



NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

(A Government of India Enterprise)

Regd. Office: Lower New Colony, Brookland Compound, Shillong-
793003, Meghalaya

NOTICE INVITING EXPRESSION OF INTEREST FOR APPOINTMENT / EMPANELMENT OF COST AUDIT FIRMS FOR COST AUDIT

Ref: No. NEEPCO/FIN/COMP/Tender/01/2017 dated 15.05.2017

M/s North Eastern Electric Power Corporation Limited (NEEPCO Ltd) invites Expression of Interest from the Cost Audit firms having Registered Office/Branch Office located in Eastern Region of India for empanelment as Cost Auditors for three financial years commencing from the FY 2017-18.

The format along with schedule of fees together with Annexure-I are available at website www.neepco.co.in, CPP (Central Public Procurement) Portal www.eprocure.gov.in which can be downloaded or can be had from the Office of the Executive Director (Finance), NEEPCO Ltd, Shillong 793003, Meghalaya. Format for application and relevant documents shall be available on all working days between 10.00 am and 03.00 pm (except Saturday, Sunday & Holidays) from 15.05.2017 to 14.06.2017.

Firms may send their applications in the prescribed format along-with the Annexure so as to reach the Office of the Executive Director (Finance), NEEPCO Ltd, Lower New Colony, Brookland Compound, Shillong-793003, Meghalaya latest by 15.06.2017 within 3:00 pm. The offers will be opened on the same day (i.e., on 15.06.2017) at 3:30 pm.



EMPANELMENT OF COST AUDITORS

FOR THE YEAR 2017-18, 2018-19 & 2019-20

OFFICE OF THE EXECUTIVE DIRECTOR (FINANCE)
NORTH EASTERN ELECTRIC POWER CORPORATION LTD
LOWER NEW COLONY
BROOKLAND COMPOUND,
SHILLONG-793003,
MEGHALAYA

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SELECTION AND APPOINTMENT OF COST AUDITORS

1. Introduction:

The North Eastern Electric Power Corporation Limited (NEEPCO) is a Government Company incorporated under the Companies' Act, 1956 and established on the 2nd April 1976. The main objective of the Company is to harness the vast power potential of the North Eastern (NE) Region and to plan, investigate, design, construct, generate, operate and maintain power stations in the country. NEEPCO has present installed capacity of 1287 MW, which comprises of 03 (three) hydro power projects, 03 (three) thermal power projects and 01 (one) solar power project. The projects under operation as on 31.03.2017 are as follows:

- Kopili Hydro Electric Project (275 MW)
- Assam Gas Based Power Project (291 MW)
- Agartala Gas Turbine Combined Cycle Power Plant (135 MW)
- Doyang Hydro Electric Project (75 MW)
- Ranganadi Hydro Electric Project (405 MW)
- Tripura Gas Based Combined Cycle Power Project (101 MW)
- Solar PV Power Project (5 MW)

In addition, the following 03 (three) hydro power projects are under various stages of execution and are in advance stages of commissioning:

- Tuirial Hydro Electric Project (60 MW)
- Kameng Hydro Electric Project (600 MW)
- Pare Hydro Electric Project (110 MW)

The Government of India has conferred NEEPCO the status of a Miniratna Schedule "A" Company based on its consistent performance and profitability. NEEPCO's authorized share capital is Rs. 5000 Crore at present and its net worth as on 31st March 2016 is Rs. 5988.28 Crore.

The President of India, acting through the Ministry of Power, Government of India is holding 100% of the issued and paid up share capital of the Company. The PSU bonds (NCDs) of NEEPCO are listed in the Bombay Stock Exchange.

2. **Scope of Work:** NEEPCO is looking for empanelment of eligible Cost Audit Firms for carrying out the following job:-

- (a) Cost audit for the FY 2017-18, 2018-19 and 2019-20 to be conducted in accordance with Order No. G.S.R 425 (E) dated 30th June 2014 & G.S.R 695 (E) dated 14th July 2016 in line with Sub-Sections (1) and (2) of Section 469 and Section 148 of the Companies' Act, 2013 (18 of 2013) as issued by the Govt. of India, Ministry of Corporate Affairs and in adherence to the relevant orders/clarification/notifications as issued from time to time by Cost Audit Branch, Ministry of Corporate Affairs, Govt. of India and the Cost Accounting standards issued by the Institute of Cost Accountants of India.
- (b) i) For NEEPCO, Corporate Office: Consolidated cost sheets of all O&M Units (Projects under operation) are to be audited.
ii) For O&M Units of NEEPCO: Cost sheets of all O&M Units (Projects under operation) are to be audited.
- (c) All formats as required by statute are to be certified.

3. Selection Criteria: The following will be the basis of marks for the selection/empanelment. Selection/empanelment will be done on the basis of attainment of highest marks obtained.

SL. No	Norms	Basis of Marks	Maximum Marks	Minimum Qualifying Mark
1	Year of establishment of Firms(s) since date of Registration.	1 mark per year	6	3
2	Numbers of partners in the Firm.	3 marks for each Associate Member and 4 marks for each Fellow Member	12	3
3	Number of qualified assistants (Cost/ Chartered Accountant) in the Firm. He/she should be a member of his/her respective Institute.	3 marks for each qualified Assistant	9	3
4	Number of semi-qualified assistant (Inter Cost/ Chartered Accountant) in the Firm.	2 marks for each semi-qualified Assistant	10	4
5	The Firm having the experience of conducting statutory Cost Audit in Central PSUs.	i) 3 marks for each year Cost audit in Central PSU other than Power Sector (Maximum 15 marks). ii) 5 marks for each year Cost audit in Central Power Sector PSU (Maximum 25 marks).	i) 15 ii) 25	i) 9 ii) 15
6	Turnover of the firm (Average annual in the last three years, Rs. in Lakh)	10-12= 5 Marks >12-15= 8 Marks More than 15= 11 Marks	11	5
7	Audit Firms having registered office/branch office within Eastern Region of the country	North Eastern Region = 12 marks Eastern Region (other than NER) = 8 marks	12	8
	Total		100	50

Note:

- i. Documentary evidence in support of each of the above mentioned criteria are required to be submitted.

- ii. In case of a tie, a firm with longer experience in power sector PSU will be preferred. If still there is a tie, a Firm with a higher number of Fellow Members of the Institute of Cost Accountants will be considered.

Audit team: The team should consist of adequate number of qualified /semi-qualified Assistants (Cost/Chartered Accountant) led by a senior partner of the Firm.

4. TERMS AND CONDITIONS:

I. Submission of Report: The Cost audit firm so appointed will start conducting the job in **time** and will submit the final report of every financial year to the Director (Finance) on or before 31st July of the subsequent financial year.

II. Period of Audit: The qualified firms will be empaneled for a period of 03 (three) financial years commencing from the FY 2017-18. However, appointment will be given to the eligible Cost Audit firm on year-to-year basis as per the agreed terms and conditions subject to satisfactory performance and the approval of the appropriate authority.

III. Existing Cost Audit Firm: The existing cost audit firm or any other cost audit firm in which the partner(s) of the existing cost audit firm is/are in employment/engaged/partnered will not be considered for evaluation.

IV. Audit Fees: The schedule of annual audit fees will be as follows for:

The fee for Cost Audit for 2017-18 will be Rs. 1,38,000.00 with annual increment of 10% during the FY 2018-19 and 2019-2000.

In addition, Rs. 15,000.00 (Rupees Fifteen Thousand Only) will be additionally paid for each new project declared under commercial operation since the FY 2017-18.

The travelling and out-of-pocket expenses will be reimbursed at actual subject to production of documentary evidence. The entitlement for the purpose of payment of travelling shall be indicated in detail in the offer.

Service Tax/GST etc. shall be paid as extra as applicable on furnishing the registration number with the appropriate authority.

(i) Validity of Empanelment

The validity of empanelment will initially be for a period of 3 financial years starting from 2017-18 for conducting Cost Audit. The Company at its sole discretion may extend the validity of panel with the approval of the Competent Authority of the Company for a further period of 01 (one) year after completion of the 03rd year (ie. FY 2019-20).

However, NEEPCO has the right to cancel the empanelled list without assigning any reason.

(ii) Evaluation of Bids

The evaluation of the bids will be done as per the evaluation/selection criteria mentioned at Clause No. 3 above. The firm securing the highest mark on evaluation shall be selected. If on evaluation, it is found that more than one firm gets the highest marks or same marks, then, the selection shall be done as per footnote of Clause 3 above or at the sole discretion of the Company.

(iii) Completion of Audit

The Cost Audit shall be completed within 120 days from the end of the Financial Year.

(iv) Place of Audit

The Audit work has to be conducted at all the O&M units including Corporate Office of the Company or at any other place as may be decided by NEEPCO.

(v) Payment Terms

Payment will be released within 01 (one) month from the date of submission of the bill by the Cost Audit Firm after issuance of Cost Audit Report and adoption of the Cost Audit Report during the Annual General meeting. No advance payment shall be paid.

(vi) The Management of NEEPCO reserves the right to reject all or any bids without assigning any reason(s), whatsoever.

(vii) Identification of Nodal Officer

The successful Cost Audit Firm shall nominate a Nodal Officer, within 10 days from the award of the work / contract. Details of the Nodal Officer should be given to NEEPCO immediately after his / her nomination for timely and smooth interaction.

(viii) Dispute

In case of any dispute arising during execution of contract, an amicable solution may be arrived at with discussion and reconciliation. However, in case of any dispute remaining unresolved, the decision of the Chairman & Managing Director, NEEPCO will be final and binding on both the parties.

(x) The Audit Firm satisfying / fulfilling the above minimum criteria may download the bid Document from www.neepco.co.in, CPP Portal www.eprocure.gov.in or collect the same from the office of the Executive Director (Finance), North Eastern Electric Power Corporation Ltd, Brookland Compound, Lower New Colony, Shillong – 793 003, Meghalaya on any working day (Monday to Friday) between 10:00 AM and 3:00 PM.

(xi) Last date for submission of Bids

The Bid (along with all other supporting documents) are to be signed by the Authorised Signatory on each and every page of the bid document, along with duly filled in format enclosed as annexed.

The envelope containing the Bid should be super-scribed 'Empanelment of Cost Audit Firm for conduct of Cost Audit', and shall reach NEEPCO's Corporate Office on or before **15th June, 2017** latest by **3:00 PM** at the following address:

**To,
The Executive Director (Finance),
North Eastern Electric Power Corporation Ltd (NEEPCO).
Brookland Compound,
Lower New Colony
Shillong – 793 003
Meghalaya**

(xii) Opening of Bid

Bids will be opened on **the 15th June, 2017** at **03:30 PM** in the presence of applicants, who desire to be present there. The Bid received after the specified date / time, incomplete / unsigned, in open envelope or by fax will not be considered and therefore will be rejected.

In case of any clarification required in this regard, the firms are requested to contact at phone no.0364-2229744/ 0364-2501593. NEEPCO reserves the right to cancel / restrict / modify / postpone and / or extend the date of receipt / opening of Bid or withdraw the Bid notice without assigning any reason(s) whatsoever. In such case the bidders shall not be entitled to any form of compensation from the Company.

IV. Other Terms & Conditions:

The appointment of auditors is subject to the following declarations:

- a) The Audit Firm must not sub-contract the work;
- b) The audit team will work in strict confidence and will ensure that the information in respect of the operation of the O&M Units are dealt in strict confidence and secrecy. A Certificate towards maintaining confidentiality to be provided by the Cost Auditor before commencement of Audit;
- c) No partner of the Auditors is related to Managing Director/whole time Director or part-time Director of the Company within the meaning of Section 2(77) of the Companies' Act, 2013;
- d) Neither the firm nor its partner or Associates have any interest in the business of the Company;
- e) The auditor will be required to issue certificate of Independence;
- f) The Cost Auditor shall have prime responsibility to ensure that he does not violate the limits specified under Section 139 (2) of the Companies' Act, 2013;
- g) The auditor/ firm shall be free from any disqualification as mentioned under Sec. 141(3) of the Companies' Act 2013;

- h) The auditor/firm shall need to submit certificates U/S 148, read with 139 & 141 of the Companies Act, 2013, certificate u/s 2(l)(b), 6(1) of Cost & Works Accountant Act, 1959, Certificate under Rule 6(1)(1A) as per Clause V of Companies (Cost records & audit) Amendment Rules, 2016 & a copy of validity of certificate of practice.
- i) The partners holding certificate of practice issued by the Institute of Cost Accountants of India are in whole time practice.
- j) The Audit Firm will be debarred from getting, in future, the Cost audit in NEEPCO in the following cases:
 - i. If the firm obtains the appointment on the basis of false information/false statement.
 - ii. If the Firm does not take up audit in terms of appointment letter.
 - iii. If the Firm does not submit the audit report, complete in all respects in terms of appointment
 - iv. If the Firm violates any of the stipulations under Clauses (a) to (i).
- l) Overwriting/correction/erasure and use of white ink should be avoided. However, if any correction/erasure is inevitable, that should be authenticated afresh with the applicant's signature.
- m) Jurisdiction of Courts: Any dispute arising out of or in respect of the contract will be subject to the jurisdiction of Meghalaya High Court only.
- n) Disclaimer: NEEPCO reserves the right to accept or reject any or all responses and to request additional submissions or clarification from one or more Applicant(s) at any stage or to cancel the process entirely without assigning any reason.

Format of the offer

1. **Name of the Audit Firm** :
2. **Address** :
- i) Permanent Address :
- ii) Correspondence Address :
- iii) Telephone Number :
- iv) Fax Number :
- v) Email Address :
- vi) Website :

Sl No.	Particulars	
1	Year of establishment of Firms(s) since date of Registration.	
2	Numbers of partners in the firm. (Attested Copies of Associate/Fellow membership of each Partner along-with their membership no. should be enclosed)	
3	Number of qualified assistants (Cost/ Chartered Accountant) in the Firm. He/she should be a member of his/her respective Institute.	
4	Number of semi qualified assistants (Inter Cost/ Chartered Accountant) in the firm.	
5	The firm having the experience of Conducting Statutory Cost Audit in Central PSUs.	
6	The firm having the experience of conducting Cost Audit in Power Sector CPSE	
7	Turnover of the firm (Average annual in the last three years) (To be supported by copy of last three years' Annual Reports)	
8	Audit Firms having registered office/branch office within Eastern Region of the country	

Note:

1. Documentary evidence of all the information as stated above are to be furnished along with the offer.
2. All the pages of the terms & conditions and documents submitted are to be signed with the seal of the firm.

Signature with seal of the firm

To,
 Executive Director (Finance)
 M/s. North Eastern Electric Power Corporation Ltd
 Lower New Colony,
 Brookland Compound,
 Shillong-793003, Meghalaya

Sub: Authorization of all payments through Electronic Fund Transfer system/RTGS/NEET.

We hereby authorize North Eastern Electric Power Corporation Ltd (NEEPCO Ltd). to disburse all our payments through electronic fund transfer system/RTGS/NEET. The details for facilitating the payments are given below:-

1.	Name of the Beneficiary, address with Telephone No.	
2.	Bank Name, address with Telephone No.	
3.	Branch Name & Code	
4.	Bank Account number with style of account (savings/current)	
5.	IFSC code no. of the Bank	
6.	PAN no. of the Beneficiary	
7.	E-mail no. & Mobile no. of the beneficiary for intimation of release of payment	

I/We hereby, declare that particulars given above are correct and complete and if the transaction is delayed or credit is not effected due to incorrect information, I/we will not hold the North Eastern Electric Power Corporation Ltd (NEEPCO Ltd) responsible.

Authorised Signatory
 Name
 Official stamp with Date

Note: Please enclose one cancelled cheque for E-Payment