

ICMAI Management Accounting Research Foundation

Date: September 15, 2023

Subject: Expression of Interest for Experts/ Consultants for the Indian Railway Project

ICMAI Management Accounting Research Foundation [ICMAI MARF] is a Section 8 Company under the Companies Act 2013, 100% subsidiary of **The Institute of Cost Accountants of India**, a Statutory Body set up under an Act of Parliament to develop and regulate the profession of Cost & Management Accountancy in the country. ICMAI MARF is a non-profit organization to undertake basic and applied research in cost & management accounting systems such as ABC, PBC, kaizen costing, marginal costing, life cycle costing, benchmarking, auditing, cost-benefit analysis, corporate valuation, strategic financial planning, business restructuring, cost management, product pricing, risk based internal audit, corporate social responsibility, and other related disciplines. Many public and private sector companies have benefitted from the consultancy and advisory services rendered by ICMAI MARF in the past.

ICMAI MARF had earlier designed the Activity-based Performance Costing System for Indian Railways. Briefly, its implantation would require the following actions:

- a) Studying all the relevant existing IT Applications (Financial & Non-financial) already developed by Centre for Railway Information Systems (CRIS) to capture cost, revenue & performance data through the common PCS code against each Activity Cost Centre (ACC), Accounting Unit & Zonal level and finalise the changes/modifications required for purpose of PCS implementation.
- b) Examine the feasibility of incorporating Lines of Business (LOB), Lines of Service (LOS) & Segment of Service (SOS) and their codes in all the relevant IT applications.
- c) Study of 'Transaction-based approach' for capturing financial data at Activity Cost Centre (ACC)/Accounting Unit/Zonal level.
- d) Study for capturing real-time operational performance data that would be used to create the Train Master database for determination of Train cost & profitability and to be used as Cost Drivers for deriving Functional Component Unit Costs (FCUCs), through different IT applications.
- e) Guiding CRIS about the need & requirement to develop new software & database applications to facilitate smoother implementation of PCS in NR.
- f) Study of the revised Pay Unit (PU) Codes and newly incorporated Accrual Accounting Codes to map these with the Cost element codes and FCUC codes.
- g) Study of allocation of depreciation on related activities through the newly incorporated Accrual Accounting System.
- h) Necessary changes need to be made in the PCS structure on account of the introduction of additional Accounts Heads.
- i) Identification of Activity Cost Centres in an Accounting Unit; Allocation of Activity Cost Centre Code (ACC Code); and Collection of data and Mapping of Bill Units of an Accounting Unit with Activity Centres, Account Heads, Locations etc.

- j) Mapping of the activity centres with Cost Driver, Activity Input Sheet No. (AIS) and Functional Cost Components (FCC) and their codification for the entire Northern Railway.
- k) Train all the Field Unit employees of NR including Costing Cell in Zone about the spectrum of data requirement, their source and flow; how to compile Cost Driver Data and fill up the respective Cost Driver forms etc.
- l) Extraction of cost data from finance data and validation of cost, revenue, and performance data of NR, including for all its accounting units viz. zone, divisions, workshops, departments, and other field units.
- m) Testing the system generated reports on atleast two years' data [past year and current year] and suggest further modifications/corrections, if necessary, in the relevant IT applications for data capturing and data processing, as well as in the applicable activity/cost drivers.
- n) Pilot Run with the above validated data to generate relevant cost sheets for LOS/SOS for Coaching and Freight Services that operate within NR.
- o) Validation of all other MIS reports generated through the system.

ICMAI MARF invites Expression of Interest from qualified professionals and other Experts/Consultants to assist in execution of the Project: ***“Pilot Implementation of Performance Costing System in Northern Railway (NR)”*** as per the activities mentioned above. Brief details of the professionals/experts/ consultants required are as under:

1. **Senior Management Consultant (Costing) (2 numbers)** – he should be a qualified FCMA with 25-30 years' practicing experience; or former CMD/Director of a reputed CPSU; or former CEO/Sr. Director Level Officer in ICMAI or former SAG/HAG Level Officer from GOI/ICoAS. The applicant should possess fairly very good knowledge & experience of working on similar project(s).
2. **Middle Management Consultant (Costing) (3 numbers)** – he should be either a practicing CMA with 15-20 years' experience or former Joint Director Level Officer in GOI/ICMAI having knowledge & experience of working on similar project(s).
3. **Middle Management Consultant (Railways) (2 numbers)** – he should be a former Officer of Indian Railways (IR) or any PSU having knowledge & experience of working in their finance and costing departments or on similar project(s).
4. **Middle Management Consultant (IT/ERP) (2 numbers)** – he should be an IT/ERP expert having requisite knowledge and 10-15 years' experience of working on similar project(s).
5. **Operational Support (Costing) (6 numbers)** – he should be either a practicing CMA with 4-5 years' experience or former Assistant Director Level Officer in GOI/ICMAI having knowledge & experience of working on similar project(s).

Terms & Conditions:

- Initial & approved duration of the project is 24 months. However, it may get extended due to various reasons beyond the control of either IR/NR or ICMAI MARF.

- All Experts/Consultants are required for total duration, including extended duration if any, of the project.
- The proposed estimated consolidated Fee/Remuneration for the entire duration of the project is as under. However, it may vary depending upon the skill & experience of each candidate.

○ Senior Management Consultant (Costing)	– Rs.35 lakh
○ Middle Management Consultant (Costing/Railway/IT)	– Rs.20 lakh
○ Operational Support (Costing)	– Rs.10 lakh
- Expert/Consultant's agreed upon fee for entire duration of the project shall be paid in proportionate instalments as per progress of the project and as paid/payable by NR. However, in deserving cases, upto 40% of the agreed fee may be paid on monthly basis proportionately, The final part of the fee shall be paid after ICMAI MARF gets completion certificate from NR including completion of all stages, including sub-items under each stage. Each instalment of Fee shall be subject to deduction of Tax at source, as per the applicable rates.
- All positions are Delhi based. The project team would work from MARF's office at Lodi Road, New Delhi and also at NR office at Baroda House, New Delhi. However, depending upon the work requirements, they would be required to work on site at various activity centers of Northern Railway. Travel cost related to the project, if any, shall be borne by ICMAI MARF as per the entitlements for equivalent levels in the Institute.
- Retention Money @ 10% of the gross amount payable to him/ her be retained by ICMAI MARF and will be released after receipt of completion certificate from NR. Further, if an expert/ consultant breaks or abandons contract terms or assignment before completion, retention money so retained shall be forfeited. Also, the remuneration payable be re-computed based on his/ her contribution towards the assignment and amount be paid accordingly.
- Every Expert/Consultant shall sign a non-disclosure & non-compete agreement and maintain complete confidentiality of the project related data/information.
- Every Expert/Consultant shall function under the overall directions of Project In-Charge and CEO, ICMAI MARF.
- Selection of any Expert/Consultant and other Terms & Conditions shall be as per the criteria & methodology decided by the ICMAI MARF Board.

Please send your detailed CV mentioning therein all details including relevant experience, projects handled and expected consultancy fee for complete duration of the project, latest by 30th September, 2023 on mdp@icmaimarf.in with copy to ceo@icmaimarf.in.

Any further clarifications if required may be sought from the undersigned on any working day between 10.0 am to 6.0 pm on mobile number +91-98712-57800.

CMA J.K. BUDHIRAJA
Chief Executive Officer