



BHARAT HEAVY ELECTRICALS LIMITED

INVITATION DOCUMENT FOR SHORT LISTING / APPOINTMENT OF COST
AUDITORS FOR THE FINANCIAL YEAR 2018-19



HEAVY POWER EQUIPMENT PLANT
RAMACHANDRAPURAM, HYDERABAD 502032

**SHORT LISTING / APPOINTMENT OF COST AUDITORS FOR THE FINANCIAL YEAR
2018-19**

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Last Date for Submission of Offers:

21st April 2018 14:00 hrs

At BHEL, Ramachandrapuram, Hyderabad

INVITATION OF PROPOSAL FOR SHORTLISTING / APPOINTMENT OF COST AUDITORS FOR THE FINANCIAL YEAR 2018-19

1. Introduction:

Bharat Heavy Electricals Limited (BHEL, hereinafter referred to as Company) is a Maharatna PSU under the Ministry of Heavy Industries, Government of India. Heavy Power Equipment Plant (HPEP) is a Unit of the Company located at Hyderabad, Telangana State. HPEP Unit is involved in the Design, Manufacture and Supply of a wide range of Turbines, Generators, Compressors, Heat Recovery Systems, Pumps, Steam Generating Packages, Oil Rigs, etc. to the Power, Industry and other vital sectors of the Economy. HPEP Unit is involved in manufacturing of castings & forgings of varied range.

2. Maintenance of Cost Records and Cost Audit:

Cost Records are being maintained by the Company as per the extant rules and Cost Audit became applicable from financial year 2012-13 onwards.

The Company intends to shortlist / appoint a firm of Cost Accountants for conducting Cost Audit for the Financial Year 2018-19 for its HPEP at Hyderabad.

3. Scope of Work:

The broad scope of work would be:

- 3.1 To conduct Cost audit of the Company in accordance with the provisions of the Companies (Cost Audit Report) Amendment Rules 2017. 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 Cost audit team should consist of adequate number of qualified/semi-qualified assistants (Cost Accountants) led by a senior partner of the Firm so as to be commensurate with cost audit work requirements.
- 3.3 Verification and certification of cost proformas maintained by the Company as per Companies (Cost Record and Audit) Rules, 2017.
- 3.4 Verification and certification of annexures to the cost audit report.
- 3.5 Cost audit firm so appointed shall commence cost audit and submit necessary reports within 180 days from the close of the financial year along with reservation or qualification or observations or suggestion, if any in form CRA-3 and annexures as per notification or any other instructions issued by Central Government from time to time or any other section of the Companies Act 2013.
- 3.6 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.

4. Selection Criteria:

- 4.1 Firms of Practicing Cost Accountants registered with the Institute of Cost Accountants of India (ICAI) having its office(s) in Hyderabad region shall be considered for Shortlisting /Appointment as Cost Auditors for conducting Cost Audit of Hyderabad Unit of the Company.
- 4.2 The following will be the basis of points for the selection and selection will be made based on attainment of highest points.

Sl. No.	Selection Criteria	Basis for awarding of Points	Maximum Points
1	Proximity to Unit	5 Points for firms located Within 40 Km. radius from HPEP Unit. Reduction of 1 Point for each interval of 40 Km. increases in distance thereafter.	5
2	Experience in practice (No. of years)	1 Point for every 2 years of Firm's Registration.	5
3	Experience of PSU Audit (Cost)	1 Point for each completed Cost Audit of a PSU Unit/ Company.	5
4	Experience related to Infrastructure Industry	1 Point for a completed Cost Audit of Infrastructure Industry.	1
5	No. of Partners / Members	1 Point for each Partner.	3
6	Majors clients (i.e., Companies with Annual Turnover > Rs. 100 Crores)	1 Point for each such Client.	2
7	Additional Qualification of Cost Auditor	1 Point for any Additional Professional Qualification.	1
8	Profile of the Partners	1 Point for work experience of the Partners.	1
9	Any special achievement	1 Point for Academic/ Professional Excellence of the Partners.	1
10	Any office held in ICAI or any such Institute	1 Point for any office held in elected / nominated post for the ICAI or any such Institute.	1
		TOTAL	25

Clear and complete details in separate sheets, for determination of Points in support of information against Item Sl. No. 1 to 10 above are to be furnished.

5. Pre-requisites for considering rankings:

- 5.1 Documentary evidence(s) in support of Criteria at (1) to (10) mentioned in table to para-4.2 above is required to be submitted. Proposals without the required documentary evidence(s) shall be ignored for evaluation.
- 5.2 In case of a tie, the following sequence shall be adopted for selection:
 - a) Firm with longer experience will be preferred based on the year of establishment.
 - b) Firm with a higher number of Fellow and or Associate Members of the Institute of Cost Accountants as partners will be considered.

6. Terms and Conditions:

- 6.1 The tenure of appointment shall be at the sole discretion of the Company. The tenure may be renewed every year for a maximum of Five 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 reappointment at its sole discretion without assigning any reason therefor.
- 6.2 Firm(s) who have served in the capacity of Cost Auditor(s) of the Company in the past can apply only if 5 (Five) years have elapsed from the last year of assignment held in the Company.
- 6.3 The Company reserves the right to accept / reject any or all the offers without assigning any reason whatsoever therefor.
- 6.4 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.
- 6.5 Documentary evidence(s) in respect of all the information above by the applicant firm(s) must be furnished along with the proposal.
- 6.6 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.
- 6.7 The proposal should be submitted strictly as per the terms & conditions laid down in the document.

The Offer in the Prescribed Format at Annexure – I, can be submitted in physical form or in electronic form to following address:

**Senior Manager (Finance), Costing Section, Finance and Accounts Department,
Administration Building, I Floor, Bharat Heavy Electricals Limited, Heavy Power
Equipment Plant, Hyderabad, Telangana State. Ph. No. 040-23182639,
+919490167650.**

The envelope must be sealed and super-scribed with "Offer for Shortlisting / Appointment of Cost Auditor". The name and address of the applicant firm must also be mentioned on the body of the envelope.

If submitted through electronic form all the documents should be signed and scanned sequentially into one PDF file (Maximum 7 MB) and sent to amiyaranjansahu@bhel.in. The proposals received through e-mails should be followed by the originals.

Offers submitted in any other form shall not be considered.

- 6.8 The Company 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 at its sole discretion without assigning any reason whatsoever.
- 6.9 The Firms are required to submit their Service Tax registration number in their offers.
- 6.10 The last date for receipt of the proposal is 21st April 2018 by 14.00 Hrs. at BHEL, HPEP Hyderabad. Proposals received after this date and time shall not be considered.

7. Cost Audit Fees:

Audit Fees shall be commensurate with the Cost Audit work and shall be decided by the Company from time to time. For FY 2017-18, fees was Rs 1,85,000/=.

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

The cost audit firm(s) shall have to comply with and furnish declarations and certificates as required under Statutory/Company rules, upon appointment as cost auditor(s), as under:

- 8.1 The Cost Audit Firm shall not sub-contract the cost audit work,
- 8.2 The cost audit team will work in strict confidence and will ensure that the cost data, cost statement and cost information and any other information in respect of the operation of the location / work centre /Company is dealt with in strict confidence and secrecy. A certificate towards maintaining confidentiality shall have to be provided by the Cost Auditor(s) on receipt of appointment letter from the Company or before commencement of cost audit.
- 8.3 No partner of the cost audit firm should be related to either Managing Director or any Whole Time Directors or Part Time Directors of the Company within the meaning of section 2 (77) of the Companies Act, 2013.
- 8.4 Neither the cost audit firm nor its partner(s) or associates should have any interest in the business of the Company,
- 8.5 The cost auditor(s) will be required to issue & submit certificate of Independence and arm's length relationship.
- 8.6 Cost audit firm(s) shall have prime responsibility to ensure that the limits specified under section 141(3)(g) of the Companies Act, 2013 are not violated.

- 8.7 The cost audit firm(s) shall be free from any disqualification under section 141(3) and section 141(4) of the Companies Act, 2013. In addition to this, the cost audit firm(s) must not be holding any assignment as Statutory Auditor(s) or Internal Auditor(s) of the Company.
- 8.8 Payments shall only be made through EFT, hence Bank Details as per Annexure – II need to be submitted at the time of acceptance of the appointment.

9. Debarring Provisions:

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

- 9.1 If the Firm obtains the appointment on the basis of false information / miss-statement.
- 9.2 If the Firm does not take up audit in terms of appointment letter.
- 9.3 If the Firm fails to maintain/honour confidentiality and secrecy of the Company's cost data, cost statement and cost information.
- 9.4 If the Firm fails to comply with any of condition laid down in clause 8 above.
- 9.5 If any of the partners gets debarred under the provisions above during the contract period for conducting Cost Audit of the HPEP Unit, BHEL reserves the right to take necessary steps as may be required under law.

FORMAT FOR SUBMISSION OF OFFER

S. No.	Particulars	Details
1	Name of the Cost Audit Firm	
2	Registration Number of the Firm with the ICAI	
3	Particulars of the Firm	
	i.a. Address of the Firm as registered with the ICAI	
	b. Address of the Firm at Hyderabad (if different from above)	
	c. Approximate distance to BHEL	
	ii. a. Telephone number with STD Code	
	b. Mobile number	
	iii. Fax Number with STD Code	
	iv. Email Address of the Firm	
	v. Website of the Firm	
	vi. PAN of the Firm	
	vii. GST Registration Number of the Firm	
4	Technical Details	
	1. Experience in practice (No. of years). (Details to be submitted separately.)	
	2. Experience of PSU Audits. (Details to be submitted separately.)	
	3. Experience in Related Industry (Details to be submitted separately.)	
	4. No. of Partners / Members Names and addresses of the Partners along with their Membership numbers to be provided separately.	
	5. Major clients, if any, (Companies with annual turnover of over Rs. 100 crores) (Details to be submitted separately.)	
	6. Additional qualifications of the Cost Auditor	
	7. Profile of the Partners (Details to be submitted separately.)	
	8. Any special achievement (Details to be submitted separately.)	
	9. Any office held in the ICAI or any such institute	
5	We hereby confirm the acceptance of all the provisions and the terms and conditions of the invitation without any deviation.	

Place:
Date:

Authorised Signatory
(with Official seal)

(ON THE LETTERHEAD OF THE VENDOR)

To

The Board of Directors,
Bharat Heavy Electricals Limited,
BHEL House, Siri Fort
New Delhi-110049.

Sub: Certificate for appointment of Cost Auditor of Unit of BHEL for 2018-19

Our firm is a firm of Cost Accountants within the meaning of Cost & Works Accountants Act, 1959 (23 of 1959) and all the Partners of our Firm are in full time practice and are holding valid certificate of practice issued by the Institute of Cost Accountants of India.

We give our consent for the appointment as Cost Auditor of your Unit for the financial year ending on 31-Mar-2019, if made, by your Board of Directors. In this regard, we hereby certify that:

- a. We are eligible for appointment and are not disqualified for appointment under the Act, the Cost and Works Accountants Act, 1959 (23 of 1959) and the rules or regulations made thereunder;
- b. We satisfy the criteria provided in section 141 of the Act, so far as may be applicable;
- c. The proposed appointment is within the limits laid down by or under the authority of the Act; and
- d. We confirm that there are no orders or proceedings pending against our firm or any of our partners relating to professional matters of conduct before the Institute of Cost Accountants of India or any competent authority or any court.
- e. Further, we certify that we are the independent firm of Cost Accountants and are maintaining an arm's length relationship with Bharat Heavy Electricals Limited.

Thanking you

Yours sincerely
For _____,
Cost Accountants

(Name), FCMA/ACMA
Partner Membership No.: FRN:

Place:
Date:

LIST OF PRODUCTS / HSN CODES SUBJECT TO COST AUDIT

S. No.	CTA Heading	Name of the Product / Group
1	8404	BOWL MILLS
2	8406	THERMAL TURBINES
3	8406	INDUSTRIAL TURBINES
4	8411	GAS TURBINES
5	8413	PUMPS
6	8414	COMPRESSORS
7	8419	HEATERS
8	8430	OIL RIGS
9	8502	GENERATORS
10	8538	SWITHGEAR

(ON THE LETTERHEAD OF THE VENDOR)

To

Deputy General Manager / Finance / CM,
Bharat Heavy Electricals Limited,
Ramachandrapuram, Hyderabad 502032.

Dear Sir,

Sub: Details of Bank Account for NEFT Funds Transfer – reg.

We request and authorize you to effect payment through NEFT to our Bank account, subject to RBI Guidelines, as per the details given below:

S. No.	Item	Details
1	Name of the firm (Beneficiary)	
2	PAN of the Beneficiary	
3	GST of the Beneficiary	
4	E-mail address of Beneficiary	
5	City of the Beneficiary	
6	Bank Name	
7	Branch Name	
8	Account Number	
9	Account Type (Savings / Current, etc.)	
10	MICR Code	
11	IFSC for NEFT	

Thanking you,

Yours faithfully,

Authorised Signatory
(With Name and Seal)

Bank Certification:

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

Date:

(Signature of Authorised Official of the Bank)