

**GOVERNMENT OF PUDUCHERRY
COMMERCIAL TAXES DEPARTMENT**

100 Feet Road, Ellaipillaichavady, Puducherry – 605 005

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Request for Expression of Interest (EOIs) for Empanelment of Chartered Accountants/ Chartered Accountant firms/ Cost Accountants/ Cost Accountant firms for Special Audit of GST registered persons under Section 66 of the Puducherry Goods & Services Tax Act, 2017

Last date for submission of EOI: 02.09.2022

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Request for Expression of Interest (EOIs) for Empanelment of Chartered Accountants/ Chartered Accountant firms/ Cost Accountants/ Cost Accountant firms for Special Audit of GST registered persons under Section 66 of the Puducherry Goods & Services Tax Act, 2017

Commissioner of State Tax, Commercial Taxes Department, Government of Puducherry invites Expression of Interest (EOI) for empanelment of Chartered Accountants, Chartered Accountant firms, Cost Accountants and Cost Accountant firms for conducting Special Audit of accounts of GST Registered persons as envisaged under Section 66 of the Puducherry Goods and Service Tax Act, 2017.

The EOI document can be downloaded from the official website of the Commercial Taxes Department, Government of Puducherry at <https://gst.py.gov.in> .

The duly filled up and signed application in Annexure A and Annexures B to D along with the prescribed supporting documents and information are to be submitted only through the email ID “cctax.pon@nic.in”.

The critical date sheet is as under:-

S. No.	Description of Activities	Date	Time
1.	EOI document available for download and EOI submission start date	05.08.2022	10.00 AM
2.	Pre- proposal meeting (online)	17.08.2022	11.00 AM
3.	EOI submission end date	02.09.2022	04.00 PM
4.	EOI verification date	05.09.2022	11.00 AM

**Commissioner of State Tax
Puducherry**

NOTICE FOR EXPRESSION OF INTEREST

Sub: Request for Expression of Interest (EOIs) for Empanelment of Chartered Accountants/ Chartered Accountant firms/ Cost Accountants/ Cost Accountant firms for Special Audit of GST registered persons under Section 66 of the Puducherry Goods & Services Tax Act, 2017

Attention of practicing Chartered Accountants, Chartered Accountant firms, Cost Accountants and Cost Accountant firms is invited to the provisions of Section 66 of the Puducherry Goods and Service Tax Act, 2017. The Commercial Taxes Department, Government of Puducherry proposes to prepare a panel of Chartered Accountant, Chartered Accountant firms, Cost Accountants and Cost Accountant firms for conducting Special Audit of accounts of GST Registered persons as envisaged under the said Section.

The details of the empanelment are as below:

1. Eligibility:- In order to be eligible for to be empanelled for the said audit, a person/firm should fulfill the following conditions:-

The applicant firm/ person should–

- (i) Be a member of the Institute of Chartered Accountants of India/Institute of Cost Accountants of India and should have valid full time Certificate of practice issued by the respective institutes;
- (ii) Possess experience of atleast five years of practice as Chartered Accountant/ Cost Accountant;
- (iii) That the applicant or any partner/proprietor of the applicant firm having experience and practice as stated above should not have indulged in any unethical professional practice or professional misconduct including moral turpitude;
- (iv) Not have been held guilty of any professional misconduct under the Cost and Works Accountant Act,1956(as amended) or Chartered Accountants Act, 1949 (as amended) during past five years or penalized under Chapter V of the Finance Act 1994 or Customs Act 1962 or Central Excise Act, 1944 or the Sales Tax

Act/VAT Act of any State or the Central/ IGST/ State Goods and Service Tax Act,2017;

- (v) Not be facing any investigation or enquiry by CBIC or Govt. of Puducherry/any other State or any of its subordinate offices for any violations under the Service Tax Law or the Customs Act, 1962 or the Central Excise Act, 1944 or the Sales Tax Act/VAT Act of any State or the Central/ IGST/ State Goods and Service Tax Act,2017;
- (vi) **Location of office:-**That the location of the office of the applicant / partner/ proprietor having experience as stated above who is in charge of such office should be in the UT of Puducherry or adjoining States as below:

Regions of the UT	Location of the Chartered Accountant, Chartered Accountant firms, Cost Accountants and Cost Accountant firms
Puducherry	UT of Puducherry and Villupuram, Cuddalore in Tamil Nadu
Karaikal	UT of Puducherry and Kumbakonam in Tamil Nadu
Mahe	UT of Puducherry and Kannur in Kerala
Yanam	UT of Puducherry and Kakinada in Andhra Pradesh

The Chartered Accountant, Chartered Accountant firms, Cost Accountants and Cost Accountant firms of a particular location will be allocated only the taxpayers of the corresponding region indicated in the table above, for Special Audit.

2. Selection Procedure:- The selection will be as follows-

- i. All the applications received up to the last date for filing of application shall be scrutinized in terms of criteria/guidelines issued in this regard. The basic criteria for selecting the applicant would be the experience in audit/ consultancy/ representation in the Income Tax, Central Excise, Service Tax, VAT and GST matters, turnover, staff strength, audit experience etc.

The detailed evaluation criteria would be as follows:-

a. Applicant's existence in years after its registration:-

More than 5 years but less than 10 years	: 60%
10 years or more but less than 15 years	: 75%
15 years or more	: 100%

(The above criterion carries **15 Marks**.)

Documentary proof to be provided:

Copy of certificate of registration with Institute of Chartered Accountants of India/Institute of Cost Accountants of India

b. That the applicant(s) has/ have been empanelled as auditor with any one of the following departments during the last 7 years:-

- i Income Tax Department
- ii Central Excise and Customs Department/Service Tax
- iii Commercial Taxes Department/State Taxes Department
- iv Comptroller and Audit General of India

(The above criterion carries **4 Marks** in case of one (01) department, **7 Marks** for two (02) departments, **11 Marks** for three (03) departments and maximum **15 Marks** for four (04) departments.)

Documentary proof to be provided:

Copy of order /letter of empanelment with the Department(s)

c. That the applicant(s) has/ have average annual turnover in last three financial years (*Provide copies of full Income tax returns & Financial Accounts for the last three financial years*):-

10 lakhs–50 lakhs	: 60%
50 lakhs–1 crore	: 70%
1 crore–2 crore	: 80%
More than 2 crore	: 100 %

(The above criterion carries **15 Marks**.)

Documentary proof to be provided:

Copies of full Income tax returns & Financial Accounts for the last three financial years)

d. Number of Audit Assignments of Internal/ Statutory/ Forensic Audit of Corporate/ PSUs entities, except Bank Branch Audit, for which the audit has been done in the last 5 years :-

3 to 5	: 60%
5 to 10	: 75%
>10	: 100%

(The above criterion carries **15 Marks.**)

Documentary proof to be provided:

Copy of order of assignment of such Audit

e. That the applicant (s) or any partner (s) / proprietor of the applicant firm(s) / professional(s) has/have an office profile with staff strength of atleast 5 (excluding typist, stenographers, computer operators, secretaries and subordinate staff etc.) consisting of audit and article clerks with the knowledge in book keeping an accountancy and are engaged in outdoor audit:-

More than 20	: 100%
More than 10 but less than or equal to 20	: 75%
5 or more but less than or equal to 10	: 50%

(The above criterion carries **15 Marks.**)

Documentary proof to be provided:

List of staff engaged along with their names, educational qualification, date of engagement, contact details etc. to be enclosed.

f. Applicant should submit brief approach paper (not exceeding 3000 words) covering the following:-

- (i) Challenges in the Special Audit of registered person under Goods & Services Tax Act, 2017.
- (ii) Technical parameters/approach to assess compliance of various provisions of the GST Act, 2017 by the registered person.
- (iii) Proposed methodologies to analyze & evaluate compliance on

technical parameters.

- (iv) Proposed work plan for responding to the Scope of work.
- (v) Proposed solutions/ methodology for a special audit for ensuring time bound determination of statutory liabilities of registered person.
- (vi) Proposed innovations in analysis, audit and follow up action for successful conclusion of such Special Audit through discharge of financial liabilities by registered person.

(The above criterion carries **25 Marks.**)

ii. To be eligible for empanelment, the applicant is required to score a minimum total mark of 50 (fifty) in the above evaluation criteria.

iii. Out of empanelled candidates, audit would be allotted to the firms/ person as and when required by the Commercial Taxes Department at the sole discretion of the Commissioner of State Tax, Puducherry. Their performance would be monitored by examining the quality and findings of audit reports submitted by them.

iv. The panel so drawn above shall be in force for a period of two years from the date of notification of the panel. The Commissioner of State Tax, Puducherry can extend the validity of the panel for a further period of not more than two years.

v. In case of necessity, the Commissioner of State Tax, Puducherry can add new person/firm in the existing panel by following the prescribed procedure.

vi. The empanelment of the Auditor will stand canceled, without any prejudice to all available legal/other remedy/ recourse in the event of any of the followings:-

- a. If the empanelment has been obtained on the basis of false information /mis-statement.
- b. If the Auditor does not take up the Audit in terms of the appointment/ allotment letter.
- c. If the Auditor fails to maintain/honour confidentiality and secrecy in all respect.

- d. If the Auditor fails to comply with any of the eligibility criteria/other terms & conditions.
- e. If the Auditor fails to provide the audit reports and mandated inputs of requisite quality within the prescribed time.

3. Scope of Work :- The Special Audit shall be conducted by the Special Auditor under section 66 of the Puducherry Goods and Services Tax Act, 2017. The scope of work are as below:

- (i) The Special Auditor shall examine and audit the records & books of accounts of the registered person.
- (ii) He shall check and verify the compliance of the provisions of Puducherry Goods and Services Tax Act, 2017, CGST Act & IGST Act, 2017 and the Rules made thereunder by the registered person, including the correctness of turnover declared, input tax credit availed, taxes paid, refunds claimed etc., and detect the tax evasion, if any, by the registered person.
- (iii) He shall make specific and general recommendations to pre-empt against the observed omissions/violations/deviations, etc.,
- (iv) He shall submit his report within the prescribed period as per the provisions of the Act.
- (v) In case the registered person does not accept the findings of the Special Audit and consequent tax liability, interest etc., and contests the same by way of appeal, the auditor will render all required assistance/advice in the matter to protect the interest of the government in such appeals.

4. Duties and obligations:- The person/firm so nominated to act as Special Auditor shall have the following duties and obligations:-

- (i) The audit shall be conducted as per the Terms of Reference & within the prescribed time limit.
- (ii) The auditor may be required to visit the offices including branch office/head office

of GST registered person to conduct the Special Audit and to call for and examine the required documents.

- (iii) The Audit shall be conducted in coordination with the departmental officers. In other words, the departmental officer may also join the audit team of the nominated CA/ICWA to conduct the audit.
- (iv) The auditor, within the period specified by the Commissioner of State Tax, Puducherry, shall submit a report of such audit duly signed and certified by him. The audit report shall provide full details of audit, including the audit plan, details of documents verified, result of verification, short levy/ wrong availment of Input Tax credit etc., duly quantified and with their observations. Duly authenticated copies of sample documents shall also be enclosed with audit report for taking further action by the department.
- (v) The nominated person/firm should not have represented or advised in any manner the registered person whose audit is ordered by the department in any area like maintenance of accounts, auditing, tax consultancy, any other consultancy, representation etc. and therefore should not be in conflict of interest position. This aspect would be verified while assigning a particular registered person for audit and a certificate in this regard would be submitted before accepting the Special Audit.
- (vi) Maintain confidentiality in all respect related to Special Audit assigned to him and should not disclose/ share any sensitive/ confidential information/ documents etc. to the registered person/ any outsider.
- (vii) On receipt of audit report, department may call the auditor for seeking any clarification or ask them to complete audit, if it is found that particular area has not been examined properly.
- (viii) In case the registered person does not accept the findings of the Special Audit and consequent tax liability, interest etc., and contests the same by way

of appeal, the auditor will render all required assistance/advice in the matter to protect the interest of the Government in such appeals.

- (ix) The empanelled Chartered Accountants and the Cost Accountants shall give an undertaking at the time of allotment of units that they will not take up Statutory Audit of the said units allocated to them for Special Audit and also during the period they are on the panel of Commercial Taxes Department, Puducherry.
- (x) The auditor will not associate any junior staff for the Audit purpose except with due approval of such person with equivalent qualification & experience by the Department in writing.

5. Schedule of Fees: The Chartered Accountants/ Chartered Accountant firms/ Cost Accountants/ Cost Accountant firms would be entitled to a fee depending upon the size of the unit whose Special Audit has been conducted. The amount of such fees payable is as indicated below:-

Sl. No.	Aggregate Turnover in the UT of Puducherry (Rs.)	Rate of Audit Fee (Rs.)
1.	Less than 50 Lacs	15,000
2.	50 Lacs and more but less than 2 crore	25,000
3.	2 Crore and more but less than 5 Crore	35,000
4.	5 Crore and more but less than 10 Crore	45,000
5.	10 Crore and more but less than 25 Crore	60,000
6.	25 Crore and more but less than 50 Crore	75,000
7.	50 Crore and more but less than 150 Crore	1,00,000
8.	150 Crore and more but less than 300 Crore	1,50,000
9.	300 Crore and more but less than 500 Crore	2,00,000
10.	500 Crore and more but less than 1000 Crore	2,50,000
11.	1000 Crore and more	3,00,000

GST at applicable rates would be paid on the audit fee.

The payment of fee to the extent of 80% will be released on satisfactory conclusion of Special Audit and after issuance of information of findings upon Special Audit in Form GST ADT- 04 to the registered person. Rest 20% of the fee will be released either on discharge of statutory liabilities towards tax, interest etc., determined on the basis of Special Audit report, if any, by the registered person or after rendering of all required assistance / advice by the auditor during the first stage appeal in case the registered person prefers to contest the findings of Special Audit, whichever is earlier.

6. General:-

- (i) It is the sole discretion of the Commissioner of State Tax, Puducherry to select any of the Chartered Accountants / Cost Accountants from the panel for conducting the Special Audit.
- (ii) The Commissioner of State Tax, Puducherry reserves the right to remove name of any of the Chartered Accountants/ Cost Accountants from the panel so made, after making enquiries as deemed fit and such decision would be final.
- (iii) The Commissioner of State Tax, Puducherry also reserves the right to cancel/withdraw the expression of interest without assigning any reason whatsoever.

7. Last Date and Time for Submission and verification of the EOI

- (i) The EOI shall be submitted to the official E-mail ID of the Commissioner of State Tax, Puducherry “**cctax.pon@nic.in**”, and would be verified as per the Schedule mentioned in the EOI (Critical date-sheet).
- (ii) If any due date in the critical date sheet happens to be a holiday then the next working day will be the due date at the same time.
- (iii) The Commissioner of State Tax, Puducherry may, at his discretion, extend the last date and time for submission of EOI and/ or date and time of verification of EOI by issuing corrigendum/ addendum.

8. Submission of EOI

- (i) The EOI document can be downloaded from the official website of the Commercial Taxes Department, Government of Puducherry at <https://gst.py.gov.in>.
- (ii) There is no cost of the EOI document.
- (iii) The applicant has to follow all the instructions as available in the EOI document.
- (iv) The duly filled up and signed application in **Annexure A** and **Annexures B to D** along with the prescribed supporting documents and information are to be submitted in pdf format to the official E-mail ID of the Commissioner of State Tax, Puducherry “**cctax.pon@nic.in**” within due date.
- (v) The originals of the documents mentioned in the Application and Annexures shall be submitted for verification as and when required by the Commissioner of State Tax, Puducherry.
- (vi) The intending Applicants are advised to visit the official website of the Commercial Taxes Department, Puducherry <https://gst.py.gov.in> regularly till the last date of submission of EOI for any corrigendum/addendum/amendments. All corrigendum/addendum/ amendments published in the office website of the Commercial Taxes Department, Puducherry shall be binding on the applicant.
- (vii) The pre-proposal meeting date/time, EOI submission start date/time, EOI submission end date/time and the EOI verification date/ time will be as per as critical date sheet.
- (viii) The List of the empanelled applicants will be uploaded in the official website of the Commercial Taxes Department, Puducherry at <https://gst.py.gov.in>.

9. PRE- PROPOSAL MEETING

A pre-proposal meeting through video conferencing will be held on **17.08.2022** at 11.00 AM for resolution of any issues, clarifications, etc., relating to the EOI. The link for the online pre-proposal meeting is as below:

Meeting link:

<https://meet12.webex.com/meet12/j.php?MTID=m4aa1be07cbdc4472db816bb94336afc4>

Meeting number: **2640 874 1248**

Password: **123456**

The prospective applicants may join the pre-proposal meeting through the above link.

10. ASSISTANCE TO APPLICANTS

For any queries relating to submission of application for EOI the prospective applicants may contact the department at Telephone: 0413-2205070/ 2203779 (Monday - Friday, 10:00 AM to 05.30 PM)

The queries may also be sent to the email address “**cctax.pon@nic.in**”

Annexure-A

**PROFORMA FOR APPLICATION FOR EMPANELMENT AS GST
SPECIAL AUDITOR IN THE COMMERCIAL TAXES DEPARTMENT,
GOVERNMENT OF PUDUCHERRY**

S. No.	Particulars	Information/Details
1.	Name and address of the person/ firm. In case of firm, please also provide total number of partners and names of the partners who will be engaged in this assignment	
2.	PAN-Permanent Account Number the person/ firm	
3.	Date of Birth (in case of individual) and date of incorporation (in case of firm)	
4.	Address for correspondence including contact No. / Mobile No. and E-mail ID	
5.	Membership No. of Institute of Chartered Accountants of India/ Institute of Cost Accountants of India along with date of acquiring membership in the institute	
6.	Whether empanelled (during last seven years) with Income Tax Department, Central Excise and Customs Department/Service Tax, Commercial Taxes Department/State Taxes Department, Comptroller and Audit General of India? If yes give details. (Empanelling authority & year of Empanellment)	
7.	Average annual turnover in the last three financial years	
8.	No. of Audit Assignments of Internal/ Statutory/ Forensic Audit of Corporate/ PSUs entities, except Bank Branch Audit, for which the audit has been done in the last 5 years.	
9.	Staff strength (excluding typist, stenographers, computer operators, secretaries and subordinate staff etc. consisting of Article clerks with the knowledge in Book-keeping and accountancy and are engaged in outdoor audit.	

10.	Whether the applicant has been held guilty of any professional misconduct under the Cost and Works Accountant Act, 1956 (as amended) or Chartered Accountants Act, 1949 (as amended) during past five years or penalized under Chapter V of the Finance Act 1994 or Customs Act 1962 or Central Excise Act, 1944 or the Sales Tax Act/VAT Act of any State or the Central/ IGST/ State Goods and Service Tax Act, 2017 (Give details)	
11.	Whether any investigation/ inquiry/ disciplinary proceeding is pending in the records of Institute of Chartered Accountants of India, the Institute of Cost Accountants of India, the Southern India Regional Council of Chartered Accountants of India and the Southern India Regional Council of Institute of Cost Accountants of India /CBIC/Government of Puducherry/any other State against the applicant/ proprietor/ partner (Give details)	

DECLARATION

I.....S/o.....
Proprietor/ Partner of M/s.....do here by declare that
all the information/ details etc. submitted in / along with the Expression of Interest (EOI) application
are true and correct to the best of my knowledge and belief.

Signature:
Name:
Designation:

Date:

Annexure –B

**CHECKLIST OF DOCUMENTS TO BE SCANNED & ATTACHED ALONG
WITH “EOI”**

S. No.	Item Description	Yes/No	Remarks
1.	Copy of PAN		
2.	Copy of Aadhaar Card/ Voter ID/ Passport etc., mentioning address		
3.	Copy of certificate of registration with Institute of Chartered Accountants of India/Institute of Cost Accountants of India		
4.	Certificate of Practice issued by the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India showing experience of at least five years of practice		
5.	Copy of order/ letter of empanelment with the Department (s) a. Income Tax Department b. Central Excise and Customs Department/Service Tax c. Commercial Taxes Department/State Taxes Department d. Comptroller and Audit General of India		
6.	Copies of full income tax returns and financial Accounts for the last three financial years.		
7.	Copy of order of Audit Assignments of internal / statutory / forensic Audit of Corporate/ PSUs entities, except Bank Branch Audit.		

8.	Details of staff engaged (excluding typist, stenographers, computer operators, secretaries, and sub ordinate staff etc.) consisting of audit and article clerks with the knowledge in book- keeping and accountancy and are engaged in outdoor audit providing their names, educational qualification, date of engagement , contact details etc., in Annexure-C		
9.	Brief approach paper (not exceeding 3000 words) as mentioned at point No.2 (Selection Procedure) sub-point (f) in Annexure-D		

Signature:
Name:
Designation:

Date:

Note:-In case, any of the above documents is not available, then applicant may specify the same in the remarks column.

Annexure-C

DETAILS OF STAFF ENGAGED

Name of the person/firm:

S. No.	Name of Staff engaged	Educational qualification	Date of Engagement	Contact details

Signature:
Name:
Designation:

Date:

Annexure-D
BRIEF APPROACH PAPER

1. Challenges in the special audit of registered person under the Goods & Services Tax Act, 2017.
2. Technical parameters/ approach to assess compliance of various Provisions of the GST Act, 2017 by the registered person.
3. Proposed methodologies to analyze & evaluate compliance on technical parameters.
4. Proposed work plan for responding to the Scope of work.
5. Proposed solutions / methodology for a Special Audit for ensuring time bound determination of statutory liabilities of registered person.
6. Proposed innovations in analysis, audit and follow up action for successful conclusion of such Special Audit through discharge of financial liabilities by registered person.

Signature:
Name:
Designation:

Date:
