

**CENTRAL BUREAU OF INVESTIGATION  
ANTI CORRUPTION BRANCH**

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*By hand*

No.C1/Engmt. Of CAs/CBI/ACB/BLR

*1829*

Dt. 18.4.2018

To,

The Chairman,  
Institution of Chartered Accountant of India,  
Karnataka Chapter, No.16,  
Millers Tank Road Area,  
Ambedkar Bhavan,  
Vasanth Nagar, Bangalore -560062.

Sir,

**Sub: Engaging the services of Professional Chartered Accountants  
In the investigation of Criminal cases – regarding.**

**Ref: This office Letter No.C1/Engmt. of CAs/CBI/ACB/BLR/1288 dated 16.3.2018.**

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Please refer to this Office letter dated 16.3.2018 calling for willingness of Chartered Accountant/firms for their engagement as Chartered Accountants in CBI, ACB, Bangalore.

Since very few applications have been received so far. It is requested that the request of the CBI, ACB, Bangalore along with the terms and conditions for engaging the Chartered Accountants issued by CBI, HO, New Delhi may kindly be given wide publicity and once again be circulated among the chartered Accountants/firms (Category -I) having 30 years of experience in the field of banking insurance, capital markets, forex audit of commercial establishment/public sector undertakings etc., so that willing chartered Accountants/ Firms may submit their applications expressing their willingness to abide by the terms and conditions prescribed by Central Bureau of Investigation, Head Office, New Delhi directly to the undersigned.

Yours faithfully,

*[Signature]*  
SP & Head of Branch,  
CBI, ACB, Bangalore

Encl. Terms & conditions.

No. DPWSU2009/22139/02/01/2009  
**CENTRAL BUREAU OF INVESTIGATION**  
(Government of India/Bharat Sarkar)  
Administration Division,  
Block No.3, 4<sup>th</sup> Floor,  
CGO Complex, Lodhi Road,  
New Delhi - 110003

Dated: 13.3.09

**OFFICE MEMORANDUM**

Sub: **Engagement of Services of Professional Chartered Accountant.**

Against the backdrop of growing complexities and intensity of economic crime, the need for involvement of professionals such as CAs in investigative work of CBI cannot be overemphasized. Professional services of CAs can be extremely helpful in a number of ways/situations in respect of frauds relating to Banking, Insurance, Forex, Securities Market etc. as well as cases connected with disproportionate assets, Forensic Accounting and Interpretation of financial statements etc. Therefore, modalities for availing the services of CAs have been finalized. These are as follows:

**Criteria for engaging CAs and Fee structure**

1. A panel of 4 firms would be formed in each Zone. Mumbai, Kolkata and Chennai zones may empanel 10 firms while Delhi may have a panel of 15 firms.
2. While short-listing a panel, care be taken to include firms having specialization in diverse domains such as Banking, Insurance, Audit of Commercial PSUs, Taxation Departments, and Capital Market etc.
3. Zonal Heads shall empanel the firms of CAs as per approved norms. JD, ACZ, Delhi shall empanel the firms in Union Territory of Delhi. Branch Heads will take the assistance from the empanelled Chartered Accountants with the approval of their respective Zonal Heads.
4. For the purpose of short-listing, initially the norms proposed by Institute of Chartered Accountants of India (ICAI) viz. Category I firms with ICAI specified criteria may be adopted. On the basis of list provided by ICAI, Zone wise list may be prepared and the willing firms may be selected on the basis of Seniority.

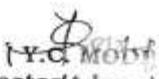
5. Their antecedent/integrity should be unquestionable, which should be verified through ICAI.
6. They should not have been penalized / black listed by ICAI or any financial sector regulator like RBI, SEBI and IRDA etc. any time in the past.
7. The panel would remain valid for 03 years. The period can be extended further for one or two years subject to satisfactory performance. Total tenure should not exceed 05 years. Requisite extension beyond 05 years may be allowed for completion of existing assignments, wherever required. However, no fresh assignment will be awarded to the CA firm concerned during the extended period.
8. A moratorium of 3 years shall be observed before re-empanelment of the same firm.
9. Payment- The fee payable to the firm is to be decided by HOZ depending on the nature/volume of work and urgency/importance of the case within the financial powers delegated to them.
10. Payment of TA, DA and other incidental expenses- Entitlements of Partners/Proprietors will be on par with that of Officers drawing grade pay of Rs. 7600/- and Audit Assistants will be paid on par with officers drawing grade pay of Rs. 5400/- & Rs. 6600/- as per the latest revised norms conveyed vide DoE OM F No. 19030/3/2008-E.IV dated 23<sup>rd</sup> September 2008.
11. Payments to the firms of Chartered Accountants will be made under the head "Payment of Professional & Special Services - (01.00.28)".
12. In case of any dispute, Joint Director (Administration), CBI will be the final authority, whose decision will be binding. Litigation, if any, will be restricted to the Court of appropriate jurisdiction at the place of the panel, in which, the concerned firm of CAs is empanelled.

**Legal implications of taking services of CA and subsequent admissibility as evidence in Court of Law**

The most important aspect of assistance of CAs, as envisaged at this stage, is unraveling the obscurity & intricacy of the complex transactions entered into/executed by the suspects which may not be apparent to Investigating/Supervisory Officers, given their limited domain knowledge. Therefore, the role of Chartered Accountant will be that of a domain expert and a specialist to guide the Investigating Officer. In fact, it is envisaged on

the lines of the opinion/guidance provided by the existing Technical Officers (Banking). So, even if the opinion of the Chartered Accountant may not be admissible u/s 45 of the Evidence Act, his opinion/report will provide guidance and direction for further investigation and collection of admissible evidence on the basis of the pointers/issues raised therein. In any case, it is not the intention to use CA's help as a primary source of proving the case but only as supporting/corroborative evidence. As such, acceptability of CA's evidence even at par with a normal witness would suffice, if and wherever necessary.

This issues with the approval of DCBI.

  
Y.C. Mohi  
Joint Director(Admn.)

**Copy to:**

1. All Heads of Zones & DoP, CBI.
2. All DisG, CBI/DD(A) & DD(IPCC).
3. All SsP/all Heads of Branches/AD(IPCC)/AD/IPC., CBI.
4. AO(Pers)/AO(A).
5. PS to DCBI.
6. Guard File (IWSU).

**List of Enclosures:**

1. Annexure I - General Conditions and Provisions.
2. Annexure II - Draft Empanelment Letter.
3. Annexure III - Draft Declaration of Fidelity and Secrecy

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**Annexure-I**

**General Terms & Conditions and other Provisions to be accepted by the CAs**

1. **General Understanding:**

\_\_\_\_\_ hereby agrees to provide services to Central Bureau of Investigation upon the terms and conditions set forth in this Agreement. \_\_\_\_\_ shall provide to Central Bureau of Investigation the final report upon the completion of the assignment.

2. **Scope of Work:**

To be provided/specified by CBI on a case-to-case basis.

3. **Duration of Empanelment/Time per assignment:**

\_\_\_\_\_ understands that this empanelment will be initially for three years extendable to 5 years. Time required for individual assignments will be mutually agreed with SP/DIG, CBI concerned.

4. **Payment Terms:**

\_\_\_\_\_ would be paid full/eligible billed amount in a lump-sum after submission of final report to CBI and Detailed Bill. The payment terms would be as negotiated with the competent authority of CBI in individual cases. TA/DA and other incidentals will be as per actual expenses or as specified hereunder.

5. **General Provisions:**

- i) **Governing Law and Venue:** This Agreement shall be governed by and construed in accordance with the Indian Laws. In case of any dispute or difference arising out of or in connection with this Agreement, the matter will be mutually sorted out by the senior officials of both the parties. In case of any persisting dispute, Joint Director (Administration), CBI will be the final authority whose decision will be binding. Litigation, if any, will be restricted to the Court of appropriate jurisdiction at the place of the panel, in which, the concerned firm of CAs is included/empanelled.
- ii) **Assignment:** This Agreement shall not be assigned by any party without the prior written consent of the other party.
- iii) **Force Majeure:** Neither Party shall be liable for any failure or delay in performing its part of this Agreement if such failure or delay is due to Force Majeure condition, either wholly or in part such as floods, earthquakes, fires, epidemics, war, riots, strikes or labour troubles.
- iv) **Waiver:** Failure of either Party at any time to require performance of any provision of this Agreement shall not affect

- the right to require full performance thereof subsequently, and the waiver by either Party of a breach of any provision shall not be taken or held to be a waiver of any subsequent breach thereof or as nullifying the effectiveness of such provision.
- v) **Witness in court:** The Chartered Accountant conducting the engagement would have to appear before the court for any legal proceedings
- vi) **Code of conduct :** There should be no violation from the Chartered Accountants Act, 1949 and the Schedules to the Act and also the "code of ethics"
- vii) ..... undertakes to ensure adherence to pronouncements of ICAI and international standards on assurance engagements.
- viii) ..... or its associates do not have any common partner of any other firm on the panel of CBI.
- ix) ..... will furnish an undertaking of fidelity and secrecy on CBI's approved format on non-judicial stamp paper as required for an Affidavit.
- x) Job requirements as specified initially may be enlarged at future date depending upon the needs of this office.
- xi) The audit firm will be responsible for any omissions or commissions on their part in respect of any transactions seen by them.
- xii) CBI reserves the right to report such lapses to the Institute of Chartered Accountants of India for necessary actions against the firm for any omission or commission on their part.

**6. General Terms & Conditions:**

- **Evaluation of Performance of the Firm**
  1. Timely commencement of work
  2. Quality of the reports submitted
  3. Time taken to submit the report.
  4. Case outcome directly influenced by work of CA
- **De-empanelment and Cancellation of the Inspection/Audit**
  1. Refusal to take up the allotted assignment and non-commencement/completion/non-submission of any assignment within prescribed period.
  2. Dissolution/reconstitution of the firm under different names and style
  3. Performance is not found up to the mark.
  4. The firm fails to fulfill any of the terms and conditions of approval laid down above at any time.
  5. Lapses in the forensic audit/reporting or compromise of information which could also attract relevant legal action.
  6. For any other reason that CBI may deem fit.

7.

**Modalities of Payment:**

- All payments will be made subject to submission of requisite Bills/Receipts and other supporting documents etc.
- Fee for any assignment will be decided by Head of Zone of CBI keeping in view the nature/volume of work and urgency/importance of the case.
- TA/DA/HA: No local TA are payable. However, for outstation journeys, various entitlements of Partners/Proprietors will be at par with that of Officers drawing grade pay of Rs. 7600/- and that of Audit Assistants will be at par with officers drawing grade pay of Rs. 5400/- & Rs. 6600/- as may be fixed by the Government of India from time to time.
- TA/DA/HA has to be strictly on need basis and should be certified/ approved by the Branch SP.
- Other incidentals may be admissible strictly on merits on a case to case basis. Such expenses must be kept to minimum.
- Income tax or any other surcharge etc. levied by the Government will be deducted at source.
- In case of allocation of two or more cases to the same firm at the same time, the work should be conducted simultaneously/in continuity and preferably in a single journey.
- If the report is found grossly deficient and lacking in vital information/analysis by CBI and the CA firm is required to visit again for rectification of deficiencies, no fee/ traveling expenses etc. shall be payable for the second journey.
- The decision of Joint Director (Admin), CBI in case of any dispute will be final and binding on the firm.

**DECLARATION OF FIDELITY AND SECRECY**

We, \* \_\_\_\_\_ do hereby declare that we will faithfully, truthfully and to the best of our skill and ability execute and perform the duties required of us in connection with RC/PE \_\_\_\_\_.

We further declare that we will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the \_\_\_\_\_ or to the affairs of any person having any dealing with the \_\_\_\_\_, nor will we allow any such person to inspect or have access to any books or documents belonging to, or in possession of \_\_\_\_\_ and relating to the business, of \_\_\_\_\_ or to the business of any person having any dealing with \_\_\_\_\_.

CHARTERED ACCOUNTANT

Place:

Date:

\* Name of Chartered Accountant/firm

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1. OM No. DPWSU2009/00139/02/01/2002 dated 13.3.2009 of JD(A), CBI, New Delhi

per the guidelines issued by the CBI HC cited, empanelment of firms of CAs has to be done by the Zonal Head. In order to empanel firms of CAs for Hyderabad Zone, the Branches under this Zone are required to prepare and send a Panel of the firms of CAs in their jurisdiction to ZO for further necessary action. Therefore please shortlist the names of firms of CAs and send the same to ZO by end of April 2009 for empanelment.

2. Empanelment should be as per the criteria laid down and the guidelines issued by the Head Office vide the reference cited.

3. CBI, ACZ, Hyderabad

Handwritten initials/signature

Handwritten signature and date 08/04