



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

CONFIDENTIAL
SPEED POST A.D.

Ref. No. PR/130/16-DD/153/16-BOD/438/18

14 NOV 2019

CA. Kishor Ramji Gala
M/s K Gala & Associates
Chartered Accountants
12-B, Singapuri Building, 1st Floor,
609, J S S Road, Marne Lines
MUMBAI – 400 002.

Dear Sir,

Sub: In the matter of complaint made by Shri Snehal Bansilal Thakkar, Mumbai against you, under Section 21 of the Chartered Accountants, Act, 1949.

This has reference to the hearing held by the Board of Discipline in the above matter. You are hereby informed that the Board of Discipline has arrived at a finding that you are **NOT GUILTY** of "Other Misconduct" falling within the meaning of Clause (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949 read with section 22 of the said Act.

Accordingly as per the provisions of Rule 15(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Board of Discipline has passed an Order dated **26th June, 2019** thereby closing the case against you. A certified copy of the Report of the Board of Discipline of even date ordering the closure of the case against you is enclosed.

Kindly acknowledge receipt.

Yours faithfully,

(R. S. SRIVASTAVA)
ASSISTANT SECRETARY
DISCIPLINARY DIRECTORATE
Phone No.: (011) 30110437
Email: disc@icai.in

Encl. : As above.

CC :

- 1. Shri Snehal Bansilal Thakkar**
E-605/606, Agrawal Residency
Shankar Lane, Kandivali (West)
MUMBAI - 400 067.
- 2. The Director (Discipline)**
Disciplinary Directorate
The ICAI, ICAI Bhawan, I.P. Marg,
NEW DELHI – 110 002. – For information please.
- 3. Ms. Aruna Sarma, Sr. Executive Officer - For volume printing purposes.**



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4. **Shri Ravi Arora, Joint Director,**
ICAI Bhawan, C-40, G-Block,
Bandra Kurla Complex, Bandra (East)
MUMBAI – 400 051. – along with a copy of the Report of the Board of Discipline as
mentioned above, for placing in the Member's file of CA.
Kishor Ramji Gala (M.No. 048752).

BOARD OF DISCIPLINE (BENCH-II)

(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

Shri Snehal Bansilal Thakkar, Mumbai

- vs -

**CA Kishor Ramji Gala (M.No.048752) of M/s. K. Gala & Associates,
Chartered Accountants, Mumbai**

[PR/130/2016/DD/153/2016/BOD/438/2018]

CORAM:

**CA. Atul Kumar Gupta, Presiding Officer
Shri Arun Kumar (Government Nominee)
CA. Prasanna Kumar D, Member**

In the matter of:

**Shri Snehal Bansilal Thakkar
E-605/606, Agrawal Residency,
Shankar lane,
Kandivali (West)
MUMBAI – 400 067**

.....Complainant

Versus

**CA. Kishor Ramji Gala
M/s. K. Gala & Associates
Chartered Accountants,
12-B Singapuri Building,
1st Floor, 609, J S S Road,
Marine Lines,
MUMBAI – 400 002**

.....Respondent

DATE OF FINAL HEARING: 26.06.2019

PLACE OF HEARING: MUMBAI

Ⓢ

PARTIES PRESENT:

Complainant : Shri Snehlal Bansilal Thakkar

Findings:

1. The Board noted that the Respondent was held guilty by the Director (Discipline) of Other Misconduct falling within the meaning of Clauses (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949 read with Section 22 of said Act on the charge that he is involved in money laundering activities of Mr. K.R. Madan and his Companies, some of which were audited by him.
2. The Board noted that the Respondent was not present at the time of final hearing. The Board also noted that hearing in this case was held on 10th April, 2019 and adjourned on the request of the Respondent.
3. Looking into absence of the Respondent, the Board in this regard took reference to Rule 14 of the aforesaid Rules relating to "Procedure to be followed by the Board of Discipline" whereby as per sub rule (7) and (8) it is mentioned as under:
"(7) On the date of hearing, if the respondent, in spite of the service of notice, under sub rule (6) does not appear either in person or through his authorised representative the Board of Discipline may proceed ex-parte and pass such orders as may think fit or direct fresh notice to be served.

(8) The Board of Discipline may on such terms as they think fit and at any stage of proceedings adjourn the hearing:

Provided that such adjournment shall not be given more than one stage at any stage of the proceedings."
4. The Board accordingly decided to take up the matter ex-parte the Respondent and decided to proceed on the merits of the case.
4. The Board noted that during the course of hearing the Complainant mentioned that the Respondent signed/certified the Balance Sheet of the Complainant with wrong figures. The Complainant also submitted certain evidences to establish the charge.

5. The Board, on a review of the papers noted that the allegation of the Complainant was related to the negligence on the part of the Auditor. The Board also noted that allegation on which the Respondent was held prima-facie guilty was relating to his involvement in money laundering activities of one Mr. K.R. Madan. The Board noted that from the documents produced by the Complainant there are no substantive evidences to establish the role of the Respondent in money laundering activity and the involvement of the Respondent stands unestablished.
6. Accordingly, the Board opined that there may be a case of negligence on the professional duties by the auditor which falls under Second Schedule to the Chartered Accountants Act, 1949. However, as regards current matter is concerned, since the connivance is not established, the Board is inclined to give benefit of doubt to the Respondent and decided to hold him Not Guilty.

CONCLUSION:

7. Thus, the Board concluded that the Respondent is **NOT GUILTY** of "Other Misconduct" falling within the meaning of Clause (2) of Part IV of the First Schedule to the Chartered Accountants Act, 1949 read with section 22 of the said Act. Accordingly, in terms of the provisions of Rule 15(2) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules 2007, the Board passes order for closure of the case.

Sd/-
(ATUL KUMAR GUPTA)
PRESIDING OFFICER

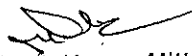
Sd/-
(ARUN KUMAR)
GOVERNMENT NOMINEE

Sd/-
(PRASANNA KUMAR D)
MEMBER

DATE : 26.06.2019

PLACE : MUMBAI

☞

Certified True Copy

Mukesh Kumar Mittal
Assistant Secretary
Disciplinary Directorate
The Institute of Chartered Accountants of India
ICAI Bhawan, I.P. Marg, New Delhi-110 002