



EASTERN COALFIELDS LIMITED
(A Subsidiary of Coal India Limited)
Sanctoria, P.O. Disergarh-713333, Dist. Burdwan

Ref. ECL/HQ/C&B/CB-4309

Date: 29.07.2016

NOTICE INVITING EXPRESSION OF INTEREST
FOR APPOINTMENT / EMPANELMENT
OF COST AUDIT FIRMS FOR COST AUDIT

M/s Eastern Coalfields Limited invites expression of interest for appointment/ empanelment of cost audit firms for cost audit for the year 2016-17.

The format alongwith schedule of fees together with Annexure-I area available at website www.easterncoal.gov.in / www.tender.gov.in which can be downloaded or can have from the office of General Manager(F)/IC, ECL, Sanctoria. Format for application and relevant documents shall be available on all working days between 10.00 am and 03.00 pm (except Saturday & Holidays) from 01.08.2016 to 10.08.2016.

Firms may send their applications in the prescribed format alongwith annexure so as to reach this office latest by 11.08.2016 within 2.00 pm to General Manager(F)/IC, Eastern Coalfields Limited, Sanctoria, P.O. Disergarh, Dist. Burdwan, Pin - 713333. The offers will be opened on the same day at 3.00 pm.



EMPANELMENT AND SELECTION OF COST AUDITOR

FOR THE YEAR 2016-17

FINANCE DIVISION
EASTERN COALFIELDS LIMITED
SANCTORIA
P.O. DISHERGARH
DIST. BURDWAN
WEST BENGAL

EMPANELMENT AND SELECTION OF COST AUDITOR	
TABLE OF CONTENTS	
Sl No.	DESCRIPTION
1	Introduction
2	Scope of Work
3	Selection Criteria
4	Terms and Conditions

ANNEXURE I
Format of the offer

EMPANELMENT AND SELECTION OF COST AUDITOR

1. Introduction:

1.1 Eastern Coalfields Limited (ECL) is a Public Sector Undertaking and a subsidiary of Coal India limited under Ministry of Coal, Government of India with Headquarters in Sanctoria, P.O- Dissergarh, Dist. Burdwan, West Bengal. It has operations in West Bengal and Jharkhand.

2. Scope of Work: ECL is looking for engagement of eligible Cost Audit Firms for carrying out the following job:-

(a) Cost audit of F.Y 2016-17 is to be conducted in accordance with order no. F.No.52/26/CAB-2010 dtd.24th Jan.2012 as issued by Govt. of India, Ministry of Corporate Affairs and in adherence to the relevant orders/clarification 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.

(b) i) For ECL, HQ : Consolidation of the cost sheets of all Areas and Service units are to be audited. For all the Areas/Units, the Central auditor has to certify company consolidation.

ii) For Areas of ECL: Consolidation of the cost sheets of all Mines under each Area and Service units are to be audited.

(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 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 as per schedule and will submit the Cost Audit Report to the General Manager (F) IC, Eastern

Coalfields Ltd, Sanctoria. Cost Audit Report for 2016-17 should be submitted on or before 01.08.2017.

- III. The Cost Auditor shall submit Performance Appraisal Report (PAR) and suggestions for effective cost control and improvement thereof to General Manager (F) IC, Eastern Coalfields Ltd, Sanctoria.
- 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 Eastern Coalfields Ltd 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 ECL reserves the right not to re-appoint at its sole discretion without assigning any reason thereof.

4. Audit Fees: The schedule of annual audit fees will be as follows:

Sl	AREA / UNITS	Fee(Rs)
1	HQ, Kolkata Sales office, Sodepur C/Stores, J K Ropeways, Neamatpur W/Shop, MRS, C H Kalla, Salanpur Area	217547
2	Sripur, Sodepur, Satgram Areas, Poniasi & Ratibati W/Shops,	124414
3	Kunustoria, Kajora Area	88867
4	Bankola, Kenda, Jhanjra, Sonapur Areas and Ukhra R/W/Shop	110907
5	Mugma Area, BEFW and Mugma R/W/Shop	66828
6	Pandaveswar, Rajmahal & S P Mines Areas	82469
	Total	691032

- a) The travelling and out of pocket expenses will be restricted to 50% of the audit fees subject to production of documentary evidence.
- b) 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 ECL/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 ECL. If it is found that more than one Firm having common partners makes application in the EOI initiated by ECL, then the 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, apart from Clause (g), (h) & (i), 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 Eastern Coalfields Ltd for the year 2016-17' through registered/speed post or courier services only, so as to reach General Manager(Finance) IC, Eastern Coalfields Ltd, CMD Office, P.O: Dishergarh, Pin-713333, Dist-Burdwan, West Bengal on or before 11.08.2016 within 2 PM. ECL will not be 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) IC, ECL. If any dispute could not be settled at GM level, it will be forwarded to the Director(Finance), ECL for decision, which will be final and binding to all concerned.
- o) Disclaimer: ECL 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 of the offer

1. **Name of the Audit Firm** :
2. **Address** :
- i) Permanent Address :
- ii) Correspondence Address :
- iii) Telephone Number :
- iv) Fax Number :
- v) Email Address :
- vi) Website :

Sl No.	PARTICULARS	DETAILS
1	Year of establishment of Firms(s) since date of registration.	
2	Numbers of partners in the firm. (Attested copies of Associate/Fellow membership of each partner should be enclosed.)	
3	Number of qualified assistants (Cost/ Chartered Accountant) in the Firm. He should be a member of his respective Institute.	
4	The firm having the experience of Conducting statutory Cost Audit in Central /State PSUs.	
5	Audit Firms having registered office/branch office within the Region in which ECL HQ is situated or having its mining operation.	

Note:

1. Documentary evidence of all the information as stated above is to be furnished along with the offer.
2. All the pages of the terms & conditions and documents submitted are to be signed with the seal of the firm.

Signature with seal of the firm

ANNEXURE II

M/s. Eastern Coalfields Limited
Sanctoria
Dishergarh-713333

Dear Sir,

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

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

Authorised Signatory
Name
Official stamp with Date

BANK CERTIFICATION

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

Authorised Signatory
Name
Official stamp with Date