

Notice Inviting Expression of Interest (EOI) for Empanelment and Selection for Cost Accountant Partnership Firms/Limited Liability Partnership (LLP) firms for conducting Statutory Cost Audit in Northern Coalfields Limited for the FY2016-17 to FY2018-19.

Chief of Internal Audit, NCL invites Expression of Interest (EOI) from **Partnership Firm/Limited Liability Partnership Firms** indicating details of the Firms as noted below for empanelment.

(1) Any cost audit firm who had served in the capacity of cost auditor in NCL for the last three years consecutively will not be eligible for submitting EOI. (2) Auditors appointed for Cost Audit at CIL or any of its Subsidiaries for the FY 2016-17 will not be considered for empanelment in NCL. (3) Expression of Interest of Audit firms, who had previously refused to accept the appointment of Audit of NCL during FY2013-14 to FY2015-16 will not be considered for empanelment. (4) Auditors appointed as Internal Auditor or Statutory Auditor at CIL or any of its subsidiaries will not be considered for empanelment.

Details/Information to be submitted along with documentary evidence for selection are given below:-

- a) Year of Establishment of the firm/ LLP since the date of Registration
- b) Number of Partners in the firm/LLP, who is with the firm for a minimum period of one year as on the date of Expression of Interest. (photocopies of qualification certificates and Certificate of Practice must)
- c) Number of Qualified Assistants who is a member of Institute of cost accountants of india (ICAI)/Institute of chartered accountants of india (ICAI) working with the firm for a minimum period of 1 year on the date of Expression of Interest (photocopies of qualification certificates must).
- d) Declaration that the audit firms is having Regd/Branch office in the states under the control of WIRC of Institute of Cost Accountants of India (ICAI) for a minimum 1 year on the date of Expression of Interest.
- e) Audit Experience in Central Govt/State Govt PSU for Statutory Cost Audit (Photocopies of appointment letters containing name of the audit firm / letter No. & Date and signature of appointing authority and the job allotted). **Note:-No marks will be given for the appointment letter for FY2016-17 and onwards).**
- f) Audit Experience in Company other than (e) above, having average annual turnover of over Rs500 crores in the previous three financial years for Cost Audit (Photocopies of appointment letters containing name of the audit firm/letter No. & Date and signature of appointing authority and the job allotted). (Photocopies of audited financial statements indicating annual turnover of the company in the last 3 financial years should be provided). **Note:-No marks will be given for the appointment letter for FY2016-17 and onwards).**
- g) A certificate confirming that the details/information furnished with the expression of interest are true and correct.
- h) Latest Firm Registration certificate issued by the Institute of cost accountants of India (ICAI) **not before the date of Notice inviting Expression of Interest** showing the Firm registration number, date of registration, details of Regd/Branch office, indicating names of partners, membership number and the date from which they are with the firm must be provided with the Expression of Interest (EOI).

The willing **Partnership Cost Audit Firms/Limited Liability Partnership (LLP) firms** may send their Expression of Interest (EOI) along with above **documentary evidence** in the sealed envelope super scribed **“Expression of Interest (EOI) for Empanelment and Selection for appointment of cost auditor for Northern Coalfields Limited for F/Y 2016-17”** through Registered/Speed post or Courier service only, so as to reach Chief of

Internal Audit, Northern Coalfields Limited, P.O.-Singrauli Colliery, Dist.-Singrauli (MP), Pin: 486 889 latest by 4th August'2016 at 4 PM Any postal/courier delay will not be entertained. Further details are available in website:<http://www.ncl.nic.in> and <http://www.tenders.gov.in> and <http://www.eprocure.gov.in> All corrigenda, addenda, time/due date extension etc to expression of interest (EOI) will be hosted/notified on the above websites and will not be published in the newspapers. The firms are requested to visit regularly above websites to keep themselves updated.



SELECTION AND APPOINTMENT OF COST AUDITOR

INTERNAL AUDIT DEPARTMENT
NORTHERN COALFIELDS LIMITED
PO -SINGRAULI COLLIERY
DISTRICT-SINGRAULI - 486889
MADHYA PRADESH

SELECTION AND APPOINTMENT OF COST AUDITOR

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SELECTION AND APPOINTMENT OF COST AUDITOR

1. Introduction:

1.1 NORTHERN COALFIELDS LTD (NCL) is a 'MINIRATNA' Public Sector Undertaking under Ministry of Coal, Government of India with Headquarters in SINGRAULI, MP. It has mining operations in Madhya Pradesh & Uttar Pradesh states covering Ten Opencast Mining Projects, and service units like one Deshaling Plant, one Central Workshop, one Central Condition Monitoring Cell, one Nehru Shatabdi Chikitsalaya(NSC),IWSS,HQunits(includingNCLdeskoffice,Kolkata),Central Fire Station.

2. Scope of Work: NCL is looking for engagement of eligible Cost Audit Firm(Partnership/LLP) for carrying out the following job:-

(a) Cost audit for the financial years 2016-17 to 2018-19 is to be conducted in accordance with section 148 of the Companies Act,2013 and Rules made thereunder in adherence to the relevant orders/clarification as 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.

(b) project-wise consolidation of all the cost sheets of mines and service units are to be audited. For all the projects/units, the central auditor has to certify company consolidation.

(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
1	Year of establishment of Firms(s) since date of registration.	2marks per year for first 5years and 1mark per year next 5years from the date of registration.	15
2	Numbers of partners in the Firm(The partner should be a Fellow/Associate Member of ICAI*)(the partner in the firm should have completed minimum period of one year as on the date of notice inviting EOI)	(1) 5marks per member/partner in full time practice for more than 10years. (2) 4 marks per member/partner in full time practice for 5-10years. (3) 3marks per member/partner in full time practice for less than 5years.	20
3	Number of qualified	3 marks for each qualified	15

	assistants (Cost/ Chartered Accountant) in the Firm. (the qualified assistant in the firm should have completed minimum period of one year as on the date of notice inviting EOI)	assistant	
4	The Firm having the experience of Conducting statutory Cost Audit	(a)20 marks-4marks per year per Central/State PSU. (b)10marks-2 marks per year per company(other than (a) above) with average annual turnover of over Rs500crore in the previous 3 financial years.	30
5	Location of Firm#	If Registered office/Branch office of the audit firm is located in states under the control of WIRC of the Institute of Cost Accountants of India (ICAI).(the office should have completed minimum 1 year on the date of Expression of interest)	20
		Total	100

*ICAI refers to Institute of Cost Accountant of India.

Since the CIL guideline specifically mentioned that if Regd/branch office of the audit firm is located in the region of the respective subsidiary HQ.In our case i.e. NCL, our subsidiary Hq is situated at Singrauli in the state of Madhya Pradesh (MP) which falls in the region of WIRC of ICAI. as per the Institute of Cost Accountants of India.

Note:

- i. Documentary evidence in support of each of the above mentioned criteria are required to be submitted.
- ii. No marks will be given for the appointment letter for FY2016-17 and onwards.
- iii. In case of tie, a firm with longer experience will be preferred based on the year of establishment. If still there is a tie, a Firm with a higher number of partners having more than 10years experience will be given preference.
- iv. Based on the merit list, the job of central and branch cost audit will be allotted.
- v. NCL will engage three cost audit firms i.e. one central cost auditor and two branch cost auditors.

Audit team: The team should consist of qualified assistants (Cost/Chartered Accountant) led by a senior partner of the Firm in Commensurate with the size of the organization/ area of work.

4. TERMS AND CONDITIONS:

- I. (a)**Submission of Report:** Cost audit firm so appointed will start conducting the audit after adoption of accounts by NCL Board and will submit the report to the General Manager (Finance)/Cost &

Budget, Northern Coalfields Limited, within the following scheduled period:

Cost Audit for 2016-17

- (i) Central Cost Audit on or before 16.07.2017
- (ii) Branch Cost Audit on or before 06.07.2017

Cost Audit for 2017-18

- (i) Central Cost Audit on or before 16.07.2018
- (ii) Branch Cost Audit on or before 06.07.2018

Cost Audit for 2018-19

- (i) Central Cost Audit on or before 16.07.2019
- (ii) Branch Cost Audit on or before 06.07.2019

- (b) The Cost Auditor shall submit Performance Appraisal Report (PAR) and suggestions for effective cost control and improvement thereof to GM(Fin)(Cost&Budget),NCL,Singrauli-486889.
- (c) The Cost auditor shall attend and make a presentation to the Audit Committee Meeting and Board Meeting, if required, on the Cost Audit under review.
- (d) The cost audit firm shall ensure e-filing of cost audit report and annexures to the cost audit report to MCA, GoI, in XBRL form or in the manner prescribed by the Govt from time to time, within the scheduled date prescribed by MCA-GoI for filing, after the Board of Directors of the Company approves the cost audit report.

II. Audit Fees: (a) The schedule of cost audit fees(based on annual audit fees incldg quarterly accounts audit fees paid to the Statutory auditors of NCL for FY2015-16) will be as follows:

a (i) Cost Audit Fees(excluding out of pocket expns) for 2016-17

- (i) Central Cost Auditor Rs 2,15,332.00 Per year
- (ii) Branch Cost Auditor Rs 78955.00 Per year

a(ii) The above fees includes fees for submission of PAR,attending meetings,filing of Cost Audit Report & its annexure in XBRL or other format to MCA and any other work as mentioned anywhere in the EOI document.

a (iii) Cost Audit Fees for 2017-18 and 2018-19 will be based on the annual audit fees(incldg quarterly accounts audit fees) payable to the Statutory auditors of NCL for FY2016-17 and FY2017-18.

(b) Fees for cost audit shall be revised in accordance with the increase in audit fees(incldg quarterly accounts audit fees) payable to the statutory auditors of NCL (NORTHERN COALFIELDS LIMITED).

(c) The travelling and out of pocket expenses will be restricted to 50%of the audit fees subject to production of documentary evidence.

(d) Accomodation, Fooding and local conveyance to the audit firms during the period of audit will be provided by the NCL free of cost.

(e) Service Tax etc. shall be paid as extra as applicable on furnishing the registration number with the appropriate authority.

III. Other Terms & Conditions:

The appointment of auditors is subject to the following terms and conditions:

- a) Any cost audit firm who had served in the capacity of cost auditor in NCL for the last three years consecutively will not be eligible for submitting EOI.

- b) The information provided in the EOI/application by the firm must be current, relevant and free from mis-statements on the date of notice inviting EOI.
- c) The Audit Firm must not sub-contract the work;
- d) The audit team will work in strict confidence and will ensure that the information in respect of the operation of the Area/Unit is dealt in strict confidence and secrecy. A Certificate towards maintaining confidentiality to be provided by the Cost Auditor before commencement of Audit;
- e) No partner of the Auditors is related to Managing Director/whole time Director or part-time Director of company within the meaning of section 2(77) of the Companies Act,2013.
- f) Neither the firm nor its partner or Associates have any interest in the business of Company.
- g) The auditor will be required to issue certificate of Independence;
- h) The auditor/ firm shall be free from any disqualification under sub section (3) or sub-section(4) of Sec. 141 read with sub section (5) of Sec148 of the Companies Act, 2013. In addition to this, Audit Firm must not be holding any assignment as Statutory Auditor or Internal Auditor of CIL and its Subsidiaries as on the date of appointment and during the continuity of the Cost audit.
- i) Firm of Cost Accountants shall have primary responsibility to ensure that the limits specified under section 141(3)(g) of the Companies Act,2013 are not violated.
- j) The partners holding certificate of practice issued by Institute of Cost Accountants of India are in whole time practice.
- k) Where a Cost Accountant is a Partner/Owner of more than one firm,in such case ,only one firm shall be allowed to take part in the tender process in NCL .If it is found that the more than one firms having common partner makes application in the tender initiated by NCL, then applicant with highest marks among the firms (having common partners) shall only be considered and applications of other firms(having common partners) shall stand cancelled.
- l) Under no circumstance, one firm will be allowed for Cost audit in more than one company in CIL and its subsidiaries.
- m) Any other compliance/declaration, if any, required under Companies Act, 2013 shall be complied/furnished by the Cost Auditors.
- n) The Audit Firm will be debarred from getting, in future, the Cost audit in CIL and its Subsidiaries 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 fails to maintain/honour confidentiality and secrecy of the Company's cost data ,cost statement and cost information.
 - iv. If the Firm does not submit the audit report, complete in all respect in terms of appointment
 - v. If the Firm violates any of the stipulations under clause (a) to (m).
- o) Hand written application will not be accepted.Overwriting/correction/erase and use of white ink should be avoided. However, if any Overwriting/correction/erase is inevitable, that should be authenticated with the applicant's signature.
- p) The Cost auditor shall undertake that data given to the Auditor by Northern Coalfields Limited (NCL) and any information generated from the data provided shall not be used by the Auditor for any other purpose.
- q) Initially the period of audit will be for one year i.e. for the year 2016-17 but it may further be extended to 2nd and 3rd year i.e. 2017-18 and 2018-19 at the same terms and condition subject to satisfactory performance.However, it is expressly stated here that the said tenure is not to be construed as assured and NCL reserves the right not to re-appoint at its sole discretion without assigning any reason thereof.
- r) Partnership/LLP firms may send their EOI/Application strictly as per the terms & conditions laid down in the document and documents duly sealed and signed are to be submitted as a token of acceptance of all terms and conditions. All envelopes must be sealed and super scribed with the Notice No. & date mentioning '**Expression of Interest(EOI) for Empanelment and Selection for appointment of Cost Auditor for Northern Coalfields Limited for the F/Y 2016-17**'. The name and address of the firm must be indicated on the body of the envelope.
- s) Application may be sent by Regd Post/Courier/Speed Post to the Chief of Internal Audit, Northern Coalfields Limited, PO-Singrauli Colliery,Dt-Singrauli,MP-486889.Northern Coalfields Limited however, does not take any responsibility for loss of application in transit. Application sent through Telegram, Telex, Fax or E-mail or social media will not be considered.
- t) EOI/Applications received at Internal Audit Department of NCL as stated above after due date and closing time of submission of applications shall not be considered . Any application received late due to any reason whatsoever will not be accepted.
- u) Dispute/difference, if any shall be mutually settled with the General Manager(Finance)/HOD of the unit/GM(Fin)(Cost & Budget),NCL.if any dispute could not be settled at GM level, it will be forwarded to the CMD,NCL for decision, which will be final and binding to all concerned.
- v) **Jurisdiction of Courts:** Any dispute arising out of or in respect of the contract will be subject to the jurisdiction of Jabalpur High Court only.

- w) **Disclaimer:** NCL 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.

CHECK LIST

- (1) ALL EOI's will be evaluated on the basis of the documents furnished along with applications only. No further documents will be called for during the scrutiny of the EOI's . Any additional document received after last date and time of receiving the EOI's as stipulated in the Notice inviting EOI's , will not be entertained and will be rejected treating it as unsolicited one. All the interested cost accountants firms are, therefore, advised to go through the EOI documents carefully and should submit all the required information/documents in proper sequence along with the EOI's as described hereinafter. All the pages of the EOI should be numbered and binded together as booklet.
- (2) List of the documents to be submitted along with the application/EOI:-
- (a) Latest Firm Registration Certificate issued by the Institute of Cost Accountants of India (ICAI) **not before the date of Notice inviting Expression of Interest** indicating Registration date and Firm Registration number of the firm.
 - (b) Latest Certificate issued by the Institute of Cost Accountants of India of India(ICAI) not before the date of Notice inviting Expression of Interest(EOI) indicating details of the registered office and Branch office(s),if any.
 - (c) Latest Certificate issued by the Institute of Cost Accountants of India of India(ICAI) not before the date of Notice inviting Expression of Interest(EOI) indicating names of the partners and their membership status indicating membership number and date from which they are with the firm.
 - (d) Final pass certificates/Membership certificates of the qualified assistants issued by the Institute of Cost Accountants of India (ICAI)/ or Institute of Chartered Accountants of India (ICAI) alongwith date from which are with the firm.
 - (e) Valid Certificate of Practice(COP)(full time) of the partners issued by the Institute of Cost Accountants of India(ICAI) indicating effective date of issue of certificate of practice(full time) shall be provided for experience of Member/Partner.
 - (f) Copy of appointment/engagement letter for cost audit in the PSU/Company or other evidence clearly indicating engagement of the firm as Cost Auditor in the PSU/Company is to be provided.
 - (g) For Companies in Selection Criteria 4(b),a copy of audited financial statements indicating annual turnover of the company in the last three financial years should be provided.If the firm has conducted Cost audit of one or more units in a company in a financial year, turnover of the company will be considered.
 - (h) Copies of the appointment letters (**containing page with name of the audit firm / letter No. & Date and signature of appointing authority and the job allotted**) issued by the Central Govt/State Govts PSUs for Conducting Cost audit U/s233B(1) of the Companies Act,1956,U/s 148 of the Companies Act,2013 as evidence under the experience criterion.

- (i) Copies of the appointment letters (**containing page with name of the audit firm / letter No. & Date and signature of appointing authority and the job allotted**) issued by the Companies for Conducting Cost audit U/s233B(1) of the Companies Act,1956,U/s 148 of the Companies Act,2013 as evidence under the experience criterion.
- (j) Authenticated evidence in support of companies in selection criteria at 4(b) of having annual turnover in the previous three years should be attached(copy of audited financial statements indicating annual turnover of the company in the last 3 financial years should be provided).If the firm has conducted cost audit of one or more units in a company in a financial year,turnover of the company will be considered.
- (k) A copy of complete application documents (From page no 1 to page no 11) duly signed and sealed as a token of acceptance of all terms and conditions.
- (l) Duly filled up Annexures-I & II which are forming part of the application.
- (3) Please submit all the supporting documents duly signed with the seal of the firm.

Annexure-I

FORMAT OF OFFER

1. Name of the Audit firm:-
2. Address of Registered Office/Branch office(s) of the Audit firm:-
 - i) Permanent Address:
 - ii)Correspondence Address:
 - iii)Telephone Number:
 - iv)Fax Number:
 - v)Email Address:
 - vi)Website:
3. Year of establishment of Firms since date of registration (enclose copy of Firm Registration Certificate Issued by the Institute of Cost Accountants of India not before the date of Notice inviting EOI)
4. Name of the Partners (Please give details as per the certificate of the Institute)(enclose copy of certificate of practice issued by the Institute).

Sl no	Name of the Partner	Membership No	Date of joining the Firm
1			
2			
3			
4			
5			
6			
7			

5. Detail of qualified assistants (Cost/Chartered Accountants) in the Firm.They should be a member of his respective Institute. (enclose copy of Final pass certificate/membership certificate issued by the respective Institutes).

Sl no	Name of the Assistant	Membership No	Date of joining the Firm
1			
2			
3			
4			

6. (a) Details of experience of conducting statutory cost audit in Central/State PSUs (please attach copies of appointment letters).

Sl no	Name of Central/State Govt PSU	Year of audit
1		
2		
3		
4		
5		

- (b)Details of experience of conducting statutory cost audit of other companies having average turnover Rs500 crores in the previous 3 years (please attach copies of appointment letters and authenticated evidence of turnover in the previous 3 years)(copy of audited financial statements indicating annual turnover of the company in the last 3 financial years should be provided):

Sl no	Name of company	Turnover in the last 3 yrs (in Rs.)	Year of Audit
1			
2			
3			
4			
5			

NOTE:-Audit conducted by the firm should be under Sec 233B(1) of the Companies Act,1956 or Sec 148 of Companies Act,2013.

7. Details of locations of Regd office and Branch office(s) of the audit firm in the states under the control of WIRC of ICAI.

Sl no	Regd office/Branch office(s)
1	
2	
3	

ANNEXURE II

M/s. Northern Coalfields Limited
PO-Singrauli Colly
DT-Singrauli
MP-486889

Dear Sir,

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

We hereby authorize Northern Coalfields Ltd. to disburse all our payments through electronic fund transfer system/RTGS/NEFT. 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 Northern Coalfields Ltd. responsible.

Note: Please enclose one
Cancelled cheque for
E-Payment.

Authorised Signatory
Name
Official stamp with Date

BANK CERTIFICATION

It is certified that above mentioned beneficiary is holding a bank account no. _____ with our branch and the bank particulars mentioned above are correct.

Authorised Signatory
Name
Official stamp with Date