

APPOINTMENT OF COST AUDITOR FOR FINANCIAL YEAR 2017-18

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**NOTICE INVITING EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT/APPOINTMENT
OF COST AUDITORS FOR THE FINANCIAL YEAR 2017-18.**

NHPC Ltd. invites Expression of Interest (EOI) for Empanelment/ Appointment of cost Auditors for the financial Year 2017-18. The scope of work along with detailed terms & conditions and schedule of fee together with Annex-I, II and III are available at the website www.nhpcindia.com/www.icmai.in (PD Portal) which can be downloaded. The empanelment/selection of the Cost auditor shall be based on qualifying criteria given in EOI document.

Interested firms having requisite experience in Cost Audit may send their application in prescribed format in sealed envelope super scribing “**Expression of Interest (EOI) For Empanelment/Appointment of Cost Auditors**” so as to reach in the office of Chief (Finance)- CA&P, Finance Division, NHPC Office Complex, Sector-33, Faidabad-121003(Haryana) **latest by 30.06.2017.**

INVITATION OF EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT/APPOINTMENT OF COST AUDITORS FOR THE FINANCIAL YEAR 2017-18

1. Introduction:

NHPC Ltd. a Mini Ratna Category-I Enterprise of the Govt. of India with an authorised share capital of Rs. 15,000 Crore with an investment base of over Rs. 55166 crore approx. is ranked as a premier organization in the country for development of hydropower.

It has 20 Power Stations in operation with an installed capacity of 6507 MW across the country.

2. Power Stations for which Cost Auditors are to be empanelled.

Company intends to empanel/appoint Cost Auditors for F.Y 2017-18 for it's Power Stations located in the state of J&K, Himachal Pradesh, Uttarakhand, Rajasthan, Sikkim, West Bengal, Manipur etc.. One of the appointed firms shall be designated as Lead Cost Auditor also.

2.1 Power Stations of NHPC Ltd.

Sl. No.	Power Stations	Situated in States	Sl. No.	Power Stations	Situated in States
1	Uri-I	J&K	11	Bairasuil,	Himachal Pradesh
2	Uri-II	J&K	12	Chamera-I	Himachal Pradesh
3	Salal	J&K	13	Chamera-II	Himachal Pradesh
4	Dulhasti	J&K	14	Chamera-III	Himachal Pradesh
5	Sewa-II	J&K	15	Parbati-III	Himachal Pradesh
6	Chutak	J&K	16	Loktak	Manipur
7	Nimmo Bazgo	J&K	17	TLDP-III	West Bengal
8	Tanakpur	Uttrakhand	18	Teesta-V	Sikkim
9	Dhauliganga	Uttrakhand	19	Rangit	Sikkim
10	Wind Power Project, Jaisalmer	Rajasthan	20	TLDP-IV	West Bengal

2.2 Project expected to be commercially operative during the financial year 2017-18.

Sl. No.	Power Stations	Situated in States
1	Kishan Ganga	J&K
2	Parbati-II	Himachal Pradesh

2.3 Power Stations given in the details at para no. 2.1 and 2.2 shall be distributed in the two Zones in the following manner:

- i. Zone – I :
 - a. Power Stations at sl. no. 1 to 15 of para 2.1 *and*
 - b. Project at no. 1 & 2 of para 2.2
- ii. Zone – II : Power Stations at sl. no. 16 to 20 of para 2.1

2.4 Firms having office / branch office located in the state of J&K, Himachal Pradesh, Uttarakhand, Rajasthan, Punjab, Haryana, Uttarpradesh and Delhi shall be considered for Zone –I. Firms having office / branch office located in the state of Sikkim, West Bengal, Assam and Manipur shall be considered for Zone –II. Two separate panel shall be maintained for empanelment of Cost Auditors for each Zone.

3 Scope of Work:

Detailed scope of work shall be as under:

3.1 To Carry out Cost Audit of the Power Stations of Company in accordance with the provisions of Section 148 of the Companies Act, 2013 and provisions of the Companies (Cost Records and Audit) Rules 2014 as amended from time to time. Cost Audit shall be in adherence to the relevant orders/clarification issued 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, from time to time.

3.2 Lead Cost Auditor designated by the Company shall consolidate Cost Audit Reports and annexure to cost audit reports of all power stations as certified by the respective Cost Auditors of the Power Stations.

3.3 Compliance with any other instruction issued in respect of cost audit under Companies Act, 2013.

3.4 Attending formal meetings with the Company management, Audit Committee/Board of Directors of the Company in connection with the Cost Audit Work.

4 Cost Audit Team

Cost audit team should consist of adequate number of qualified/semi-qualified assistants (Cost Accountants) led by a senior partner of the Firm for the cost audit work of each power station.

5 Cost Audit Fees:

5.1 Audit Fees shall be as decided by the Company from time to time. For Cost Audit of 2016-17, the Cost Audit fee per power station is ₹ 60,000/- (Rupees Sixty Thousand) and Cost Audit fee to the Lead Cost Auditor for consolidation of Cost Audit Reports and annexure is ₹ 50000/-(Rupees Fifty Thousand).

5.2 Travelling & Daily Allowance shall be paid extra and the same shall be regulated based on actual claims subject to the followings:

Partners : Entitlement equal to General Manager of NHPC.

Qualified assistants: Entitlement equal to Senior Manager of NHPC.

Other Assistants : Entitlement equal to Accounts Officer of NHPC.

5.3 Statutory Taxes/levies & duties shall be paid extra, as applicable.

6 Selection Criteria

6.1 The selection of the Cost Auditor shall be as per qualitative criteria, which is based on the overall suitability of the firm and its experience in the cost audit of Central/State Power sector PSUs. The following criteria will be the basis of marks assigned to the firms and selection will be made on the basis of attainment of highest marks.

Sl. No.	Selection Criteria	Minimum Criteria	Basis of Marks	Marks per criteria	Maximum marks
1.	Firm's experience in practice (From date of registration with the Institute of Cost Accountants of India)	5 Years on the last date of giving EOI	No. of years	2 marks per year	20
2	No. of Partners /Cost Accountants associated with the firm for not less than 3 Years (The partners must be holding certificate of practice issued by Institute of Cost	2 Cost Accountant/ Partner	No. of Partners/ Cost accountants	2 mark for every Partner/Cost Accountant	20

	Accountants of India and should be in whole time practice).				
3	No. of Cost audit assignment completed in PSUs from F. Y. 2011-12 to 2015-16. (PSU concern should have minimum annual turnover of ₹ 500 Crore in each year)	1 Assignment	No. of Cost audit assignments	2 marks per assignment	30
4	No. of Cost audit assignment in Power Sector Companies from 01/04/2011 onwards	1 Assignment	No. of Cost audit assignments	2 marks per assignment	30
				Total	100

6.2 From the EOI received by the Company, Zone wise panel of Cost Accountants/ firms of Cost Accountants who secures at least 50 marks as per qualifying criteria given above shall be prepared and maintained in descending order on the basis of attainment of highest marks. In other words, the Cost Accountants /Firm of Cost Accountants securing highest marks shall be kept at no.1 in the list. Two separate panel shall be maintained for empanelment of Cost Auditors for each Zone.

6.3 In case of a tie, the following sequence shall be adopted for selection:

- a) Cost Accountants /Firm of Cost Accountants with longer experience shall be given preference based on the year of registration.
- b) Firm with a higher number of Fellow and/or Associate Members of the Institute of Cost Accountants as partners shall be given preference.

6.4 Pre-requisites for considering rankings:

- i. Requisite documentary evidence(s) in support of Criteria at 6.1 (1 to 4) mentioned in table above is required to be submitted. Proposals without the required documentary evidence(s) shall not be considered for evaluation.

6.5 Empanelment of Cost Accountant/Firm of Cost Accountants for appointment as cost auditor shall remain valid for 3 financial years.

7 Terms and Conditions:

- i. The tenure of appointment shall be at the sole discretion of the Company. The tenure shall be for a maximum of three Years at the sole discretion of the Company. However, it is expressly stated here that the said tenure is not to be construed as assured and the Company reserves the right not to reappoint at its sole discretion without assigning any reason therefore.
- ii. Maximum tenure of appointment for a cost auditor shall be a continuous period of three (3) years. After that Cost Auditor shall be considered for re-appointment after the cooling period of at least one year.
- iii. The Company reserves the right to accept / reject any or all the offers without assigning any reason whatsoever therefore.
- iv. Appointment in respect of the projects given in 2.2 would be subject to their becoming commercially operative during the financial year 2017-18.
- v. Firms who have served in the capacity of Cost Auditor of the Company upto F. Y. 2016-17 for consecutive three years shall not be considered for appointment as Cost Auditor for financial year 2017-18. However, that firm may be considered for the financial year 2018-19 or thereafter in case he satisfies other laid down criteria.
- vi. Overwriting/correction/erase and/or use of white ink should be avoided in the offer. However, if any overwriting/correction/erase is inevitable, the same should be authenticated with the signature & seal of authorised person of applicant firm.
- vii. Information related to Cost Audit Firms and selection criteria shall be submitted in the Annexure-I.
- viii. Declaration that Cost Audit Firm have not been banned/de-listed/de-barred from business by any PSU/Govt. Department during last 03 (three) years shall be submitted in Annexure-II.
- ix. Payments shall only be made through Electronic Mode, hence Bank Details as per Annexure – III need to be submitted at the time of acceptance of the appointment.
- x. Company shall deduct TDS/any other tax/levy as per prevailing rules/rates.
- xi. All the pages of the proposal document shall have to be signed by the applicant firm(s) with the firm's seal and documents submitted along-with the offer shall

also have to be authenticated by the authorised signatory of the applicant firm(s) with the firm's seal.

- xii. The offer should be submitted strictly as per terms and conditions laid down in the document. The Invitation of offer in the Prescribed Format at Annexure – I, II & III shall be submitted in physical form to following address:

**Chief (Finance)- CA&P,
4th Floor, Jyoti Sadan
NHPC Office Complex,
Sector-33,
Faridabad-121 003 (Haryana)
Contact No. 0129-2255803**

Application documents consisting all the documents placed on website duly sealed and signed are to be submitted as a token of acceptance of all terms and conditions. Envelope must be sealed and super scribed mentioning ***“Invitation of Offers for Expression of Interest for Appointment of Cost Auditor”***. The name and address of the firm must be indicated on the body of the envelope.

8 Compliances / Declarations /Certificates by firm(s) on appointment:

- i. The Cost Audit Firm shall not sub-contract the assigned cost audit work,
- ii. The cost audit team shall work in strict confidence and shall ensure that the cost data, cost statement and cost information and any other information in respect of the operation of the Power Station / work centre / Company is dealt with in strict confidentiality and secrecy.
- iii. Assigned Cost audit work of the power Station shall be completed within time frame specified by the Company.
- iv. No partner of the cost audit firm should be related to either C. M. D. or any Whole Time Directors or Part Time Directors of the Company within the meaning of the Companies Act, 2013,
- v. Neither the cost audit firm nor its partner(s) or associates should have any interest in the business of the Company,
- vi. The cost auditor will be required to submit a certificate that
 - a. the individual or the firm, as the case may be, is eligible for appointment and is not disqualified for appointment under the Companies Act 2013,

- the Cost and Works Accountants Act, 1959 (23 of 1959) and the rules or regulations made there under;
- b. the individual or the firm, as the case may be, satisfies the criteria provided in section 141 of the Companies Act 2013, so far as may be applicable;
 - c. the proposed appointment is within the limits laid down by or under the authority of the Companies Act 2013; and
 - d. the list of proceedings against the cost auditor or audit firm or any partner of the audit firm pending with respect to professional matters of conduct, as disclosed in the certificate, is true and correct.
- vii. If appointed, Cost audit firm(s) shall have prime responsibility to ensure that the maximum number of audit limits specified under Companies Act, 2013 are not violated.
 - viii. The cost audit firm(s) shall be free from any disqualification under The Companies Act, 2013. In addition to this, the cost audit firm(s) must not be holding any assignment of physical Verification or Internal Audit of NHPC Ltd.
 - ix. The partners holding Certificate of Practice issued by Institute of Cost Accountants of India are in whole time practice.
 - x. The Cost auditor shall ensure that data given to the Auditor by company and any information generated from the data provided shall not be used by the Auditor for any other purpose.

9 Debarring Provisions:

The Audit Firm will be debarred from getting, in future, the Cost audit of NHPC Ltd:

- i. If the Firm obtains the appointment on the basis of false information/mis-statement.
- ii. If the Firm does not take up audit in terms of appointment letter.
- iii. If the Firm fails to maintain/honour confidentiality and secrecy of the Company's cost data, cost statement and cost information.
- iv. If the Firm fails to comply with any of condition laid down in clause 7 & 8 above.

Format of the offer

1	Name of the Cost Auditor / Firm of Cost Auditor (Indicate whether Proprietary Concern or Partnership Firm)	
2	Office Address i) Permanent Address ii) Correspondence Address iii) Telephone No. iv) Fax No. v) Email Address vi) Website	
3	a) Year of Establishment b) Firm Registration No. (In case of Partnership Firm/Sole proprietary Firm) c) Proprietor's Membership No. (In case of members not having Firm Name) d) Service Tax Regn. No. e) Permanent Account No. (PAN) of Firm/Proprietor	
4.	Zone for which Cost Audit for NHPC is applied for	

Selection Criteria

Sl. No.	Selection Criteria	
1.	Firm's experience in practice (From date of registration with the Institute of Cost Accountants of India)	

2	No. of Partners /Cost Accountants associated with the firm for not less than 3 Years (The partners must be holding certificate of practice issued by Institute of Cost Accountants of India and should be in whole time practice).	
3	No. of Cost audit assignment completed in PSUs from F. Y. 2011-12 to 2015-16. (PSU concern should have minimum annual turnover of ₹ 500 Crore in each year)	
4	No. of Cost audit assignment in Power Sector Companies from 01/04/2011 onwards	

Note:-

- 1) Documentary evidences of all the information as stated above are to be furnished alongwith the offer.
- 2) All the pages of offers and documents are to be signed by the partner/owner of the firm alongwith seal of the firm.

Declaration:-

I, _____ Partner / owner of the Firm _____, hereby declare that the above information furnished is true & correct to the best of my knowledge and I will abide by the Terms & Conditions set by the company for the appointment of Cost Auditors

Signature and seal of the firm

**Declaration of Ineligibility
(By the Cost Audit Firm)**

I/ We, M/s (name of Cost Audit Firm) hereby certify that I/we have not been banned/de-listed/de-barred from business by any PSU/Govt. Department during last 03 (three) years.

(Signature and seal of the firm)

ECS –FORM

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)
(PAYMENT TO BIDDER THROUGH CREDIT CLEARING MECHANISM)

No. :

1. COST AUDIT FIRM'S NAME : _____

Address : _____

Phone/Mobile No. : _____

2. PARTICULARS OF BANK ACCOUNT OF COST AUDIT FIRM:

A. BANK NAME : _____

B. BRANCH NAME _____

Address : _____

Telephone No. : _____

C. IFSC code of the Bank
(For payments through RTGS): _____

D. ACCOUNT TYPE
(S.B. Account/Current Account or Cash
Credit with Code 10/11/13): _____

E. ACCOUNT NUMBER
(As appearing on the Cheque Book): _____

I hereby declared that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user Company responsible.

Date:

(.....)

Signature and seal of the firm

Certified that the particulars furnished above are correct as per our records.

(Bank's Stamp)

Date:

(.....)

Signature of the Authorised
Official from the Bank