



The Institute of Cost Accountants of India

Board of Discipline u/s 21A of The Cost Accountants Act, 1959

Final order number: ICMAI/BOD/2026/24

Complaint number	Com-21/CA(146)/2024
In the matter of	CMA Chandra Prakash Kalra [Complainant] Vs M/S Chandra Wadhwa & Co.(FRN000239) [Respondent]
Date of Hearing	As per records and order sheet
Date of order	31 st March, 2026

CORAM:

1	Shri P.K. Pujari, IAS (Retd)	Presiding Officer
2	CMA (Dr.) Ashish Thatte	Member

PRESENT

1	CMA(Dr) Hemant Kumar Sindhwani	Director (Discipline)
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Brief facts of the Case

1. The Disciplinary Directorate was in receipt of a complaint in Form I in triplicate dated 7th October 2024 (served on 7th October 2024) along with the prescribed complaint fee from CMA Chandra Prakash Kalra (hereinafter referred to as the “Complainant”), bearing membership number 7979 containing allegation against M/S Chandra Wadhwa & Co bearing FRN000239 (hereinafter referred to as “the respondent”) containing certain allegations against the respondent falling under various provisions of the Cost Accountants Act, 1959.
2. The complaint consists of sixteen 16 pages, accompanied by annexure. The Form I is reproduced below in verbatim:



FORM I

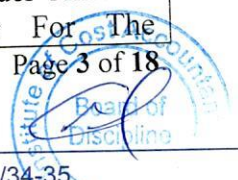
[See sub-rule (1) of Rule 3]

1.	Name of the complainant : (with membership number, if member of institute of Cost and Works Accountants of India)	Chandra Prakash Kalra M7979 Partner Chakraborty Kapoor & Co.Llp
2.	Name of the member/firm against whom complaint is being made: (with membership number/registration number of the firm, if known)	Chandra Wadhwa & Co
3.	Latest Address of complainant for communication	Chakraborty Kapoor & Co. Llp F-1210 C R Park, New Delhi-110019 M-9810291304
4.	Latest available address of member against whom complaint is made.	Reg. No. : '000239 Chandra Wadhwa & Co 1305 & 1306, Vijaya Building, 17, Barakhamba Road, NEW DELHI -110001 Tele No. :01140254232, 7503703599,9449631326, (M) :8800018190, Email: wadhwafin@gmail.com.
5.	Particulars of Allegation (s) serially numbered together with corresponding clause/part of relevant schedule(s), or Particulars of Allegation(s) serially numbered together with corresponding clause/part of relevant schedule(s) under which the alleged acts of commission of omission or both would fall.	1. All The Members/Firms As Mentioned in Para 2 Above Have Quoted Less Than Minimum Bid Price Of BSNL Ref No Gem/2023/B/3855545 Dt 22.08.2023 Financial Evaluation Document Of Gems is Attached As Proof Of The ABOVE Allegation. 2. The Minimum Bid Prices (Floor Price) Was Mentioned in The Bid As Rs. 14,12,000 With Clear Mention Of The Fact That This Bid Has Been Created/Published With Floor Price (Minimum Value) Selected By The Buyer. Service Providers Are Advised To Quote Above The Minimum Floor Value. Copy Of Bid Documentis Enclosed For Ready Reference. 3. This is Not Only in Contravention Of The Bid Conditions But Against Institute's Notification No Ref: G/128/10/2022 Dt 25th October, 2022 Which Prohibits

Page 2 of 18
Board of
Discipline



		<p>Members/Firms To Minimum Its Practicing Members /Firms To Quote Below Minimum Price As Prescribed in Tender Document. This Guidelines Was Issued As Per Decision Taken By Central Council in Its 337th Meeting Held On 11th September, 2022. Copy is Enclosed For Ready Reference.</p> <p>4. As Per Para [1 (B)] Of The Aforesaid Notification in Case Of The Non-Compliance Of These Guidelines A Member in Practice Shall Be Liable To Disciplinary Proceedings Under Section 21 & 22 For Violation Of Clause (1) Of Part II Of The Second Schedule Of The Cost And Works Accountants Act, 1959. However, Immunity is Granted To The Member in Practice From Disciplinary Proceedings For Non-Compliance Of These Guidelines Prior To The Date Of This Of Notification. Since BID Was Dated Post Issue Notification Hence Immunity is Not Available To These Members</p> <p>5. We Have Suffered Because Of Inappropriate As Buyer Behavior Of The Above Member Firms Cancelled The Tender Perhaps Due To Receipt Of Bid Prices Much Lower Than The Floor Price. The Tender Which We Could Have Got Was Denied To Us. We Got This Information By Filing RTI Ref No 00058 Dt 18.03.2024</p> <p>6. The Above Firms Not only Violated The Institute's Guidelines But Also Damaged The Profession's Image As BSNL Awarded The Contract To M/S Chander Wadhwa & Co. on nomination basis asper RTI reply dt 30052024</p>
6.	Particulars of Evidences abducted in support of the allegations made.	<p>1. Gem/2023/B/3855545 Dt 22.08.2023</p> <p>2. Financial Evaluation Document Of Gems Portal For The Bid in Question.</p> <p>3. Notification No G/128/10/2022 Dt 25th October, 2022 Prohibiting CMA's Not To Quote Below Minimum Tender Amount Prescribed in The Tender For The</p>





		Assignment. 4. RTI Ref No 00058 Dt 18.03.2024 5. RTI reply dt 30052024
7.	Names of persons who have knowledge of the facts of the case.	1. Chandra Prakash Kalra M-9810291304
8.	Particulars of DD for Rs.2950 in favour of Institute of Cost Accountants of India payable at New Delhi	DD NO-942746 DATED-07/10/2024 OF PUNJAB NATIONAL BANK ALAKNANGA

3. The above complaint was scrutinized and was registered in terms of Rule 5 of the Cost and Works Accountants (Procedure of Investigation of Professional and Other Misconduct and Conduct of Cases) Rules, 2007 (hereinafter referred to as "The Rule, 2007"), and the same was proceeded with in the manner as prescribed in Chapter III of the Rules and was registered by the Disciplinary Directorate by giving a unique number, Complaint No. Com/21-CA(146)/2024.
4. The complaint was forwarded to the Respondent vide letter No. G/DD/Com-CA(146)/(FRN000239)/01/12/2024 dated 04.12.2024, calling upon the Respondent to submit a written statement in terms of Rule 8(3) of The Rules, 2007 within 21 days from the date of service of the letter under reference
5. The respondent, vide letter dated 12th December, 2024 submitted his written defence statement containing of nine pages denying the allegations, which is reproduced below in verbatim:

Quote

"Mr. R.K. Jain
Director (Discipline)
The Institute of Cost Accountants of India
CMA Bhawan, 3 Institutional Area,
Lodhi Road, New Delhi- 110003

Sub: Complaint no. Com/21-CA(146)/2024- CMA Chandra Prakash Kalra(M979)
(Complainant Vs M/s Chandra Wadhwa & Co. (FRN 000239) Respondent.

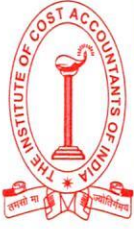
Dear Sir,

This is with reference to your letter No.G/DD/(Com-CA (132)/(FRN 000239) / 01/12/2024 dated 4th Dec, 2024 in which CMA Chandra Prakash Kalra has filed a Complaint against our firm.

In this regard, we submit as under:

1. As per point No.5 of Form I of complainant that we have not followed the guidelines as per circular No. G/128/10/2022 which prohibits members/firms to **quote below minimum price** as prescribed in the tender document whereas there was no minimum price mentioned in the tender.





2. As per page no. 2 of the Bid Document:

Floor price: This bid has been created/published with floor price (Minimum value) selected by the buyer. Service Providers are advised to quote above the minimum floor price.

Estimated Bid Value: Rs 14,16,000.

Further, it is very explicitly mentioned in point no.2 of page no.3 of the Tender Document that

“**Estimated Bid value** indicated above is being declared solely for the purpose of guidance on EMD amount”

And for determining the Eligibility Criteria related to Turnover, Past Performance and Project / Past Experience, etc. This has no relevance or bearing on the price to be quoted by the bidders and is also not going to have any impact on bid participation. Also this is not going to be used as a criteria in determining reasonableness of quoted prices which would be determined by the buyer based on its assessment of reasonableness and based on Competitive prices received in Bid/RA process.[Copy of bid documents] Annexure – I

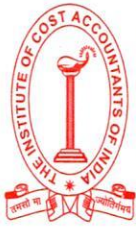
Therefore, it is evident that the **Estimated Bid Value** provided, above serves as a guideline for the **EMD** amount and not for the purpose of **Minimum Price** as is the requirement of the circular issued by the Institute.

3. The circular issued by the Institute aims to ensure that bids are not quoted below the minimum price. It is explicitly stated in the Bid Document that this bid has been created and published with a floor price (minimum value) set by the buyer. Service providers are advised to quote above this minimum floor price. At no point has Bharat Sanchar Nigam Ltd. (BSNL) indicated that the Estimated Bid Value represents the minimum price
4. When the undersigned checked the Minimum Floor Price from the BSNL, it was informed by BSNL that the Minimum Price is Rs 600,000 for 3 years Cost Audit. (A copy of the Screen shot is attached for your perusal) [Annexure – II]
5. In light of the above, it is evident that the complainant has misconstrued the purpose of the Estimated Bid Value, which was provided solely as a guideline for the EMD amount. Therefore, the complaint lodged by (MA Chandra Prakash Kalra does not satisfy the criteria outlined in the circular issued by the Institute and there is no misconduct on our part.
6. In view of above, you are requested to drop/dismiss the complaint at this stage itself.



Yours faithfully,
Sankalp Wadhwa
Partner
(M 38933)

Unquote





Annexure - I

 		Bid Number/बिड नम्बर (बिड संख्या) GEM/2023/B/3855545 Dated/दिनांक : 22-08-2023
Bid Document/ बिड दस्तावेज		
Bid Details/बिड विवरण		
Bid End Date/Time/बिड बंद होने की तारीख/समय	29-08-2023 17:00:00	
Bid Opening Date/Time/बिड खुलने की तारीख/समय	29-08-2023 17:30:00	
Bid Offer Validity (From End Date)/बिड पेशकश वैधता (बंद होने की तारीख से)	60 (Days)	
Ministry/State Name/मंत्रालय/राज्य का नाम	Ministry Of Communications	
Department Name/विभाग का नाम	Department Of Telecommunications (dot)	
Organisation Name/संगठन का नाम	Bharat Sanchar Nigam Limited Portal(bsnl)	
Office Name/कार्यालय का नाम	Bsnl Co	
Item Category/मद कैटेगरी	Hiring of Consultants - Milestone/Deliverable Based - Subject Matter Experts. Finance& Accounts, No. Onsite	
Contract Period/अनुबंध अवधि	3 Year(s) 2 Month(s) 2 Day(s)	
Years of Past Experience Required for same/similar service/उन्नीस/समान सेवाओं के लिए अपेक्षित विगत अनुभव के वर्ष	1 Year (s)	
Past Experience of Similar Services required/इसी तरह की सेवाओं का पिछला आवश्यक अनुभव है	Yes	
MSE Exemption for Years of Experience and Turnover/ अनुभव के वर्षों से एमएसई छूट	No	
Startup Exemption for Years of Experience and Turnover/ अनुभव के वर्षों से स्टार्टअप छूट	No	
Document required from seller/विद्येता से मांगे गए दस्तावेज	Experience Criteria, Certificate (Requested in ATC), Additional Doc 1 (Requested in ATC) *In case any bidder is seeking exemption from Experience / Turnover Criteria, the supporting documents to prove his eligibility for exemption must be uploaded for evaluation by the buyer	
Bid to RA enabled/बिड से रिवर्स नीलामी सक्रिय किया	No	
Type of Bid/बिड का प्रकार	Two Packet Bid	
Time allowed for Technical Clarifications during technical evaluation/तकनीकी मूल्यांकन के दौरान तकनीकी स्पष्टीकरण हेतु अनुमत समय	5 Days	





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Website : www.icmai.in

Bid Details/बिड विवरण			
Floor Price/न्यूनतम मूल्य	This bid has been created/published with floor price(minimum value) selected by the Buyer. Service Providers are advised to quote above the minimum floor value.		
Estimated Bid Value/अनुमानित बिड मूल्य	1416000		
Evaluation Method/मूल्यांकन पद्धति	Total value wise evaluation		
Financial Document Indicating Price Breakup Required/मूल्य दर्शाने वाला वित्तीय दस्तावेज प्रेकअप आवश्यक है	Yes		
EMD Detail/ईएमडी विवरण			
Advisory Bank/एडवाइजरी बैंक	PUNJAB NATIONAL BANK		
EMD Amount/ईएमडी राशि	10000		
ePBG Detail/ईपीबीजी विवरण			
Required/आवश्यकता	No		
<p>(a). EMD EXEMPTION: The bidder seeking EMD exemption, must submit the valid supporting document for the relevant category as per GeM GTC with the bid. Under MSE category, only manufacturers for goods and Service Providers for Services are eligible for exemption from EMD. Traders are excluded from the purview of this Policy./जेम की शर्तों के अनुसार ईएमडी छूट के इच्छुक बिडर को संबंधित कैटेगरी के लिए बिड के साथ वैध समर्थित दस्तावेज प्रस्तुत करने हैं। एमएसई कैटेगरी के अंतर्गत केवल वस्तुओं के लिए विनिर्माता तथा सेवाओं के लिए सेवा प्रदाता ईएमडी से छूट के पात्र हैं। व्यापारियों को इस नीति के दायरे से बाहर रखा गया है।</p> <p>(b). EMD & Performance security should be in favour of Beneficiary, wherever it is applicable./ईएमडी और सफलता जमानत राशि, जहां यह लागू होती है, लाभार्थी के पक्ष में होनी चाहिए।</p> <p>Beneficiary/लाभार्थी : Accounts Officer Cash BSNL CO, Department of Telecommunications (DOT), Bharat Sanchar Nigam Limited Portal(BSNL), Ministry of Communications, New Delhi (Account Officer Cash)</p> <p>Splitting/विभाजन Bid splitting not applied./घोली विभाजन लागू नहीं किया गया</p> <p>MII Compliance/एमआईआई अनुपालन</p> <table border="1"><tr><td>MII Compliance/एमआईआई अनुपालन</td><td>Yes</td></tr></table> <p>1. Years of Past Experience required: The bidder must have experience for number of years as indicated above in</p>		MII Compliance/एमआईआई अनुपालन	Yes
MII Compliance/एमआईआई अनुपालन	Yes		



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bid document (ending month of March prior to the bid opening) of providing similar type of services to any Central / State Govt Organization / PSU / Public Listed Company. Copies of relevant contracts / orders to be uploaded along with bid in support of having provided services during each of the Financial year.

2. Estimated Bid Value indicated above is being declared solely for the purpose of guidance on EMD amount and for determining the Eligibility Criteria related to Turn Over, Past Performance and Project / Past Experience etc. This has no relevance or bearing on the price to be quoted by the bidders and is also not going to have any impact on bid participation. Also this is not going to be used as a criteria in determining reasonableness of quoted prices which would be determined by the buyer based on its own assessment of reasonableness and based on competitive prices received in Bid / RA process.

3. Past Experience of Similar Services: The bidder must have successfully executed/completed similar Services over the last three years i.e. the current financial year and the last three financial years(ending month of March prior to the bid opening). -

1. Three similar completed services costing not less than the amount equal to 40% (forty percent) of the estimated cost; or

2. Two similar completed services costing not less than the amount equal to 50% (fifty percent) of the estimated cost; or

3. One similar completed service costing not less than the amount equal to 80% (eighty percent) of the estimated cost.

4. Short Duration Bid has been published by the Buyer with the approval of the Competent authority due to Emergency procurement of critical products/services.

Additional Qualification/Data Required/अतिरिक्त योग्यता / आवश्यक डेटा

Extendability of contract requirements:N/A

Last 3 years average business revenue from consulting:N/A

Number of Consultants on payroll of firms:Bidder Firm should have at least 2 partners

Number of projects completed in India having similar scope & size of proposed project under hiring:1

Scope Of work:[1692686094.pdf](#)

Profile of Consultants:[1692686141.pdf](#)

Payment Terms:[1692622841.pdf](#)

Price Break Up Format:[1692686368.pdf](#)

Pre-qualifications Criteria:[1692686307.pdf](#)

This Bid is based on Quality & Cost Based Selection (QCBS) . The technical qualification parameters are :-

Parameter Name	Max Marks	Cutoff Marks	Qualification Methodology Document
Year of establishment of the firm, since the date of registration. Documentary proof. Latest constitution certificate (not later than) 31.03.2023 issued by the Institute of Cost Accountants of India.	20	10	View File





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No. of partners of the firm Documentary proof: Latest constitution certificate (not later than) 31.03.2023 issued by the Institute of Cost Accountants of India.	20	10	View File
No. of years' experience as on 31.03.2023 of any Financial/Costing related work in an organization having ERP Environment. Documentary proof: Work completion certificate / Experience certificate.	20	10	View File
assignments undertaken for cost audit / preparation of cost records / preparation of ASR, between 01.04.17 and 31.03.23, of co's having turnover of at least Rs. 20 cr. Doc.proof: Work completion certificate / Experience certificate.	40	20	View File

Total Minimum Qualifying Marks for Technical Score: 50

QCBS Weightage(Technical:Financial):60:40

Hiring Of Consultants - Milestone/Deliverable Based - Subject Matter Experts; Finance & Accounts; No; Onsite (1)

Technical Specifications/तकनीकी विनिर्देशियाँ

Specification	Values
Core	
Consulting Category/ Stream	Subject Matter Experts
Consultant's Profile	Finance & Accounts
Proof of Concept (POC) Required	No
Deployment of Consultants/Resource	Onsite
Addon(s)/एडऑन	

Additional Specification Documents/अतिरिक्त विनिर्देशि दस्तावेज

Consignees/Reporting Officer/परिचित/रिपोर्टिंग अधिकारी





S.No./क्र. सं.	Consignee Reporting/Officer/ परेचित्ती/रिपोटिंग अधिकारी	Address/पता	To be set as 1	Additional Requirement/अतिरिक्त आवश्यकता
1	Sandeep Dutt	110001, First Floor, BSNL CO. New Delhi	1	N/A

Buyer Added Bid Specific Terms and Conditions/क्रेटर द्वारा जोड़ी गई बिड की विशेष शर्तें

1. Certificates

Bidder's offer is liable to be rejected if they don't upload any of the certificates / documents sought in the Bid document. ATC and Corrigendum if any.

2. Buyer Added Bid Specific ATC

Buyer uploaded ATC document [Click here to view the file](#)

Disclaimer/अस्वीकरण

The additional terms and conditions have been incorporated by the Buyer after approval of the Competent Authority in Buyer Organization, whereby Buyer organization is solely responsible for the impact of these clauses on the bidding process, its outcome, and consequences thereof including any eccentricity / restriction arising in the bidding process due to these ATCs and due to modification of technical specifications and / or terms and conditions governing the bid. Any clause(s) incorporated by the Buyer regarding following shall be treated as null and void and would not be considered as part of bid:-

1. Definition of Class I and Class II suppliers in the bid not in line with the extant Order / Office Memorandum issued by DPIIT in this regard.
2. Seeking EMD submission from bidder(s), including via Additional Terms & Conditions, in contravention to exemption provided to such sellers under GeM GTC.
3. Publishing Custom / BOQ bids for items for which regular GeM categories are available without any Category Item bunched with it.
4. Creating BoQ bid for single item.
5. Mentioning specific Brand or Make or Model or Manufacturer or Dealer name.
6. Mandating submission of documents in physical form as a pre-requisite to qualify bidders
7. Floating / creation of work contracts as Custom Bids in Services
8. Seeking sample with bid or approval of samples during bid evaluation process.
9. Mandating foreign / international certifications even in case of existence of Indian Standards without specifying equivalent Indian Certification / standards.
10. Seeking experience from specific organization / department / institute only or from foreign / export experience.
11. Creating bid for items from irrelevant categories.
12. Incorporating any clause against the MSME policy and Preference to Make in India Policy.
13. Reference of conditions published on any external site or reference to external documents/clauses
14. Asking for any Tender fee / Bid Participation fee / Auction fee in case of Bids / Forward Auction, as the case may be.

Further, if any seller has any objection/grievance against these additional clauses or otherwise on any aspect of this bid, they can raise their representation against the same by using the Representation window provided in the bid details field in Seller dashboard after logging in as a seller within 4 days of bid publication on GeM. Buyer is duty bound to reply to all such representations and would not be allowed to open bids if he fails to reply to such representations.





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This Bid is governed by the General Terms and Conditions/सामान्य नियम और शर्तें, conditions stipulated in Bid and Service Level Agreement specific to this Service as provided in the Marketplace. However in case if any condition specified in General Terms and Conditions/सामान्य नियम और शर्तें is contradicted by the conditions stipulated in Service Level Agreement, then it will over ride the conditions in the General Terms and Conditions.

In terms of GeM GTC clause 26 regarding Restrictions on procurement from a bidder of a country which shares a land border with India, any bidder from a country which shares a land border with India will be eligible to bid in this tender only if the bidder is registered with the Competent Authority while participating in bid. Bidder has to undertake compliance of this and any false declaration and non-compliance of this would be a ground for immediate termination of the contract and further legal action in accordance with the laws./जैम की सामान्य शर्तों के खंड 26 के संदर्भ में भारत के साथ भूमि सीमा साझा करने वाले देश के बिडर से खरीद पर प्रतिबंध के संबंध में भारत के साथ भूमि सीमा साझा करने वाले देश का कोई भी बिडर इस निविदा में बिड देने के लिए तभी पात्र होगा जब वह बिड देने का स्विकृत प्रपिचररी के पास पंजीकृत होविड में भाग लेते समय बिडर को इसका अनुपालन करना होगा और कोई भी गलत घोषणा किए जाने व इसका अनुपालन न करने पर अनुबंध को तत्काल समाप्त करने और करन्त के अनुसार आगे की करतूली करेजई का आखर होगा।

---Thank You/धन्यवाद---





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12/16/24, 1:10 PM

Chandra Wadhwa & Co. Mail - Fwd: Cost Audit Tender - Bid No. GEM/2023/B/3855545

Annexure - II



ankita.sagu <ankita.sagu.hr@cwciindia.in>

Fwd: Cost Audit Tender - Bid No.: GEM/2023/B/3855545

1 message

Mon, Dec 16, 2024 at 1:03 PM

chandra.wadhwa <wadhwa@icmai.org>
 To: CWC - Ankita Sagu <ankita.sagu.hr@cwciindia.in>

----- Forwarded message -----

From: costing section BSNL Corporate office <costingsection123@gmail.com>
 Date: Mon, 9 Dec 2024 at 17:32
 Subject: Re: Cost Audit Tender - Bid No.: GEM/2023/B/3855545
 To: Sankalp Wadhwa <sankalp.wadhwa@cwciindia.in>
 Cc: vikas kumar <vikasbsnlr@gmail.com>, wadhwa@icmai.org <wadhwa@icmai.org>

Dear sir,

The mentioned GeM bid was cancelled however the minimum fee was 6 lakh for three years.

Regards

On Mon, 9 Dec 2024, 15:02 Sankalp Wadhwa, <sankalp.wadhwa@cwciindia.in> wrote:
 Dear Vikas Ji,

Kindly share and confirm the minimum Cost Audit Fees prescribed by the BSNL in the Bid No. GEM/2023/B/3855545.

With many thanks & warm regards,

Sankalp Wadhwa
 B.Com, FCMA, ACA, DISA
 Certified SAP-CO Consultant
 Executive Program on Management and Finance (IIM, Ahmedabad)

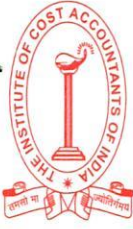
Partner, Chandra Wadhwa & Co.
 Cost Accountants
 Partner, MvABM India
 Cost and Profitability Management Software
 Director, Evalux Management Services Pvt. Ltd.
 Physical Verification Support Services Company
 1305 & 1306, Vinaya Building,
 17 Barakhamba Road
 New Delhi - 110001, India
 Phone: +91-11-26113000 (P.O. only) (WhatsApp)
 LinkedIn Profile
 Mail: sankalp.wadhwa@cwciindia.in
 Websites: www.cwciindia.in | www.mvabm.com
 Thoughts don't need paper to take shape

With many thanks & warm regards,
 CMA, Chandra Wadhwa, M.Com, LLB, FCS, FCMA, IP
Past President, Institute of Cost Accountants of India
Council Member, Institute of Chartered Accountants of India
 Insolvency Professional
 Chandra Wadhwa & Co.,

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Page 12 of 18





7. The written statement dated 13th December, 2023 was duly forwarded to the complainant under the cover of letter No. G/DD/Com-CA(146)/02/12/2024 dated 18th December 2024 calling upon the complainant to submit a rejoinder in terms of sub-rule (4) of Rule 8 of The Rules, 2007.
8. The Complainant, vide letter dated 23rd December, 2024 submitted his Rejoinder containing one page reiterating that in the absence of disclosure of a numerical floor price, the estimated bid value ought to have been construed as the minimum bid price and alleging that clarification obtained by the Respondent was an afterthought. The rejoinder submitted by complainant is reproduced below in verbatim:

Quote

23.12.2024

To
CMA R.K. Jain
Director (Discipline)
The Institute of Cost Accountant of India
CMA Bhawan, 3, Institutional Area Lodhi Road,
New Delhi-110003.

Sub: Rejoinder to reply dated 18.12.2024 of respondent Chandra Wadhwa & Co.

Dear Sir,

We submit our reply as under:

1. There was a declaration by the buyer that Bid is subjected to minimum floor price, thugh floor price was not mentioned.
2. The next line of the Bid document says estimated bid value Rs. 1416000.
3. The assumption of bidder will be to assume minimum floor price to be Rs, 1416000 in absence of any clarification sought. Respondent quoted less than Rs. 1416000 on what basis in absence of clear communication. They have taken clarification on 9th December 2024 only to submit a reply to the complaint filed by us.
4. No prudent seller will assume minimum price to be less than Rs. 1416000 when it is stated so in the bid document even if there is rider that Estimated Bid value is for the purpose of EMD. Buyer is expecting bids above 1416000 that is why Bids are ranked as H1, H2, H3 wrt Bid value of Rs. 1416000 instead of L1, L2, L3.....
5. It is submitted that complaint ne decided on merit based on documents on record rather than relying on communication by the Costing section. This is not a part of the original bid document.

Regards

Yours Truly,

For Chakraborty Kapoor & Co
CMA Chandra Prakash Kalra
Designated Partner

Unquote

Page 13 of 18





9. Comments and findings of the Disciplinary Directorate

- a) The complaint is primarily founded on the allegation that the Respondent contravened Notification No. G/128/10/2022(2) dated 25th October, 2022, titled "Guidelines for Compliance by Members", issued by the Secretary, ICMAI, by allegedly quoting a bid amount lower than the prescribed minimum bid price (floor price) in respect of the BSNL tender bearing Reference No. GEM/2023/B/3855545 dated 22.08.2023. It has further been alleged that the Respondent firm not only violated the aforesaid guidelines but also acted in a manner detrimental to the professional image and dignity of the profession.
- b) In its written statement of defence, the Respondent has categorically denied any violation of the Institute's Guidelines and contended that the tender documents did not prescribe any minimum bid price. The Respondent, inter alia, submitted as under:
- Bid was created and published on the Government e-Marketplace (GeM) portal with a floor price selected by the buyer and as a bidder/service provider, there was neither any technical nor procedural option available to quote below such minimum price.
 - Although an estimated bid value of ₹14,16,000/- was mentioned in the tender documents, the same was expressly clarified, at Point No. 2 on Page No. 3 of the tender document, to be declared solely for the purposes of determining Earnest Money Deposit (EMD) and eligibility criteria
 - The estimated bid value had no relevance or bearing on the price to be quoted by bidders and did not impact bid participation.
 - Actual minimum bid price (floor price) for the three-year cost audit assignment was ₹6,00,000/-, whereas the Respondent had quoted ₹7,08,000/-, which was above the prescribed minimum bid price.

Accordingly, the Respondent contended that there was no violation or contravention of any guideline issued by the Institute.

- c) In the rejoinder, the Complainant reiterated that, in the absence of any explicit disclosure of the numerical floor price in the tender documents, the bidder ought to have treated the estimated bid value as the minimum floor price. It was further alleged that the clarification obtained by the Respondent on 9th December, 2024 was an afterthought.





- d) The Disciplinary Directorate examined the bid documents issued by BSNL bearing Ref. No. GEM/2023/B/3855545 dated 22nd August, 2023 under the item Category “ Hiring of Consultants-Milestone/Deliverable Based-Subject Matter Experts; Finance & Accounts; No; Onsite.”
- e) On perusal of the bid documents, it is observed that an Estimated Bid Value of ₹14,16,000/- has been mentioned therein. The bid documents expressly clarify that the said estimated bid value has been declared solely for the purpose of guidance on Earnest Money Deposit (EMD) and for determining eligibility criteria, including turnover, past performance, and project/past experience, and that the same has no relevance or bearing on the price to be quoted by bidders, nor is it to be used as a criterion for determining the reasonableness of quoted prices. The relevant extract of the bid document is reproduced hereunder:

Quote

- 2 Estimate Bid Value indicated above is being declared solely for the purpose of guidance on EMD amount and for determining the Eligibility Criteria related to Turnover. Past Performance and Project/Past Experience etc. This has no relevance or bearing on the price to be quoted by the bidders and is also not going to have any impact on bid participation. Also this is not going to be used as a criteria in determining reasonableness of quoted price which would be determined by the buyer based on its own assessment of reasonableness and based on competitive prices received in Bid/RA process.

Unquote

- f) Upon examination of the bid documents and the contentions raised, it is noted that the tender documents categorically and unequivocally distinguish the estimated bid value from the price to be quoted by bidders. The estimated bid value is expressly stated to have no nexus with the reasonableness of the quoted price.
- g) The bid documents further clarify that the bid was created with a floor price selected by the buyer and that bids were required to be above such minimum floor value. This implies that bidders could not, under any circumstances, submit bids below such selected floor price. The relevant extract of the bid document is reproduced hereunder:

Quote

Floor Price	This bid has been created/published with floor price(minimum value) selected by the Buyer. Service providers are advised to quote above the minimum floor price
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- h) The above implies that if bidders submit bids below such un-disclosed but selected floor price by the buyer, such bids would not be considered under any circumstances. In the instant case, since the bid has not been considered un-responsive on this count by the buyer, it can be inferred that the bid value was higher than the floor price selected by the buyer.
- i) Since the bid was published and processed through the Government e-Marketplace (GeM) portal, it is reasonable to presume that the portal operates with in-built process of validations that prevent the submission of bids below the floor price selected by the buyer, in accordance with the tender conditions. The acceptance of the bids on the GeM portal prima facie establishes that the bids submitted could not have been below the selected floor price by the buyer. In the event that the GeM portal did not incorporate any such process of validations in the absence of any disclosed floor price in the tender documents, the tender document itself would appear to be deficient or ambiguous, and any such deficiency and ambiguity, the bidder cannot be held liable.
- j) In view of the above, it appears that there is no contravention of Notification No. G/128/10/2022(2) dated 25th October, 2022, titled "Guidelines for Compliance by Members", issued by the Secretary, ICMAI

10. Findings and Oder of Board of Discipline

- a) The following issues arise for determination:
- Whether the estimated bid value of ₹14,16,000 can be considered to constitute the minimum floor price for the tender;
 - Whether the Respondent quoted below the minimum floor price prescribed in the tender document; and
 - Whether the Respondent violated Notification No. G/128/10/2022(2) dated 25th October, 2022 and thereby committed professional misconduct.
- b) Upon careful examination of the complaint, the written statement of defence, the rejoinder, the findings of the Director (Discipline), and the material available on record, the Board records its findings as under:



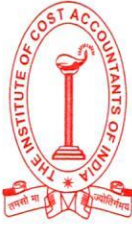


S.no	Issue	Board Findings
(i)	Whether the estimated bid value of ₹14,16,000 can be considered to constitute the minimum floor price for the tender;	The tender documents expressly clarify that the estimated bid value was declared solely for EMD and eligibility purposes and had no nexus with the reasonableness of the quoted price. Accordingly, the estimated bid value cannot be considered to constitute the minimum floor price.
(ii)	Whether the Respondent quoted below the minimum floor price prescribed in the tender document; and	As the bid documents clarified that the bid was created with a floor price selected by the buyer and that bids were required to be above such minimum floor value, the acceptance of the bids on the GeM portal prima facie establishes that the bids submitted could not have been below the selected floor price by the buyer.
(iii)	Whether the Respondent violated Notification No. G/128/10/2022(2) dated 25 th October, 2022 and thereby committed professional misconduct.	For any ambiguity or deficiency in the bid documents due to non-disclosure of the floor price or any deficiency in the validation process during bidding, the bidder cannot be held liable. In view of the above findings, no violation of Notification No. G/128/10/2022 is established.

c) The Board is of the considered view that the allegations made by the Complainant are devoid of merit.

d) The compliant appears speculative and lacks corroborative proof. Accordingly,





ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
भारतीय लागत लेखाकार संस्थान
Statutory Body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

Headquarters:
CMA Bhawan, 3 Institutional Area,
Lodhi Road, New Delhi-110003

Phone : +91-11-24622156-57-58
Website : www.icmai.in

exercise of power under Rule 9(3) (a) of the Cost and Works Accountants (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007, the board orders closure of the matter. The Complainant and the Respondent be informed accordingly.

e) The matter stands disposed of accordingly.

A.P. Thatte

CMA (Dr.) Ashish Thatte,
(Member)



P.K. Pujari

Shri P.K. Pujari, IAS (Retd)
(Presiding Officer)

Place: New Delhi

Date: 31st March, 2026

Distribution under Rule 15(3) of the Rule

- 1) Director(Discipline), Institute of Cost Accountant of India
- 2) Complainant, CMA Chandra Prakash Kalra
- 3) Respondent, M/S Chandra Wadhwa & Co

