



**EMPANELMENT AND SELECTION FOR APPOINTMENT OF
COST AUDITOR FOR CIL STANDALONE SEGMENT
FOR THE YEAR 2016-17**

FINANCE DIVISION
COAL INDIA LIMITED
COAL BHAWAN
PREMISES No.-04, MAR, PLOT No. F-III, ACTION AREA-1A
NEW-TOWN, RAJARHAT, KOLKATA
WEST BENGAL - 700 156

EMPANELMENT AND SELECTION FOR APPOINTMENT OF COST AUDITOR FOR CIL STANDALONE SEGMENT	
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EMPANELMENT AND SELECTION FOR APPOINTMENT OF COST AUDITOR FOR CIL STANDALONE SEGMENT

1. **Introduction:**

1.1 Coal India Limited (CIL) is a 'Maharatna' Public Sector Undertaking under Ministry of Coal, Government of India with Headquarters in Kolkata, West Bengal. CIL is an apex body with 7 wholly owned coal producing subsidiaries and 1 mine planning and consultancy company spread over 8 provincial states of India. CIL also fully owns a mining company in Mozambique christened as 'Coal India Africana Limitada'.

1.2 The present EOI is for appointment of Cost Auditor for CIL Standalone Segment. It has mining operations in North Eastern Coalfields, Margherita (Assam) and Ten Regional Sales Offices located at Chandigarh, Delhi, Jaipur, Ahmedabad, Mumbai, Bengaluru, Hyderabad, Chennai, Lucknow & Patna, Liaisoning Office at Delhi and CIL Headquarters at Kolkata.

2. **Scope of Work:** CIL is looking for engagement of eligible Cost Audit Firm (Firm includes LLP) for carrying out the following job:-

(a) Cost audit for the year 2016-17 is to be conducted in accordance with the Companies (Cost Records and Audit) Rules, 2014 as issued by Govt. of India, Ministry of Corporate Affairs and in adherence to the relevant orders/clarifications 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 (ICAI).

(b) For CIL Standalone segment, Unit-wise consolidation of all the cost sheets of mines and service units as stated in 1.2 above are to be audited and the auditor has to certify the CIL Standalone segment.

(c) All formats as required by statute are to be certified by auditor.

3. **Selection Criteria:** The following will be the criteria for selection/empanelment of cost auditor. Selection/empanelment shall be done on attainment of highest marks by a Firm.

SL. No	Norms	Basis of Marks	Maximum Marks
1	Year of establishment of the Firm, since the date of registration.	2 marks per year for first 5 years from date of registration. 1 mark per year next 5 years.	15
2	Number & experience of partners in the Firm*. (The partner should be a Fellow/Associate Member of ICAI)	5 marks per Member/Partner in full time practice for more than 10 years 4 marks per Member/Partner in full time practice for 5-10 years 3 marks per Member/Partner in full time practice for less than 5 years	20
3	Number of qualified assistants (Cost/ Chartered Accountant) in the Firm.	3 marks for each qualified assistant	15
4	Experience of the firm in Conducting Statutory Cost Audit	(a) 20 marks - 4 marks per year per Central/State PSU. (b) 10 marks - 2 marks per year per Company (other than (a) above) with average annual turnover of over Rs.500 crores in the previous 3 financial years.	30
5	Location of the Audit Firm.	If Regd. Office/Branch of the Firm is located in states under the control of EIRC of ICAI.	20
		Total	100

* He/She should be a partner/qualified assistant in the firm for a minimum period of one year as on the date of application.

Note:

- i. The following documentary evidences duly signed by partner with seal of the firm should be submitted in support of each of the above-mentioned criteria:
 - a. Proof of Registration of Firm clearly indicating the Registration date and firm registration number issued by ICAI.
 - b. Partnership Deed, communication from ICAI or other evidence clearly indicating the partners in the firm with their membership number and date from which they are with the firm.
 - c. Proof indicating Effective date of issue of Certificate of Practice (full time) shall be provided for experience of Member/Partner.
 - d. Proof of Final Pass Certificates/Membership of the Institute for Qualified Assistants is to be provided along with date from which they are with the firm.
 - e. 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 company is to be provided.
 - f. For companies in criteria 4(b) above, 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.
 - g. The states under the control of EIRC of ICAI are Assam, Arunachal Pradesh, Bihar, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Tripura, West Bengal, Sikkim and the Union Territory of The Andaman and Nicobar Islands.

- ii. All documents including EOI should be duly authenticated / signed by the partner with seal of firm as a token of unconditional acceptance of all terms and conditions.
- iii. In case of tie, a firm with longer experience will be preferred based on the year of registration. If still there is a tie, a Firm with higher number of partners having more than 10 years experience will be given preference.

4. TERMS AND CONDITIONS:

- I. **Audit team:** The team should consist of qualified assistants led by a senior partner of the firm commensurate with the size of the organization/ area of work.
- II. **Submission of Report:** Cost audit firm so appointed will start conducting the audit after adoption of accounts by CIL Board and will submit the Cost Audit Report to the General Manager (Finance)-III, Coal India Limited, Kolkata and a copy of the report should be submitted to GM, NEC, Margherita for CIL Standalone segment. Cost Audit Report for 2016-17 should be submitted on or before 16.08.2017.
- III. The Cost Auditor shall submit Performance Appraisal Report (PAR) and suggestions for effective cost control and improvement thereof to General Manager (Finance)-III, CIL.
- IV. 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.
- V. The cost audit firm shall ensure e-filing of cost audit report and annexure 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.
- VI. **Cooling off Period:** Firms who have served in the capacity of Cost Auditor in CIL (Standalone) segment in the last 3 (three) consecutive years will not be eligible for submitting EOI.
- VII. **Period of Audit :** 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 rate and terms and conditions subject to satisfactory performance. However, it is expressly stated here that the said tenure is not to be construed as assured and CIL reserves the right not to re-appoint at its sole discretion without assigning any reason thereof.
- VIII. **Audit Fees:** The schedule of fees will be as follows for:
 - a) Cost Audit Fee for 2016-17 (excluding out of pocket expenses) : Rs. 2,01,094/-
 - b) The above fee 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.
 - c) The travelling and out of pocket expenses will be reimbursed at actual limited to 50% of the audit fees.

- d) Service Tax etc. shall be paid extra, as applicable on furnishing the registration number with the appropriate authority.

5. General Terms & Conditions:

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

- a) The Audit Firm cannot outsource the work.
- b) The information provided in the application by the firm must be current, relevant and free from mis-statements on the date of application.
- c) Partner of the firm must not be related to Managing Director/whole time Director or part time Director of company to be audited within the meaning of section 2 (77) of the Companies Act, 2013.
- d) Neither the firm nor its partner or Associates should have any interest in the business of CIL.
- e) The auditor will be required to issue certificate of Independence.
- f) 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.
- g) The auditor/ firm must be free from any disqualification under sub-section (3) or sub-section (4) of section 141 read with sub-section (5) of section 148 of the Companies Act, 2013. In addition to this, the Auditor/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.
- h) Where a cost accountant is a partner / proprietor of more than one firm, in such case, only one firm shall be allowed to take part in the selection process of CIL Standalone. If it is found that more than one Firms having common partners makes application in the EOI initiated by CIL standalone, 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.
- i) Under no circumstance, one firm will be allowed for Cost Audit in more than one company in CIL and its subsidiaries.
- j) Any other compliance/declaration, if any, required under Companies Act, 2013 shall be complied/furnished by the Cost Auditors.
- k) Debarring Provisions: 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/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 does not submit the audit report, complete in all respect in terms of appointment within the prescribed time limit.
 - v. If the Firm violates any of the stipulations under clause 5(a) to 5(j).
- l) Handwritten application will not be accepted. Overwriting/correction/erase and use of white ink in the application will be liable to be rejected.
- m) Partnership/LLP firms may send their application, in sealed envelope super scribed 'Empanelment And Selection For Appointment Of Cost Auditor For CIL Standalone Segment for the year 2016-17' through registered/speed post or courier services only, so as to reach General Manager (Finance)-III, CIL Finance Department, Coal Bhawan, 5th Floor, Premises No. 04, MAR, Plot No. AF-III, Action Area-1A, New-Town, Rajarhat, Kolkata- 700 156 on or before 12 July 2016 upto 3.30 PM. CIL is not responsible for loss of application in transit or postal delay. Application sent through Fax or E-mail will not be considered.
- n) Dispute/difference, if any, shall be mutually settled with the General Manager/HOD of the unit/GM(Finance)-III, CIL. If any dispute could not be settled at GM level, it will be forwarded to the Chairman, CIL for decision, which will be final and binding to all concerned.
- o) Disclaimer: CIL reserves the right to ask for any clarifications from one or more applicants. It also reserves the right to accept or reject any or all EOI or to cancel the process entirely without assigning any reason thereof.

Annexure-I

FORMAT FOR SUBMISSION OF APPLICATION

1. **Name of the Audit Firm** :
2. **Firm Registration Number** :
3. **Address** :
 - i) Permanent Address :
 - ii) Correspondence Address :
 - iii) Contact no. of Partner :
 - iv) Telephone Number :
 - v) Fax Number :
 - vi) Email Address :
 - vii) Website :

4. Particulars with respect to Selection Criteria

S No.	Particulars	Details
1	Date of registration of Firm (enclosing photocopy of latest constitution certificate issued by ICAI)	
2	Name(s), Membership number & date from which they are Partner in the Firm (as a full time practicing member) along with proof of membership & COP.	
3	Name of qualified assistants with their qualifications (along with proof of qualification).	
4	Experience of the firm in Conducting Statutory Cost Audit (photocopy of appointment letter should be enclosed) (a) In Central/State PSUs: (b) Other Companies: (Mention Company name & year of cost audit)	
5	Address of the Audit Firm Registered Office: Branch Office:	

Signature of Partner with seal of the firm

Membership No of the Partner