAL)  
PRESIDING OFFICER

Sd/-  
(SMT. ANITA KAPUR)  
GOVERNMENT NOMINEE

Sd/-  
(DR. K. RAJESWARA RAO)  
GOVERNMENT NOMINEE

Sd/-  
(CA. PIYUSH S CHHAJED)  
MEMBER

Sd/-  
(CA. GYAN CHANDRA MISRA)  
MEMBER

Place : New Delhi

Date: 24<sup>th</sup> April, 2024