



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/87/INF/18/DC/1878/2024

In the matter of:

M/s O.P. Rathi & Co. (FRN 108718W)

102-103, Shivani Flats, Behind Bank of India,
Subhanpura, Ellora Park

Vadodra, Gujarat – 390 023

(Respondent no. 1)

CA. Vineet Rathi (M.No.111120)

(Member answerable for Respondent no.1)

102-103, Shivani Flats, Behind Bank of India,
Subhanpura, Ellora Park

Vadodra, Gujarat – 390 023

(Respondent no. 2)

MEMBERS PRESENT:

CA. Ranjeet Kumar Agarwal, Presiding Officer

Smt. Anita Kapur, Government Nominee

Dr. K. Rajeswara Rao, Government Nominee

CA. Piyush S. Chhajer, Member

CA. Gyan Chandra Misra, Member

Date of Hearing: 20th January 2025

Date of Order: 8th February, 2025

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 25th November 2024, the Disciplinary Committee was, inter-alia, of the opinion that CA. Vineet Rathi (hereinafter referred to as the “**Respondent no. 2/ Respondent**”, who was identified as ‘member answerable’ by **Respondent no. 1/ Respondent Firm**) was **GUILTY** of Professional Misconduct falling within the meaning of Item (2) of Part I of the First Schedule to the Chartered Accountants Act, 1949.



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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 addressed to him thereby granting an opportunity of being heard in person/through video conferencing and to make representation before the Committee on 20th January 2025.

3. The Committee noted that on the date of hearing held on 20th January 2025, the Respondent was present through Video Conferencing Mode and made his verbal submissions on the findings of the Disciplinary Committee. The Respondent during the hearing reiterated his written representations in the matter which are as under:

- a) That the association with Kreston International was only to support professional development.
- b) That M/s. O P Rathi & Co. and M/s. Kreston OPR Advisors LLP were operating as independent entities and there was no overlap of partners between the two firms at any point of time.
- c) That the contents appearing on the website of the Respondent Firm were not updated since 2009 and corrective measures for updating the website were taken by the Respondent firm.
- d) The fees paid to the international association were nominal and unrelated to firm's revenue. Further, it was stated that the fees paid cover administrative services including listing in international directory, access to conferences and facilitation of professional learning.
- e) The membership agreement explicitly excludes referral fees for Indian members to ensure compliance with ICAI's ethical standards. Further, no referral fee was paid either directly or indirectly.
- f) There was full independence in the operations of the firm and the office premises was owned by family members and was shared with other family-owned businesses.
- g) The Respondent submitted a letter from Kreston International that O P Rathi & Co. had never paid any referral fees to Kreston International, and the subscription fee paid was solely for administration of Kreston's central operations including managing the office and other matters as outlined in the agreement.



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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 and 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 Operating Rules, which as extracted in the findings of the Committee, provided framework for referral work which constituted Professional Misconduct in terms of Item (2) of Part 1 of the First Schedule to the Chartered Accountants Act, 1949. The Committee noted that the Respondent was a partner with Respondent Firm until 2012 and again inducted in the year 2016 and retired from the Respondent firm with effect from 5th December 2020 and as per the submissions of Respondent, post his retirement he surrendered his Certificate of Practice to the Institute. Further, the Committee noted that although there was a referral clause in the agreement executed between the Respondent Firm and M/s Kreston international but there was no sharing of fees and referral work. The Respondent in this regard provided a clarification letter dated 17th January 2025 issued by Kreston International to support his claim.

6. The Committee further noted that as against reasoning in its findings that despite the resignation of the Respondent, the name was still displayed on the website of M/s. O P Rathi & Co., in this regard the Respondent submitted that the website was not updated for a long period of time due to which the Respondent name appeared on the website. The Respondent further submitted an affidavit of Mr. Bhargav Dave (Technical Expert) wherein it was stated that the firm's website domain was compromised and unauthorized access to the domain led to display of outdated and inaccurate content.

7. The Committee further noted that the address of the firm i.e. M/s Kreston OPR Advisors LLP and M/s. O P Rathi & Co. was same as the premises were owned by the family members of the Respondent and shared with other family-owned businesses too. The Respondent further submitted a clarification letter dated 17th January 2025 wherein it was stated that the subscription fee paid by Respondent Firm was solely for the administration of Kreston's central operations, including managing the office and other matters as outlined in the agreement. The Committee further noted that the Firm M/s. O P Rathi had exited from the affiliation in the year 2016 and the member



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answerable is also not the partner and not holding COP since 5th December 2020. The Committee, accordingly, observed that the Respondent deserves lenient punishment considering the overall facts and submissions brought on record.

8. The Professional Misconduct on the part of the Respondent is established as spelt out in the Committee's findings dated 25th November 2024 which is to be read in conjunction with the instant Order being passed in the case.

9. The Committee viewed that the ends of justice will be met if appropriate punishment commensurate with his professional misconduct is given to him.

10. Accordingly, the Committee upon considering the nature of default ordered that **CA. Vineet Rathi (M. No. 111120)** be Reprimanded under Section 21B(3) of the Chartered Accountants Act, 1949.

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