



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

27<sup>th</sup> May, 2016

ICAI/IDTC/2016-17/Rep/23

Shri S.S. Yadav  
Commissioner of Commercial Taxes  
Department of Trade & Taxes,  
Govt of NCT of Delhi, Vyapar Bhawan,  
3rd Floor, IP Estate, New Delhi - 110002  
Phone- 23318568

Subject: Condition of being a member of Sales Tax Bar Association for empanelment as Auditors for conducting special audit u/s 58-A to be done away with

Respected Sir,

The Institute of Chartered Accountants of India (ICAI) is a statutory body established under the Chartered Accountants Act, 1949 for the regulation of the profession of Chartered Accountancy in India. ICAI is the second largest accounting body in the world with a strong tradition of service to the public interest and to the Indian economy. ICAI is always at the service of the Government as a part of its role in aiding towards better governance. ICAI has a base of over 2, 50,000 members of which provide various services like accounting, auditing, compliances, taxation etc. Auditing under different State laws is one of the important activities undertaken by our members.

This is with reference to Notice No. F/Audit/Spl. Audit/2016-17/287 dated 13<sup>th</sup> May, 2016 with regard to empanelment as an auditor for special audit u/s 58-A Delhi VAT Act by CA/ CA Firms wherein one of the essential qualifications is that any partner of the firm or the proprietor should be a regular member of Sales Tax Bar Association, Delhi, for more than last 5 (five) years. In this regard, we would like to inform you that the aforesaid condition is against any such requirement under Chartered Accountants Act, 1949, as any member who is practicing for sufficient number of years and possessing a valuable experience under Delhi VAT laws, would be unable to be empanelled as Auditor(s) in the Department of Trade & Taxes. In Delhi itself there are more than 20,000 CAs who are registered with ICAI and are into practice, whereas those registered with Sales Tax Bar will not be more than 500 which consequently will hamper their eligibility in-spite of their expertise available. Further, members of such Bar need not be fulfilling all other conditions mentioned for such empanelment.

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Further, we would like to inform you that North Indian Regional Council (NIRC) of ICAI with its 40 study Circles in Delhi are regularly conducting workshop for updating the knowledge of these members in area of VAT and have also conducted more than 100 programmes in last one year. It may also be noted that, ICAI members has to complete 30 hours continuing professional education (CPE) during a calendar year.

Therefore, your goodself are requested to reconsider the aforesaid condition for mandatorily being a member of Sales Tax Bar Association for a minimum period of 5 years for being empanelled as an auditor which will hamper expertise flowing into the system of Department.

Further, we look forward to a personal meeting with your good self to illustrate the points made by us, to understand the issue and find a practical solution to it at the earliest.

In case of any queries you may contact CA. Sharad Singhal, Secretary, Indirect Taxes Committee at [idt@icai.in](mailto:idt@icai.in) or 0120-3045954/ 9310542608.

Thanking you,

Yours sincerely

CA. Madhukar N. Hiregange  
Chairman  
Indirect Taxes Committee

Copy to: Spl. Commissioner (Audit), DVAT  
Department of Trade & Taxes,  
Govt of NCT of Delhi, Vyapar Bhawan,  
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