



TENDER BASED PROFESSIONAL OPPORTUNITIES FOR PRACTICING CHARTERED ACCOUNTANTS

A COMPREHENSIVE INSIGHT

February 2024

TENDER MONITORING DIRECTORATE
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
[Set up by an Act of Parliament]



FOREWORD



The Institute of Chartered Accountants of India (ICAI), as a regulator and developer of accountancy profession in India, has been concerned about quality of professional services rendered by the members of ICAI and fetching commensurate remuneration for such services.

With the purpose to ensure that there is reasonableness and objectivity in tenders floated by users of professional services of Chartered Accountants, and the remuneration offered matches the acumen and resources required to be deployed, considering the high quality services provided by Chartered Accountants, the Council of ICAI formed a Tender Monitoring Directorate (TMD) in March, 2023.

I am happy to note that the TMD in a short span of time, has been able to sensitize the membership of the ICAI about the perils of low quote, its impact not only on the quality of the work, but on the profession as a whole. I am also happy to note that the TMD has taken up with users of services on how they can ensure fair competition and get the best professional for their assignments. In this regard, I am pleased to note that the TMD is coming out with the booklet "Tender based Professional Opportunities for Practicing Chartered Accountants – A Comprehensive Insight" for providing suitable Guidance to members which besides other matters also cover FAQs in relation to tenders for CA services.

The performance of the Directorate in its first year has been stupendous, in that it has reviewed and hosted more than 1400 tenders on its portal, which is being accessed by large number of practicing members.

I compliment the Convenor and Deputy Convenor of the Directorate, CA. Gyan Chandra Misra, CA. Abhay Kumar Chhajed respectively and other members of the Directorate for bringing out this book.

I hope the booklet will be found useful by the members.

7th February, 2024
New Delhi

CA. Aniket S. Talati
President

PREFACE

Tendering must conform to the three pillars of Integrity, Transparency and Accountability. Tendering process and its evaluation specially in case of hiring of professional services is a challenge and has always been a focus area for the Institute.

It is a challenge to ensure that tendering organisations while awarding work, take care of amount of time, skill and quality resources needed to complete an assignment. On the other hand, it is also a challenge to educate members to quote handsome price for their services and deliver quality job.

It is in this regard that the Tender Monitoring Directorate has played a stellar role in its first year of incorporation by not only floating a dedicated portal and hosting more than 1400 tenders in it in a short span of 10 months, but at the same time, has represented to more than 160 tendering organisations pointing out deficiencies in their tenders as regards prescription of minimum fees for audit and attestation services, unreasonably restrictive covenants as regards eligibility conditions and conflict in services offered. The efforts put in by the Directorate has resulted in sensitizing the members about the safeguards to be taken while responding to tenders, and at the same time, instilling a fear in their mind against quoting low fees.

The Directorate has also taken up with State Governments across the country in disseminating to them the constructive role played by the Directorate, the availability of portal for hosting their tenders and tapping the ICAI for panel of Chartered Accountants.

I compliment the efforts of the Directorate headed by CA. Gyan Chandra Misra, Convenor and CA. Abhay Kumar Chhajed, Deputy Convenor in this regard.

7th February, 2024
New Delhi

CA. Ranjeet Kumar Agarwal
Vice President

MESSAGE

This year, the Council of ICAI had given me an opportunity to serve the alma mater as the Convenor of Tender Monitoring Directorate which was newly formed in March, 2023.

We had come across instances of members quoting very low fees, thus not only compromising with quality of work, but also generally degrading the profession. The challenge was two-fold – one, how to sensitize tendering organisations to bring about fairness in tenders, and other, how the members be dissuaded from selling their services cheaply.

We firstly set up a dedicated portal – www.tmdicai.org and began collecting tenders for professional services from all over India, and started hosting them on the site.

In a short span of around 10 months, we hosted more than 1400 tenders. We met the Chief Vigilance Commissioner to impress upon him the need to prescribe minimum fees in the tender document itself. We sent representations to Chief Secretaries of all States and Union Territories in this regard. We also represented to more than 160 tendering organisations to correct their tenders. I am happy to share with our members that our representations have been met with success at all levels.

On the regulatory part, the Directorate, in deference to the terms of reference set out by the Council, also studied the bids submitted by members in respect of 57 tenders involving 239 CA firms, during the year. Wherever the Directorate found that the members have violated the ICAI's guidelines or the Code of Ethics relating to responding to tenders, the matters have been decided to be sent to Director (Discipline) of ICAI for investigation. In rest of the matters, again as per the decision of Council, peer review is being ordered. Wherever the cost sheet submitted by CA firms have been found to be reasonable and justified, the matters are being closed.

This guidance document titled "Tender based Professional Opportunities for Practicing Chartered Accountants – A Comprehensive Insight" serves as a handbook for practicing members to ensure adherence to norms when responding to tenders. I encourage members to leverage this resource to enhance their compliance and success.

7th February, 2024
New Delhi

CA. Gyan Chandra Misra
Convenor, Tender Monitoring Directorate

BACKGROUND

- 1.1. One of the modes of obtaining professional engagements by Chartered Accountants in Practice is by way of application for a tender driven competitive sourcing process whereby organisations invite quotes for services placed on offer by them.
- 1.2. Organisations prefer tender driven processes as this ensures transparency in price discovery and also to be able to identify the best-in-class service provider at optimal cost. In certain cases, floating of tenders are necessitated by organisational mandates to follow such system of procurement as compared to restricted quotes from a limited number of suppliers.
- 1.3. India's progress to a \$5 Trillion economy by 2027 is expected to create larger opportunities for practicing professionals and would result in a consequent increase in tender based availment of services especially by Union, State Governments and related organisations.
- 1.4. In certain cases, it was brought to the attention of ICAI that the efficacy of the tender process was likely to be impacted on account of low quotes offered by certain practitioners also raising concerns on the potential impact on the quality of service delivery. Further, there was a significant need to collaborate and guide the tendering organisations in matters relating to issuance of tenders soliciting services of Chartered Accountants.
- 1.5. **This Guidance document is being published by Tender Monitoring Directorate, for the Council year 2023-24, and contains the following:**
 - A. About the Tender Monitoring Directorate
 - B. Details, Insights and Actions in relation to tenders pertaining to 2023-24 which were reviewed and conduct of practice units in response to such tenders.
 - C. FAQs in relation to response by members of ICAI to tenders as issued by Professional Development Committee of ICAI in the year 2021 and modified as considered necessary.
 - D. Format of Cost Sheet as a guidance to members applying for tenders.
 - E. Minimum scale of fees recommended by ICAI in February, 2020 which is for the guidance of members

TENDER MONITORING DIRECTORATE

- 2.1. The Tender Monitoring Directorate ("TMD") of ICAI was formed in 2023 with a primary focus to regulate manner and mode of response to tenders by practice units. The Terms of Reference is as under:-

To collect and disseminate details of tenders for professional services, amongst the practicing members.

To develop an effective online format to capture cost sheet/ details from the Firms/ Members applying for Professional Tender Services for the internal analysis for maintenance of quality and adherence of prescribed guidelines – both at pre-bidding and post-bidding stage.

To conduct out-reach programmes for authorities related to tenders.

To guide members and resolve their queries and grievances.

To monitor the tenders floated by the organizations prescribing minimum fees and giving fair opportunity to all members.

To take up with Government and other relevant authorities issues relating to determining the manner of evaluation of tenders for professional services giving due weightage to quality i.e. Quality & Cost Based Selection (QCBS) method and including audit services in Fixed Budget – based Selection (FBS) method.

To develop a mechanism for monitoring and analysing the responses of the members on tenders and may refer the deviations at appropriate level.

To lay down a mechanism for erring firms for further suitable/ necessary action.

- 2.2. Activities in the above placed Terms of Reference are being undertaken by the TMD. Further, ICAI has also created a portal www.tmdicai.org from where members can access details of relevant tenders where Chartered Accountants can respond to provide professional services.
- 2.3. TMD undertakes proactive monitoring of tenders issued on a continuous basis. A total of 169 representations have so far been sent to various tenderer organisations seeking rectification of tenders issued in relation to matters for inclusion of minimum reserve price, rectifications in relating to conflicting services issued in the same tender and restrictive eligibility conditions which prevent fair competition amongst potential applicants.
- 2.4. It is also to be reiterated that charging of fees commensurate to the size and complexity of a professional engagement is a sine-qua-non to maintain the quality of service delivery of the service provider. In this regard, members may consider to benchmark their fee levels with the minimum recommended scale of fees as recommended by ICAI in February, 2020.
- 2.5. ICAI has also mandated (vide Council decision in 301st Meeting held in December, 2010) that a Cost sheet be maintained by members of the Institute responding to tenders and accepting the professional work based thereupon, incorporating details of the costs being incurred therein having regard to number of persons involved, hours to be spent, etc., so that the same may be called for by the ICAI for perusal. Therefore, it is necessary for members to demonstrate that fees quoted for tenders are arrived at in a transparent manner and based on cost sheets. ICAI has developed a format of a cost sheet to enable members to adopt a structured methodology to arrive at the fees to be quoted.



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KEY INSIGHTS AND ACTIONS IN RELATION TO TENDERS ISSUED AND PRACTICE UNITS' RESPONSE TO SUCH TENDERS

Pre Hosting Reviews

- 3.1. ICAI hosted 1411 tenders on the TMD portal after reviewing 1580 tenders which were identified as pertaining to CA related services.

Nos
1580

Total number of tenders reviewed for hosting on TMD portal

Nos
1411

Total number of tenders hosted on TMD portal

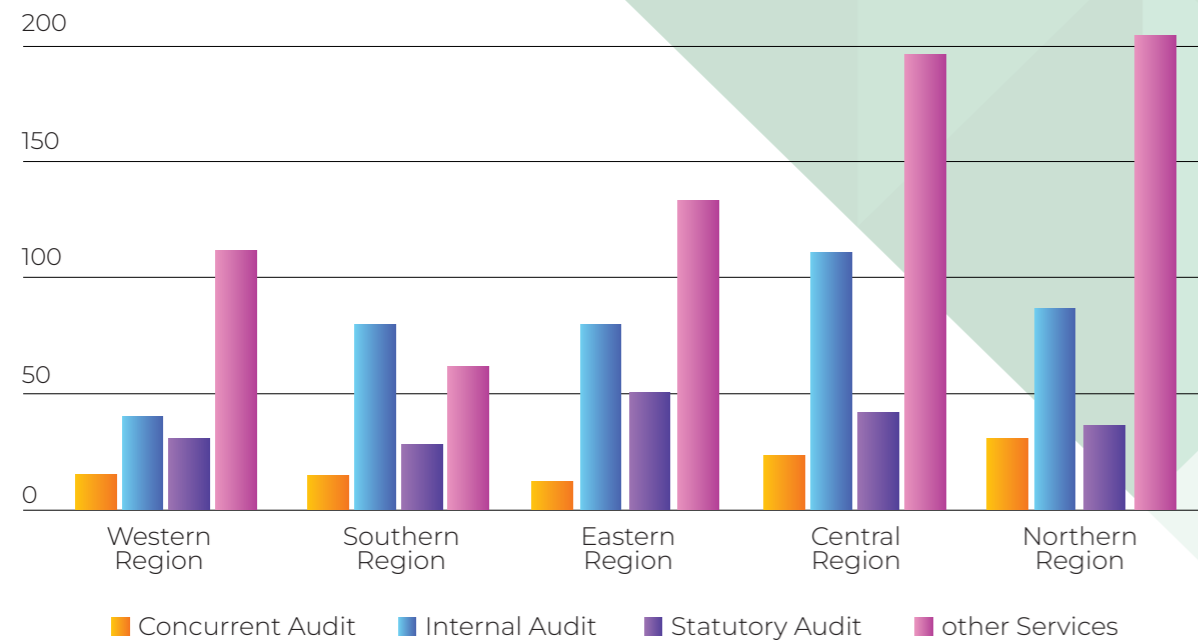
Nos
169

Total number of representations for corrections in tenders issued

3.2. The main categories of services which were tendered for by issuing organisations is presented region wise as under

Type of work	Western Region	Southern Region	Eastern Region	Central Region	Northern Region	Total
Concurrent Audit	15	14	11	24	31	95
Internal Audit	41	81	82	113	88	405
Statutory Audit	31	28	51	43	37	190
Other Audit	114	64	137	197	209	721
Total	201	187	281	377	365	1411

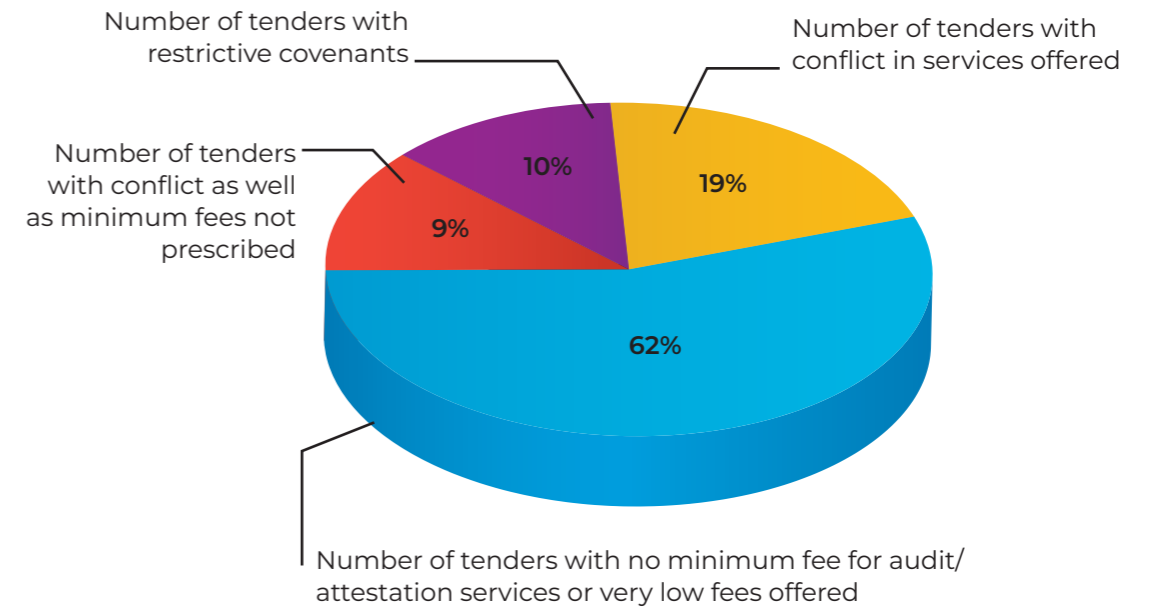
TENDERS HOSTED IN TMD PORTAL



3.3. Out of 1580 tenders, 169 tenders were identified to contain the following types of issues

Description	#Nos
Number of tenders with restrictive covenants	17
Number of tenders with no minimum fee for audit/ attestation services or very low fees offered	104
Number of tenders with conflict in services offered	33
Number of tenders with conflict as well as minimum fees not prescribed	15
Total	169

ABERRATIONS NOTICED IN TENDERS



3.4. It was observed that 17 tenders contained restrictive covenants which would make it possible only for certain categories of large firms to apply for such projects. The TMD is constantly endeavouring to communicate with such tenderers that efforts must be made to ensure a level playing field especially when services requested by issuers are not highly specialised and can be performed by any practicing Chartered Accountant

3.6. The Code of Ethics as well as the Companies Act, 2013 prohibits the performance of audit and certain non-audit services for the same client by a Statutory Auditor. However, certain issuers had published tenders (48 out of 169 tenders reviewed) where such proscribed combination of services such as Accounting Services and Audit services was sought for from the potential applicants.

3.5. The above review indicated that no minimum reserve price was quoted in 104 audit service tenders issued by various organisations. Such reserve price often serves as a benchmark for potential applicants especially when there is not much possibility for a pre-tender study of the proposed engagement in detail and to ensure that fee levels are protected for a basic quality of service to be rendered. Although no minimum price was quoted in 1 case, 5 firms were found to have quoted for such tenders. Further, where minimum fee was quoted in respect of 7 tenders, 32 firms were found to have quoted below the quoted fee.



ICAI ACTIONS

- 3.7. TMD is carrying out effective review of tenders which are being published. Based on such review, 1411 tenders which were found to be in order have been hosted on the TMD portal encouraging members to apply. Representations have been sent in respect of 169 tenders which required corrections on minimum reserve price, restrictive covenants and bundling of conflicting services. In many cases, revised tenders and corrigendum have been issued by the organisations.
- 3.8. In order to ensure better quality of tenders issued and to prevent unfair practices such as quoting of low fees, the portal of the TMD also provides for lodging of grievances. 50 grievances/ complaints have been received in 2023-24 and prompt actions have been initiated. The identity of the complainant is also kept confidential.
- 3.9. In order to collaborate with the tender issuers for efficacy of tender mechanisms, TMD has also reached out to the Chief Secretaries of all States/ Union Territories informing them about the role of Tender Monitoring Directorate, ICAI's notification on responding to tenders, recommended minimum scale of fees, guidelines issued by Department of Expenditure, Ministry of Finance, provisions contained in the Manual of Procurement of Consultancy & other services, preparation of panel by PDC of ICAI and availability of software for selection and allotment of professional work. The TMD expects favourable response to improve the market landscape vis-a-vis Chartered Accountants

FAQs

IN RELATION TO RESPONSE BY MEMBERS OF ICAI TO TENDERS AS ISSUED BY PROFESSIONAL DEVELOPMENT COMMITTEE OF ICAI

In an endeavour to facilitate the members in participating in the tendering process of hiring of services of Chartered Accountants for various assignments in compliance with the decisions of the Council and other related provisions of Code of Ethics, the Professional Development Committee under the aegis of the Institute has published a booklet in the year 2021 to provide guidance in the form of FAQs.



1. Whether a Member of the Institute can respond to tender for hiring professional services?

ANS ▶

Yes, Members of the Institute can respond to tender and request made by the user of professional work subject to conditions laid down by the Council from time to time.

2. Are there any guidelines issued by the Institute for participation in tendering for professional services by Chartered Accountants?

ANS ▶

Yes, a notification published in Part III Section 4 of the Gazette of India: Extraordinary dated 7th April, 2016 has been issued by the Institute containing the guidelines on responding to tender. The same is reproduced below:

[PUBLISHED IN PART III SECTION 4 OF THE GAZETTE OF INDIA, EXTRAORDINARY,
DATED 7TH APRIL, 2016]

7th April, 2016

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

NOTIFICATION

Guideline No. 1-CA(7)/03/2016 - In exercise of the powers conferred on it under Item (1) of Part II of the Second Schedule of the Chartered Accountants Act, 1949, the Council of the Institute of Chartered Accountants of India hereby issue the following guidelines for compliance by the members of the Institute-

- (i) A member of the Institute in practice shall not respond to any tender issued by an organization or user of professional services in areas of services which are exclusively reserved for chartered accountants, such as audit and attestation services. However, such restriction shall not be applicable where minimum fee of the assignment is prescribed in the tender document itself or where the areas are open to other professionals along with the Chartered Accountants.
- (ii) This Guideline shall come into force with immediate effect.

3. **What is the effective date of the said notification/ guideline?**

Ans. The said notification/ guideline has come into force with immediate effect from date of publication of the notification in the official gazette (7th April, 2016). In other words, all tenders issued on or after 7th April, 2016 will be covered under this notification/ guideline.

4. **Whether a Member of the Institute in practice can respond to tenders floated in exclusive areas of practice of Chartered Accountants where minimum professional fee is not prescribed in the tender document?**

Ans. No, a Member of the Institute shall not respond to any tender issued by an organization or user of professional services in areas of services which are exclusively reserved for Chartered Accountants by statute viz. Audit and Attestation Services such as audit under Companies Act, 2013, Income Tax Act, 1961, etc. It is clarified that in any State under the local statute, if audit and attestation services are exclusively meant for Chartered Accountants only, the Member will not be allowed to respond to such tender.

5. **What are the exclusively reserved areas for Chartered Accountants?**

Ans. Exclusively reserved areas for Chartered Accountants are those which are reserved by the statute viz. Audit and Attestation Services such as audit under Companies Act, 2013, Income Tax Act, 1961, etc.

6. **Whether a Member of the Institute in practice can respond to tenders floated in exclusive areas of practice of Chartered Accountants where**

minimum professional fee is prescribed in the tender document?

Ans. Yes, a Member of the Institute may respond to any tender issued by an organization or user of professional services in areas of services which are exclusively reserved for Chartered Accountants by statute viz. Audit and Attestation Services such as audit under Companies Act, 2013, Income Tax Act, 1961, etc. wherever the minimum fee for the assignment is prescribed in the tender document itself.

7. **What are the non-exclusive areas for Chartered Accountants?**

Ans. All those areas are non-exclusive for Chartered Accountants which are not reserved under any statute or provision of any law or where any statute or provision of law opens such areas to other professionals along with Chartered Accountants.

8. **Whether a Member can participate in a tender process where the bids are requested for both internal audit as well as finalization of accounts in a single tender document?**

Ans. No, a Member cannot participate in such tender process as the Chartered Accountant being an auditor of any organization cannot undertake the work of the preparation of accounts thereby leading to self-review threats.

9. **Whether a Member of the Institute in practice can respond to such tenders which are open to other professionals apart from CAs. However, in the tender document, only CAs have been invited to respond.**

Ans. Yes, the Member of the Institute can respond to such tenders.

10. **Whether a Member of Institute in practice can respond to such tenders which are**

open to CAs and other professionals and in the tender document other professionals along with CAs have been invited to respond?

Ans. Yes, the Member of the Institute can respond to such tenders.

11. **What are the consequences of non-adherences to Notification dated 7th April, 2016 issued by the Institute on responding to tender?**

Ans. Non-adherence to the tendering guidelines could lead to disciplinary action as this is a Council decision.

12. **Whether a Member can participate in a tender process where the bids are requested for both internal as well as statutory audit by the same organization through separate tenders?**

Ans. Yes, a Member can participate in such tenders. However, a member can undertake only one assignment at a given time i.e. either Internal audit or Statutory audit of the same organization.

13. **Whether a Member of Institute in practice can respond to such assignments where quotations have been called for from practicing members/ firms through individual letters?**

Ans. Yes, a Member of the Institute in practice can respond to such assignments based on individual letters issued.

14. **Whether a Member can undertake audit assignment of one branch simultaneously with book-keeping assignment of another branch of the same organization?**

Ans. No, a Member is not permitted to undertake audit assignment of one branch simultaneously with book-keeping assignment of another

branch of the same organization, as it is prohibited as per the 'Guidance Note on Independence of the Auditors'.

15. **Whether a Member can undertake internal audit assignment of one branch simultaneously with statutory audit assignment of another branch of the same organization?**

Ans. No, a Member is not permitted to undertake the internal audit assignment of one branch simultaneously with statutory audit of another branch whether pertaining to the same branch or different branch.

16. **Whether a Member of the Institute can participate in tender process for statutory audit of certain branches of an organization while he is already the Revenue Auditor of different branch(es) of the same organization.**

Ans. No, a Member is not permitted to participate in tender process for statutory audit of certain branch(es) of an organization while he is already the Revenue Auditor of different branch(es) of the same organization.

17. **Whether a Member of the Institute in practice can respond to such tenders where only technical bid has been asked for from the Members which is followed by financial quotations request from the shortlisted members through individual letters?**

Ans. Yes, a Member of the Institute in practice can respond to such tenders.

18. **Whether a Member can undertake audit assignment through a tender wherein estimated cost is mentioned instead of a minimum fee?**

Ans. No, a Member cannot participate in the tender process wherein the minimum fee

is not prescribed in the tender document itself.

19. **Minimum fee is given in tender but not explicitly given whether it is GST inclusive or exclusive. How should it be treated?**

Ans. In the absence of any explicit mention, it must be taken as exclusive of GST.

20. **Are the minimum fee mentioned in the tender document and the revised recommendatory professional fee same?**

Ans. No. The minimum fee mentioned in the tender document and the revised recommendatory professional fees are not the same. The minimum fee mentioned in the tender document is the fee indicated by the organization whereas the revised recommendatory professional fee (classified city-wise) is the recommendation of the fee to be charged as per the work performed for various professional assignments suggested by the Council of the Institute.

21. **The minimum fee mentioned in the tender document is very low. Are there any prescribed rates by the Institute based on which I can prepare the quote?**

Ans. Yes, the revised recommendatory professional fee (classified city wise) is the fee to be charged as per the work performed for various professional assignments suggested by the Council of the Institute.

22. **Is there a specific/ standard format of the cost sheet to be prepared while participating in the tender process?**

Ans. Yes, a specific/ standard format of the cost sheet is prescribed by the Institute. Cost sheet is to be maintained by the Members of the Institute while responding to the tenders and accepting the professional work based thereupon, incorporating the details of the costs being incurred therein

having regard to the number of persons involved, hours to be spent, etc.; the same may be called for by the Institute for perusal.

23. **Is preparation of the cost sheet mandatory?**

Ans. Yes, as per the decision of the Council taken at its 301st meeting held in December 2010, the preparation and maintenance of cost sheets for various tenders is mandatory for the Members of the Institute.

24. **Where can I find the tenders floated by the organizations for hiring of professional services?**

Ans. The latest tenders floated by the organizations for hiring of professional services of Chartered Accountants are available at the TMD Portal www.tmdicai.org.

25. **Are all the tenders floated by the organizations for hiring of professional services available at the TMD portal?**

Ans. The Tender Monitoring Directorate endeavours to procure and host the latest RFP/Tenders for hiring CA services to the extent possible; however, the same are indicative and not exhaustive.

26. **Whether there is a facility of submission of bids at TMD portal?**

Ans. No, the TMD portal only provides the information about the latest tenders floated by the organization for hiring CA services; submission of bids have to be done as per the requirements of the tender documents.

27. **How can I get all the latest information about the tenders floated for hiring CA services?**

Ans. To get all the latest information about the tenders for hiring CA services, Members can subscribe to the TMD portal by following the steps mentioned hereinbelow:

(i) Browser

(ii) Find Login option at the top of the Home page above menu bar and Sign-up;

(iii) Fill the necessary information and make sure that you are entering the correct email id;

(iv) After completing the registration, you will get a system generated email on the entered email address for activating your account;

(v) Find the activation link in email and complete the verification process;

(vi) Again you will receive a system generated email which will contain the log in details;

(vii) After completing the verification, newsletter service will start.

28. **As a tender floating organization, how can I get a panel of Chartered Accountants on specified criteria laid down by my organization?**

Ans. The Professional Development Committee maintains the master Multipurpose Panel of Chartered Accountants/ firms on PAN India basis. A tailor-made panel can be drawn based on the broad requirements of the organization/ Government Authority/ regulator for the given tender assignment(s).

29. **What should be done in case the tender for statutory audit has been floated by any organization without minimum fee?**

Ans. Firstly, the Member should abstain from participating in such tender process as it is not permissible to bid in the tender

where the minimum fee is not prescribed. Secondly, it should be brought to the notice of the Tender Monitoring Directorate.

30. **Can I participate in a tender which calls for an Earnest Money Deposit (EMD) ?**

Ans. Yes, a Member can participate in the tender process where Earnest Money Deposit (EMD) has been asked for by the organization. However, if the EMD is exorbitant, the same may be reported and will be looked into by Institute on individual case basis.

31. **Can I participate in the tender which calls for Security Deposit ?**

Ans. Yes, a Member can participate in the tender process where Security Deposit has been asked for by the organization. However, if the security deposit demanded is exorbitant, the same may be reported and will be looked into by the Tender Monitoring Directorate on individual case basis.

32. **What is to be done in case the organization has restricted the participation in the tender process on the basis of net worth/ number of partners/ demographical presence of the CA firm, among other restrictive conditions?**

Ans. In such cases, the same may be reported to the Tender Monitoring Directorate and the Directorate will take up the matter with the concerned organization on individual case basis.

33. **What are the parameters for calculation of the minimum fee?**

Ans. The minimum fee should be such that it is commensurate with the size, value, volume, manpower requirements and

nature of work (as decided by Council at its 388th meeting held in February, 2020).

34. **What are the principal covenants enumerated by CVC?**

Ans. As per the CVC guidelines, the pre-qualification criteria specified in the tender document should neither be made by very stringent nor very lax to restrict/facilitate the entry of tender; it should be exhaustive and there should be fair competition.

35. **Can the Institute ask any document besides the cost sheet?**

Ans. Yes, the Institute can call for any papers/documents related to bid submitted by the Member in response to the respective tender.

36. **Can the Institute order Peer Review of tender assignments conducted/undertaken by Members?**

Ans. Yes, the Institute can order Peer Review of tender assignments conducted by the Members, in case, the differential between the lowest quote (L1) received for a tender (on which the tender is ultimately allotted) and the next lowest quote (L2) is considerable.

37. **What are the various types of tenders floated by users of professional services?**

Ans. The tenders are broadly of three types:
 (i) Open Tender
 (ii) Limited Tender
 (iii) Single Tender

38. **What is an Open Tender?**

Ans. Open Tender is a tender which is open for all the eligible bidders. Such tenders are usually made by advertising in newspapers, websites/ portal of the relevant organization.

39. **What is a Limited Tender?**

Ans. Limited Tender is a tender which is addressed to the limited number of bidders who are the reliable source of providing the services.

40. **What is a Single Tender?**

Ans. Single Tender is a tender wherein invitation is given to one firm only and as per CVC guidelines, this is resorted to mostly on grounds of urgency or operational or technical requirements.

FORMAT OF COST SHEET

The Council has mandated for calling of cost sheet from the members responding to tenders by quoting low fees. The cost sheet is an indicator of determining fees to be quoted. Hence, all members are advised that before they quote their fees while responding to tender, must prepare the cost sheet as per following format and keep with themselves, for production to the ICAI, when required.

Name of the Firm: _____, FRN: _____

FORMAT OF COST SHEET

Particulars	No.	Visits per Month	Hours devoted	Cost per hour	Total Cost per Month	Total Cost per annum
Salary to:						
Chartered Accountant						
Paid Assistant						
Other Staff						
Total-A						
Stipend to:						
Articles						
Total-B						
Other Expenses:						
Travelling						
Lodging and Boarding						
Local Conveyance						
Stationery						
Office overheads						
Total-C						
Grand Total (A+B+C)						

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MINIMUM SCALE OF FEES

RECOMMENDED BY ICAI
IN FEBRUARY, 2020

ICAI has revised the minimum scale of fees to be charged by practising members, which is recommendatory in nature. The same has come into effect from February, 2020. The fees covers different professional assignments depending upon the class of cities. The same are reproduced hereunder as a ready reference.



Revised Minimum Recommended Scale of Fees for the Professional Assignments done by the Chartered Accountants

The Committee for Members in Practice (CMP) of ICAI as a part of its commitment to strengthen the Practitioners has initiated the Revised Minimum Recommended Scale of Fees for the professional assignments done by the members of ICAI. The recommendation is about the fee to be charged as per the work performed for various professional assignments. The fee has been recommended separately for Class A, Class B and Class C cities.

Particulars	Revised minimum Recommended scale of Fees		
	Class 'A' Cities (₹)	Class 'B' Cities (₹)	Class 'C' Cities (₹)
1) ADVISING ON DRAFTING OF DEEDS/AGREEMENTS			
(a) i) Partnership Deed	15,000/- & Above	10,000/- & Above	8,000/- & Above
ii) Partnership Deed (With Consultation & Tax Advisory)	20,000/- & Above	15,000/- & Above	10,000/- & Above
(b) Filling of Forms with Registrar of Firms	7,000/- & Above Per Form	5,000/- & Above Per Form	3,000/- & Above
(c) Supplementary / Modification in Partnership Deed	12,000/- & Above	9,000/- & Above	6,000/- & Above
(d) Joint Development Agreements/ Joint Venture Agreements	12000 & Above (See Note-1)	9000 & Above (See Note-1)	6,000/- & Above (See Note-1)
(e) Others Deeds such as Power of Attorney, Will, Gift Deed etc.	5000 & Above	4000 & Above	3,000/- & Above
2) INCOME TAX			
A. Filling of Return of Income			
1) For Individuals/HUFs etc.			
(a) Filling of Return of Income with Salary/Other Sources/Share of Profit	8,000/- & Above	6,000/- & Above	4,000/- & Above
(b) Filling of Return of Income with detailed Capital Gain working			
i) Less than 10 Transactions (For Shares & Securities)	11,000/- & Above	8,000/- & Above	5,000/- & Above
ii) More than 10 Transactions (For Shares & Securities)	17,000/- & Above	12,000/- & Above	8,000/- & Above
(c) Filling on Return of Income for Capital Gain on Immovable property	32,000/- & Above	22,000/- & Above	15,000/- & Above
(d) Filling on Return of Income with Preparation of Bank Summary, Capital A/c & Balance Sheet.	12,000/- & Above	9,000/- & Above	6,000/- & Above

Particulars	Revised minimum Recommended scale of Fees		
	Class 'A' Cities (₹)	Class 'B' Cities (₹)	Class 'C' Cities (₹)
II)			
(a) Partnership Firms/Sole Proprietor with Advisory Services	15,000/- & Above	10,000/- & Above	8,000/- & Above
(b) Minor's I.T. Statement	8,000/- & Above	6,000/- & Above	4,000/- & Above
(c) Private Ltd. Company:			
i) Active	25,000/- & Above	18,000/- & Above	12,000/- & Above
ii) Defunct	12,000/- & Above	9,000/- & Above	6,000/- & Above
(d) Public Ltd. Company			
i) Active	65,000/- & Above	45,000/- & Above	30,000/- & Above
ii) Defunct	25,000/- & Above	18,000/- & Above	12,000/- & Above
B. Filling of Forms etc. (Quarterly Fees)			
(a) Filling of TDS/TCS Return (per Form)			
i) With 5 or less Entries	4,000/- & Above	3,000/- & Above	2,000/- & Above
ii) With more than 5 entries	9,000/- & Above	7,000/- & Above	5,000/- & Above
(b) Filling of Form No. 15-H/G (per Set)	4,000/- & Above	3,000/- & Above	2,000/- & Above
(c) Form No. 49-A/49-B	4,000/- & Above	3,000/- & Above	2,000/- & Above
(d) Any other Forms filed under the Income Tax Act	4,000/- & Above	3,000/- & Above	2,000/- & Above
C. Certificate			
Obtaining Certificate from Income Tax Department	14,000/- & Above	10,000/- & Above	7,000/- & Above
D. Filling of Appeals etc.			
(a) First Appeal Preparation of Statement of Facts, Grounds of Appeal, Etc.	32,000/- & Above	22,000/- & Above	15,000/- & Above
(b) Second Appeal (Tribunal)	65,000/- & Above	45,000/- & Above	30,000/- & Above
E. Assessments etc.			
(a) Attending Scrutiny Assessment/Appeal			
(i) Corporate	See Note 1	See Note 1	See Note 1
(ii) Non Corporate	32,000/- & Above	22,000/- & Above	15,000/- & Above
(b) Attending before Authorities	10,000/- & Above Per Visit	7,000/- & Above Per Visit	5,000/- & Above Per Visit

Particulars		Revised minimum Recommended scale of Fees		
		Class 'A' Cities (₹)	Class 'B' Cities (₹)	Class 'C' Cities (₹)
(c)	Attending for Rectifications/ Refunds/Appeal effects Etc.	7,000/- & Above Per Visit	5,000/- & Above Per Visit	3,000/- & Above Per Visit
(d)	Income Tax Survey	80,000/- & Above	55,000/- & Above	35,000/- & Above
(e)	T.D.S. Survey	50,000/- & Above	35,000/- & Above	25,000/- & Above
(f)	Income Tax Search and Seizure	See Note 1	See Note 1	See Note 1
(g)	Any other Consultancy	See Note 1	See Note 1	See Note 1
3) CHARITABLE TRUST				
(a)	(i) Registration Under Local Act	25,000/- & Above	18,000/- & Above	12,000/- & Above
	(ii) Societies Registration Act	32,000/- & Above	22,000/- & Above	15,000/- & Above
(b)	Registration Under Income Tax Act	25,000/- & Above	18,000/- & Above	12,000/- & Above
(c)	Exemption Certificate under section 80G of Income Tax Act	20,000/- & Above	15,000/- & Above	10,000/- & Above
(d)	Filing Objection Memo/other Replies	10,000/- & Above	7,000/- & Above	5,000/- & Above
(e)	Filing of Change Report	10,000/- & Above	7,000/- & Above	5,000/- & Above
(f)	Filing of Annual Budget	10,000/- & Above	7,000/- & Above	5,000/- & Above
(g)	Attending before Charity Commissioner including for Attending Objections	8,000/- & Above per visit	6,000/- & Above per visit	4,000/- & Above
(h)	(i) F.C.R.A. Registration	35,000/- & Above	25,000/- & Above	18,000/- & Above
	(ii) F.C.R.A. Certification	8,000/- & Above	6,000/- & Above	4,000/- & Above
4) COMPANY LAW AND LLP WORK				
(a)	Filing Application for Name Approval	8,000/- & Above	6,000/- & Above	4,000/- & Above
(b)	Incorporation of a Private Limited Company/LLP	35,000/- & Above	25,000/- & Above	18,000/- & Above
(c)	Incorporation of a Public Limited Company	65,000/- & Above	45,000/- & Above	30,000/- & Above
(d)	Advisory or consultation in drafting MOA, AOA	15,000/- & Above	11,000/- & Above	8,000/- & Above
(e)	(i) Company's/LLP ROC Work, Preparation of Minutes, Statutory Register & Other Secretarial Work	See Note 1	See Note 1	See Note 1
	(ii) Certification (Per Certificate)	15,000/- & Above	11,000/- & Above	8,000/- & Above

Particulars		Revised minimum Recommended scale of Fees		
		Class 'A' Cities (₹)	Class 'B' Cities (₹)	Class 'C' Cities (₹)
(f)	Filing Annual Return Etc.	10,000/- & Above per Form	7,000/- & Above per Form	5,000/- & Above
(g)	Filing Other Forms Like : F-32, 18, 2 etc.	5,000/- & Above	4,000/- & Above per Form	3,000/- & Above
(h)	Increase in Authorised Capital Filing of F-5, F-23, preparation of Revised Memorandum of Association/Article of Association/LLP Agreement	25,000/- & Above	20,000/- & Above	14,000/- & Above
(i)	DPIN/DIN per Application	4,000/- & Above	3,000/- & Above	2,000/- & Above
(j)	Company Law Consultancy including Petition drafting	See Note 1	See Note 1	See Note 1
(k)	Company Law representation including LLP before RD and NCLT	See Note 1	See Note 1	See Note 1
(l)	ROC Representation	See Note 1	See Note 1	See Note 1
5) AUDIT AND OTHER ASSIGNMENTS				
Rate per day would depend on the complexity of the work and the number of days spent by each person				
	(i) Principal	18,000/- & Above per day	12,000/- & Above per day	8,000/- & Above per day
	(ii) Qualified Assistants	10,000/- & Above per day	7,000/- & Above per day	5,000/- & Above per day
	(iii) Semi Qualified Assistants	5,000/- & Above per day	4,000/- & Above per day	3,000/- & Above per day
	(iv) Other Assistants	3,000/- & Above per day	2,000/- & Above per day	1,000/- & Above per day
Subject to minimum indicative Fees as under:				
	(i) Tax Audit	40,000/- & Above	30,000/- & Above	22,000/- & Above
	(ii) Company Audit			
	(a) Small Pvt. Ltd. Co. (Turnover up to ₹ 2 crore)	50,000/- & Above	35,000/- & Above	25,000/- & Above
	(b) Medium Size Pvt. Ltd. Co./ Public Ltd. Co.	80,000/- & Above	55,000/- & Above	35,000/- & Above
	(c) Large Size Pvt. Ltd. Co./ Public	See Note 1	See Note 1	See Note 1
	(iv) Review of TDS Compliance	25,000/- & Above	18,000/- & Above	12,000/- & Above
	(v) Transfer Pricing Audit	See Note 1	See Note 1	See Note 1

Particulars	Revised minimum Recommended scale of Fees		
	Class 'A' Cities (₹)	Class 'B' Cities (₹)	Class 'C' Cities (₹)
6) INVESTIGATION, MANAGEMENT SERVICES OR SPECIAL ASSIGNMENTS			
Rate per day would depend on the complexity of the work and the number of days spent by each person			
(a) Principal	35,000/- & Above+ per day charge	25,000/- & Above+ per day charge	18,000/- & Above per day charge
(b) Qualified Assistant	18,000/- & Above+ per day charge	12,000/- & Above+ per day charge	8,000/- & Above per day charge
(c) Semi Qualified Assistant	10,000/- & Above+ per day charge	7,000/- & Above+ per day charge	5,000/- & Above per day charge
7) CERTIFICATION WORK			
(a) Issuing Certificates under the Income Tax Act i.e. U/s 80IA/80IB/10 A/10B & other Certificates	See Note 1	See Note 1	See Note 1
(b) Other Certificates For LIC/ Passport/Credit Card/Etc.	10,000/- & Above	7,000/- & Above	5,000/- & Above
(c) Other Attestation (True Copy)	3,000/- & Above per form	2,000/- & Above per form	1,000/- & Above
(d) Net worth Certificate for person going abroad	18,000/- & Above	12,000/- & Above	8,000/- & Above
8) RERA			
(a) Audit of Accounts	10,000/- & Above	7,000/- & Above	5,000/- & Above
(b) Appearance Before Appellate Tribunal of Regulatory Authority or Adjudicating Authority	50,000/- & Above	35,000/- & Above	25,000/- & Above
(c) Advisory & Consultation	See Note 1	See Note 1	See Note 1
(d) Certification for withdrawal of amount	See Note 1	See Note 1	See Note 1
9) CONSULTATION & ARBITRATION			
Rate per hour would depend on the complexity of the work and the number of hours spends by each person			
(a) Principal	35,000/- & Above (initial fees) + additional fees @ 8,000/- & Above per hour	25,000/- & Above (initial fees) + additional fees @ 6,000/- & Above per hour	18,000/- & Above (initial fees) + additional fees @ 4,000/- & Above per hour

Particulars	Revised minimum Recommended scale of Fees		
	Class 'A' Cities (₹)	Class 'B' Cities (₹)	Class 'C' Cities (₹)
(b) Qualified Assistant	6,000/- & Above per hour	4,000/- & Above per hour	3,000/- & Above per hour
(c) Semi Qualified Assistant	3,000/- & Above per hour	2,000/- & Above per hour	1,000/- & Above per hour
10) NBFC/RBI MATTERS			
(a) NBFC Registration with RBI	See Note 1	See Note 1	See Note 1
(b) Other Returns	18,000/- & Above	12,000/- & Above	8,000/- & Above
11) GST			
(a) Registration	20,000/- & Above	15,000/- & Above	10,000/- & Above
(b) Registration with Consultation	See Note 1	See Note 1	See Note 1
(c) Tax Advisory & Consultation i.e. about value, taxability, classification, etc.	See Note 1	See Note 1	See Note 1
(d) Challan/Returns	15,000/- & Above + (4,000/- Per Month)	10,000/- & Above + (3,000/- Per Month)	8,000/- & Above + (2,000/- Per Month)
(e) Adjudication/Show Cause notice reply	30,000/- & Above	20,000/- & Above	15,000/- & Above
(f) Filing of Appeal / Appeals Drafting	30,000/- & Above	20,000/- & Above	15,000/- & Above
(g) Furnish details of inward/outward supply	See Note 1	See Note 1	See Note 1
(h) Misc services i.e. refund, cancellation/revocation registration, maintain electronic cash ledger etc.	See Note 1	See Note 1	See Note 1
(i) Audit of accounts and reconciliation Statement	40,000/- & Above	20,000/- & Above	12,000/- & Above
(j) Any Certification Work	10,000/- & Above	7,000/- & Above	5,000/- & Above
12) FEMA MATTERS			
(a) Filing Declaration with RBI in relation to transaction by NRIs/OCBs	35,000/- & Above	25,000/- & Above	18,000/- & Above
(b) Obtaining Prior Permissions from RBI for Transaction with NRIs/OCBs	50,000/- & Above	35,000/- & Above	25,000/- & Above

Particulars	Revised minimum Recommended scale of Fees		
	Class 'A' Cities (₹)	Class 'B' Cities (₹)	Class 'C' Cities (₹)
(c) Technical collaboration: Advising, obtaining RBI permission, drafting and preparing technical collaboration agreement and incidental matters	See Note 1	See Note 1	See Note 1
(d) Foreign collaboration: Advising, obtaining RBI permission, drafting and preparing technical collaboration agreement and incidental matters (incl. Shareholders Agreement)	See Note 1	See Note 1	See Note 1
(e) Advising on Non Resident Taxation Matters including Double Tax Avoidance Agreements including FEMA	See Note 1	See Note 1	See Note 1

13) PROJECT FINANCING

(a) Preparation of CMA data	See Note 1	See Note 1	See Note 1
(b) Services relating to Financial sector	See Note 1	See Note 1	See Note 1

14) ACCOUNTANCY SERVICES (New Heading)

Book Keeping and the preparation of financial statements	See Note 1
Other Services	See Note 1

15) OTHER SERVICES NOT LISTED ABOVE

See Note 1

NOTES:

- 1) Fees to be charged depending on the complexity and the time spent on the particular assignment.
- 2) The above recommended minimum scale of fees is as recommended by the Committee for Members in Practice (CMP) of ICAI
- 3) The aforesaid table states recommendatory minimum scale of fees works out by taking into account average time required to complete such assignments. However, members are free to charge varying rates depending upon the nature and complexity of assignment and time involved in completing the same.
- 4) Office time spent in travelling & out-of-pocket expenses would be chargeable. The Committee issues for general information the above recommended scale of fees which it considers reasonable under present conditions. It will be appreciated that the actual fees charged in individual cases will be matter of agreement between the member and the client.
- 5) GST should be collected separately wherever applicable.
- 6) The Committee also recommends that the bill for each service should be raised separately and immediately after the services are rendered.
- 7) Classification of Class A, Class B & Class C Cities are given in Annexure 'A'
- 8) The amount charged will be based on the location of the service provider.

S. No	STATES/UNION TERRITORIES	CITIES CLASSIFIED AS "A"	CITIES CLASSIFIED AS "B"	CITIES CLASSIFIED AS "C"
1.	ANDAMAN & NICOBAR ISLANDS	_____	_____	All cities
2	ANDHRA PRADESH	_____	Vijayawada, Greater Visakhapatnam, Guntur, Nellore	Other Cities
3	ARUNACHAL PRADESH	_____	_____	All cities
4	ASSAM	_____	Guwahati	Other Cities
5	BIHAR	_____	Patna	Other Cities
6	CHANDIGARH	_____	Chandigarh	_____
7	CHHATTISGARH	_____	Durg-Bhilai Nagar, Raipur	Other Cities
8	DADRA & NAGAR HAVELI	_____	_____	All cities
9	DAMAN & DIU	_____	_____	All cities
10	DELHI	Delhi	_____	_____
11	GOA	_____	_____	All cities
12	GUJARAT	Ahmedabad	Rajkot, Jamnagar, Bhavnagar, Vadodara Surat	Other Cities
13	HARYANA	_____	Faridabad, Gurgaon	Other Cities
14	HIMACHAL PRADESH	_____	_____	All cities
15	JAMMU & KASHMIR	_____	Srinagar, Jammu	Other Cities
16	JHARKHAND	_____	Jamshedpur, Dhanbad, Ranchi, Bokaro Steel City	Other Cities
17	KARNATAKA	Bengaluru	Belgaum, Hubli-Dharwad, Mangalore, Mysore, Gulbarga	Other Cities
18	KERALA	_____	Kozhikode, Kochi, Thiruvananthapuram, Thrissur, Malappuram, Kannur, Kollam	Other Cities
19	LAKSHADWEEP	_____	_____	All cities
20	MADHYA PRADESH	_____	Gwalior, Indore, Bhopal, Jabalpur, Ujjain	Other Cities
21	MAHARASHTRA	Greater Mumbai, Pune	Amravati, Nagpur, Aurangabad, Nashik, Bhiwandi, Solapur, Kolhapur, Vasai-Virar City, Malegaon, Nansws-Waghala, Sangli	Other Cities
22	MANIPUR	_____	_____	All cities
23	MEGHALAYA	_____	_____	All cities
24	MIZORAM	_____	_____	All cities
25	NAGALAND	_____	_____	All cities
26	ODISHA	_____	Cuttack, Bhubaneswar, Rourkela	Other Cities
27	PUDUCHERRY	_____	Puducherry/ Pondicherry	_____
28	PUNJAB	_____	Amritsar, Jalandhar, Ludhiana,	Other Cities
29	RAJASTHAN	_____	Bikaner, Jaipur, Jodhpur, Kota, Ajmer	Other Cities
30	SIKKIM	_____	_____	All cities
31	TAMIL NADU	Chennai	Salem, Tiruppur, Coimbatore, Tiruchirappalli, Madurai, Erode	Other Cities
32	TELANGANA	Hyderabad	Warangal	Other Cities
33	TRIPURA	_____	_____	All cities
34	UTTAR PRADESH	_____	Moradabad, Meerut, Ghaziabad, Aligarh, Agra, Bareilly, Lucknow, Kanpur, Allahabad, Gorakhpur, Varanasi, Saharanpur, Noida, Firozabad, Jhansi	Other Cities
35	UTTARAKHAND	_____	Dehradun	Other Cities
36	WEST BENGAL	Kolkata	Asansol, Siliguri, Durgapur	Other Cities

LEADERS



CA. Aniket S. Talati
President, ICAI



CA. Ranjeet Kumar Agarwal
Vice President, ICAI



CA. Gyan Chandra Misra
Convenor, TMD



CA. Abhay Kumar Chhajed
Deputy Convenor, TMD

COMPOSITION OF TMD FOR THE YEAR 2023-24

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- CA. Gyan Chandra Misra** Convenor, TMD
- CA. Abhay Kumar Chhajed** Deputy Convenor, TMD
- CA. Vishal Doshi**, Vadodara
- CA. Purushottamlal Khandelwal**, Ahmedabad
- CA. Mangesh Pandurang Kinare**, Thane
- CA. Piyush S Chhajed**, Mumbai
- CA. Umesh R. Sharma**, Aurangabad
- CA. Prasanna Kumar D.**, Visakhapatnam
- CA. Sripriya Kumar**, Chennai
- CA. Dayaniwas Sharma**, Hyderabad
- CA. Sushil Kumar Goyal**, Kolkata
- CA. (Dr.) Anuj Goyal**, Ghaziabad
- CA. Prakash Sharma**, Jaipur
- CA. (Dr.) Raj Chawla**, New Delhi
- CA. Hans Raj Chugh**, New Delhi
- CA. Charanjot Singh Nanda**, New Delhi
- CA. (Dr.) Sanjeev Kumar Singhal**, New Delhi

Special Invitees

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- CA. Nilesh Gupta**, Indore
- CA. Rajeev Gupta**, Meerut
- CA. Panna Raj S.**, Ballari
- CA. Gaurav Garg**, Delhi
- CA. Deepak Bholusaria**, New Delhi
- CA. Arpit Jagdish Kabra**, Mumbai
- CA. Mayur Agrawal**, Kolkata
- CA. Denesh Singh**, Greater Noida
- CA. Gulab Chandra Kedia**, Raipur
- CA. Prabhat Kumar**, Ranchi
- CA. Ajai Kumar Mishra**, Varanasi
- CA. Sandeep Bhatnagar**, Lucknow
- CA. Shwetanshu Shekhar**, Patna
- CA. Rajat Sharma**, Dehradun
- CA. Chanakya Shree**, Patna
- CA. Mukul Garg**, New Delhi



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