



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

[PR-47/15-DD/106/2015/BOD/424/2018]

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:-

Mrs. Harshita Attaluri, IPS, Head of Branch, CBI

BS,FC, Mumbai

... Complainant

-Vs-

CA. Amar Singh Hiro (M. No. 110418), Mumbai

... Respondent

[PR-47/15-DD/106/2015/BOD/424/2018]

MEMBERS PRESENT(through video conferencing):

CA. Prasanna Kumar D, Presiding Officer

Mrs. Rani Nair, (IRS, Retd.), Government Nominee

CA. Durgesh Kumar Kabra, Member

Date of final Hearing: 10th September, 2020

1. The Board of Discipline vide Report dated 6th June, 2019 was of the opinion that CA. Amar Singh Hiro (M. No. 110418) is guilty of "Other Misconduct" falling within the meaning of Clause (2) of Part-IV of the First Schedule of the Chartered Accountants Act, 1949 read with section 22 of the said Act.
2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against CA. Amar Singh Hiro and communication dated 2nd September, 2020 was addressed to him thereby granting him an opportunity of being heard in person and/or to make written representation before the Board on 10th September, 2020.
3. CA. Amar Singh Hiro appeared before the Board through video conferencing and made his oral representation thereat.
4. The Board has carefully gone through the facts of the case and also the oral representation of CA. Amar Singh Hiro. The Board noted that the Respondent had issued certificate dated 24.01.2009 stating therein as under:

"I certify herewith the following funds have been brought in and deposited by the Promoters/Directors of Shrichakra Udyog Private Ltd. as Margin Money on Working Capital as per requirements of Sanction condition of Release of Working Capital sanctioned vide Annexure-1 of sanction letter CB: AMT VI:2008: Dated May 09, 2008

Date	:	January 24, 2009
Deposit Details	:	ICICI Bank, Powai Branch Hi-Val, Cheque No. 579410 and 411
Amount in Figures	:	Rs. 20,00,000/-"

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5. The Board further noted that the Respondent in his certificate also mentioned as under:
"I have gone through books of Account and the relevant records of M/s Shrichakra Udyog Private Limited having their office at A-1038, Oberoi Garden Estates, Chandivali, Andheri (E) Mumbai-400072, produced before me and accordingly certify that the above certificate is true."
6. The Board also noted that the purpose of the certificate is to ensure that the funds have really been brought in by the borrower towards margin money, whereas, the bank account statement of the Company shows no credit of Rs. 20 lakhs on 24.01.2009 or on subsequent dates. Further, the Board noted that before giving the certificate the Respondent was required to ensure that the certified funds were deposited and cleared in the Bank as mere depositing of the cheque does not mean that the same has been honoured as there is always a possibility that the cheque might have been dishonoured or the drawer might have given stop payment advice.
7. The Board also noted that the Respondent admitted before it that he failed to ensure the accuracy of the facts stated in the said certificate and requested the Board to take a lenient view.
8. Thus, as per the findings of the Board as contained in its report and the subsequent admission of the Respondent, it is conclusively proved that **CA. Amar Singh Hiro** is Guilty of Other Misconduct falling within the meaning of Clause (2) of Part IV of the First Schedule of the Chartered Accountants Act, 1949 read with Section 22 of the said Act.
9. Upon consideration of the facts of the case, the consequent misconduct of **CA. Amar Singh Hiro** and keeping in view his oral representation before it, **the Board decided to impose a fine of Rs.50,000/- (Rs. Fifty thousand only) upon him payable within a period of 60 days from the date of receipt of the Order.**

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Sd/-
CA. PRASANNA KUMAR D.
(PRESIDING OFFICER)

Certified to be true copy
Harleen Bhalla
CA. Harleen Bhalla
Assistant Secretary,
Disciplinary Directorate
The Institute of Chartered Accountants of India,
ICAI Bhawan, Vishwas Nagar, Shahdra, Delhi-110032

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

Mrs. Harshita Attaluri, IPS, Head of Branch, CBI:BS;FC, Mumbai

-Vs-

CA. Amar Singh Hiro (M. No. 110418), Mumbai

[PR-47/15-DD/106/2015/BOD/424/2018]

CORAM:

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

In the matter of:

**The Superintendent of Police,
Central Bureau of Investigation,
Government of India,
Bank Securities and Fraud Cell,
New Hind House, 2nd Floor,
Narottam Morarjee Marg, Ballard Pier,
MUMBAI – 400 001**

.....Complainant

Versus

**CA. Amar Singh Hiro,
M/s. Amar Hiro & Co.,
Chartered Accountants
C/23 New Dadlani Park C H S Ltd.
Pipeline Road, Balkum,
Thane (West)
THANE – 400608**

.....Respondent

DATE OF FINAL HEARING: 04.06.2019

PLACE OF HEARING: MUMBAI

PARTIES PRESENT:

Complainant : Shri Anirudh Dadhich, API, CBI along with
Shri Sahil Saluja, PSI
Respondent : CA. Amar Singh Hiro
Counsel of Respondent : Shri S. G. Gokhale, Advocate

Findings:

1. The Board noted that the Respondent was held guilty by the Director (Discipline) of other misconduct falling within the meaning of Clause (2) of Part I of the First Schedule to the Chartered Accountants Act, 1949 because the Respondent had issued certificate dated 24.01.2009 stating that cheque no. 579410 and 411 amounting to Rs. 20 lakhs drawn on ICICI bank, Powai Branch has been deposited in current a/c no. 11079519490 of M/s Shri Chakra Udyog Pvt Ltd (herein after referred to as the "**Company**"), however bank account statement of the Company shows no credit of Rs. 20 lakhs on 24.01.2009.

2. The Board on perusal of certificate dated 24th January, 2009 noted that the Respondent had certified that

*"I certify herewith the following funds **have been brought in and deposited by the Promoters/ Directors of Shrichakra Udyog Private Ltd as Margin Money on Working Capital as per requirements of Sanction condition of Release of Working Capital sanctioned vide Annexure-1 of sanction letter CB: AMT VI:2008: Dated May 09, 2008***

*Date : January 24, 2009
Deposit Details : ICICI Bank, Powai Branch Hi-Val, Cheque No.
579410 and 411
Amount in Figures : Rs. 20,00,000/-"*

3. The Board further noted that the Respondent in his certificate further mentioned that *"I have gone through books of Account and the relevant records of M/s Shrichakra Udyog Private Limited having their office at A-1038, Oberoi Garden Estates, Chandivali, Andheri (E) Mumbai-400072, produced before me and accordingly certify that the above certificate is true."*

4. The Board noted that Respondent in the certificate had mentioned that he reviewed accounts and relevant records. The relevant records in respect of present certificate include even the bank statements. The Respondent in this regard submitted that he had perused the relevant Pay-in-slips and issued the certificate. The Board noted that the Respondent had specifically mentioned that the funds have been brought in and deposited by the Promoters/ Directors. The

Board also noted that the purpose of the certificate is to ensure that the funds have really been brought in by the borrower towards margin money, whereas, the bank account statement of the Company shows no credit of Rs. 20 lakhs on 24.01.2009 or on subsequent dates.

5. The Board noted that before giving the certificate the Respondent was required to ensure that the certified funds were deposited and cleared in the Bank as mere depositing of the cheque does not ensure it being honoured as there is always a possibility that the cheque might have been dishonoured or the drawer might have given stop payment advice.
6. As per para 2.2 'Guidance Note on Audit Reports and Certificates for Special Purposes', a "certificate" is a written confirmation of the accuracy of the facts stated therein and does not involve any estimate or opinion. Thus, when a reporting auditor issues a certificate, he is responsible for the factual accuracy of what is stated therein. In the present case, the Respondent failed to ensure the accuracy of the certificate.

CONCLUSION:

7. The Board concluded that the Respondent is **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 said Act.

Sd/-
(ATUL KUMAR GUPTA)

PRESIDING OFFICER

Sd/-
(ARUN KUMAR)

GOVERNMENT NOMINEE

Sd/-
(PRASANNA KUMAR D)

MEMBER

✓
DATE : 04.06.2019

PLACE : MUMBAI.

Certified Copy

PARVESH BANSAL
Deputy Secretary
Disciplinary Directorate
The Institute of Chartered Accountants of India
ICAI Bhawan, I.P. Marg, New Delhi-110 002

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 The records of Ontario
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