



**GAIL (India) Limited**  
India's Youngest Maharatna



**Empanelment and Selection of Cost Audit Firms  
For Conducting Cost Audit in GAIL (India) Ltd. for  
Financial Year 2025-26 & 2026-27**

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**GAIL Corporate Office: GAIL (India) Limited, GAIL Bhawan, 16 Bhikaji Cama Place,  
R K Puram, New Delhi – 110066  
CIN: L40200DL1984GOI018976**

**Website: [gailonline.com](http://gailonline.com)**

**NOTICE INVITING EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT AND SELECTION OF COST AUDIT FIRMS FOR CONDUCTING COST AUDIT IN GAIL (INDIA) LTD. FOR FINANCIAL YEAR 2025-26 & 2026-27**

GAIL (India) Ltd. invites Expression of Interest (EOI) for empanelment and selection of Cost Audit Firms for conducting Cost Audit in GAIL (India) Ltd for financial year 2025-26 & 2026-27. The scope of work along with detailed terms & conditions and indicative fee together with Annex-I, II and III are available at the website: [www.gailonline.com/www.icmai.in](http://www.gailonline.com/www.icmai.in) which can be downloaded. The empanelment and selection of the Cost Audit Firms shall be based on qualifying criteria given in the EOI document. Interested Firms having requisite experience in Cost Audit may send their application in prescribed format in sealed envelope super scribing **“Expression of Interest (EOI) for Empanelment and Selection of Cost Audit Firms”** so as to reach in the office of Chief Manager (Finance & Accounts), Third Floor, GAIL Bhawan, 16 Bhikaji Cama Place, R K Puram, New Delhi – 110066 latest by **12<sup>th</sup> February, 2025**.

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## **1.0 Introduction:**

GAIL (India) Ltd., a Maharatna Company, is India's principal Natural Gas Company with activities ranging from Gas Transmission and Marketing to Processing (for fractionating LPG, Propane, Naphtha and Pentane); transmission of Liquefied Petroleum Gas (LPG); production and marketing of Petrochemicals like HDPE and LLDPE. The Company has also extended its presence in Wind & Solar Power, City Gas Distribution, Green Hydrogen, Exploration & Production through equity and joint venture participations.

GAIL is one of the leading public sector enterprises with a consistently excellent financial track record. The Company's turnover during FY 2023-24 was Rs.1,30,284 crore and Profit After Tax (PAT) was Rs.8,836 crore.

## 2.0 Region / Work Centers for which Cost Audit Firms are to be empaneled:

No.	Name of Region	Location
1	<b>Northern &amp; Eastern Region</b>	<ul style="list-style-type: none"> <li>(i) Corporate Office: Work as a Lead Cost Auditor for Consolidation of Cost Audit Reports, Conversion in XBRL mode, filling the same with Central Government and other associated works at Corporate Office, New Delhi,</li> <li>(ii) LPG Transmission Pipeline (JLPL) and Solar Power at Jaipur</li> <li>(iii) City Gas Distribution –Ranchi, Jamshedpur, Bhubaneshwar, Cuttack, Varanasi &amp; Patna,</li> <li>(iv) NG Transmission Pipeline- Agartala and</li> <li>(v) E&amp;P, Noida</li> </ul>
2	<b>Northern Region</b>	<ul style="list-style-type: none"> <li>(i) Petrochemical Unit, Pata (including C2C3 unit at Vijaipur, M.P) and</li> <li>(ii) LHC plant at Pata &amp; other associated business</li> </ul>
3	<b>Southern &amp; Western Region</b>	<ul style="list-style-type: none"> <li>(i) NG Transmission Pipeline-Rajahmundry, Karaikal, Bangalore, Kochi, Vadodara, Mumbai and other associated units,</li> <li>(ii) LHC Plant-(a) Vaghodia, (b) Gandhar,</li> <li>(iii) LPG Transmission Pipeline (VSPL) -Vizag and</li> <li>(iv) Wind Power-Karaikal, Bangalore, Gandhar etc</li> </ul>
4	<b>Central Region</b>	<ul style="list-style-type: none"> <li>(i) NG Transmission Pipeline (Integrated Pipeline) - Consolidation at Vijaipur including other NG Transmission Units (i.e. Hazira, Vaghodia, Baroda, Jhabua, Khera, Noida, Auraiya, Agra, Kailaras, Chainsa and other associated units),</li> <li>(ii) LHC Plant-Vijaipur &amp; other associated business and</li> <li>(iii) Other Products/Services (SS LNG, Green Hydrogen)</li> </ul>

### **3.0 Scope of Work**

- 3.1 Cost audit in accordance to the provisions of Section 148 of the Companies Act, 2013 and rules laid down under the Companies (Cost Records and Audit) Rules, 2014 in respect of designated locations/ work centers of the Company. Cost audit shall also be in adherence to the relevant orders/clarification, 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.
- 3.2 Verification and certification of cost statements, proformas maintained by the Company as per Companies (Cost record & audit) Rules, 2014 as amended from time to time.
- 3.3 Verification and certification of annexures to the cost audit report.
- 3.4 The Cost Auditor shall provide practical suggestions for effective cost control and improvement.
- 3.5 The Cost Auditor shall attend and make presentation to the Audit Committee Meeting and Board Meeting, if required, on the Cost Audit under review.
- 3.6 Cost audit firm so appointed shall commence cost audit and submit necessary reports as per the schedule communicated by the company, 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.

## 4.0 Evaluation Criteria

- 4.1 Firms of Practicing Cost Accountants registered with the Institute of Cost Accountants of India (ICAI) shall be considered for Shortlisting /Appointment as Cost Auditors for conducting Cost Audit of Units/work centers of the Company.
- 4.2 Panel of Cost Audit Firms will be prepared in order of maximum evaluated preference points as per following: -

### Part A: -

SL NO	Evaluation Criteria (Bidder should be Partnership Firm)	Minimum Preference Points	Remarks	Maximum Preference Points
01	The firm of Cost Accountants must have <b>at least five years</b> of standing in the profession.	10	Extra 1 point for each year for having more than 5 years of standing in the profession subject to maximum of 6 such points.	16
02	The firm should have <b>at least four qualified Cost Accountants (FCMA/ACMA)*</b> for audit of Cost Records including partners.  *(He /She should be a partner/employee of the firm for a minimum period of one year as on date of application)	10	Extra 1 point for each qualified Cost Accountants employed by the firm including partners in excess to minimum requirement of four subject to maximum of 6 points.	16
03	The firm should have the experience of conducting Statutory Cost Audit of <b>at least two Central / State PSU organizations</b> where each of the clientele should have <b>turnover above Rs. 500 crores.</b> (During Preceding 10 years i.e FY 2014-15 to 2023-24)	10	Extra 1 point for each audit which is in excess to minimum requirement of two subject to maximum of 6 points.	16
04	The firm should have experience of conducting Statutory Cost Audit of <b>at least one Oil and Gas /Power /Chemical/ Sector Company</b> having <b>turnover above Rs. 500 crores.</b> (During Preceding 10 years i.e FY 2014-15 to 2023-24)	10	Extra 1 point for each audit which is in excess to minimum one requirement of audit subject to maximum of 6 points.	16

05	<b>National level award/ recognition</b> received by firm/partner in the field of <b>cost and management accounting.</b>	-	One point for each award/recognition subject to maximum of 5 points	5
06	<b>Turnover of the Firm</b> Turnover of the Cost Audit Firm during FY 2023-24 (audited/certified accounts)	-	Turnover equal to or above Rs.50 Lakh. – 5 Points  Turnover less than Rs. 50 Lakh. – 3 Points	5
07	The firm should have Exposure of Cost Audit in <b>SAP based Environment.</b>	-	2 points per Company	6
<b>Total</b>				<b>80</b>

**Part B: -**

<b>Sl. No</b>	<b>Evaluation Criteria (Bidder should be Partnership Firm)</b>	<b>Preference Points</b>
<b>1</b>	Presentation before the high-level committee by 12 top ranked empaneled firms as per the marking in Part A on the firm's overview w.r.t experience, approach, methodology suggestion on cost saving/ optimization, cost control, special achievement of the firm etc. as per earlier assignment.	<b>20</b>

**Note : -**

- a) The first ten Cost Audit Firms will be empaneled on the basis of marks assigned above from (01) to (07) Part A & Part B, out of which four Cost Audit Firms will be appointed based on rankings.
- b) Assignment of Cost Audit for various regions will be given to the firm located in same region where GAIL's Plants/ Units are located (i.e. Northern & Eastern, Northern, Southern & Western, Central regions).
- c) Out of the appointed Cost Audit Firms, one will be designated as Lead Cost Auditor, preferably Delhi / NCR based, for the purpose of consolidation of Cost Audit Reports, preparation of XBRL and filling the same with Central Government.
- d) Cost Audit firms appointed during last five years (i.e FY 2020-21 – FY 2024-25) in GAIL shall not be considered for re-appointment.
- e) Firms of relatives, (the Term "**relative**" as defined under Section 2(77) of the Companies Act, 2013) of Cost Audit firms appointed during last five years (i.e FY 2020-21 – FY 2024-25) in GAIL, are to be excluded from participation in in order to create opportunities for new and emerging audit firms, promoting diversity and competition within the industry.
- f) The empanelment of the Cost Audit firms shall be subject to submission of certificate by Cost Audit Firm in regards to compliance u/s 141 (3) to the effect that the appointment, if



made, will be in accordance with the provision of Section 141 (3) read with 148 (5) of the Companies Act, 2013.

#### 4.3 Pre-requisites for considering rankings:

- a) Documentary evidence in support of evaluation criteria at (1), (2), (5), (6) and (7) mentioned above is required to be submitted.
- b) Copy of appointment letter/completion certificate issued by the auditee Companies in support of evaluation criteria at (3) to (4) above is required to be submitted.

**All supporting proofs/ documents in respect of evaluation criteria must be submitted with the application. Cost Audit Firms will be shortlisted strictly on the basis of documents submitted.**

#### 4.4 In case of a tie, the following sequence shall be adopted for selection:

- a) Firm with a higher number of Fellow and/or Associate Members of the Institute of Cost Accountants of India as partners/employee shall be given preference.
- b) Firm of Cost Accountants with longer experience shall be given preference based on the year of registration.

### 5.0 Terms and conditions

- 5.1 The Audit Firm shall not sub-contract the work.
- 5.2 The audit team will ensure that the information in respect of the operation of the work center/Unit is dealt in strict confidence and secrecy.
- 5.3 Cost audit team should consist of **adequate** number of qualified Cost Accountants led by a senior partner of the Firm, being commensurate with the size of the Company's work center.
- 5.4 Empanelment of firms may be for a period of four year from FY 2025-26 to 2028-29. However, Cost Auditor Firm may be initially appointed for two year i.e. for the FY 2025-26 & FY 2026-27. Management reserves the right to further extend the term by another two years on same terms & conditions.
- 5.5 The tenure of appointment shall be at the sole discretion of the Company. At present maximum tenure of appointment is for a period of two (2) years. 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 re-appoint all or any of the Cost Auditors at its sole discretion without assigning any reason thereof.
- 5.6 Company reserves the right to decide on the number of Cost Auditors to be appointed and assignment of work centers, addition/ realignment/ removal thereof, to be audited including rotation in assignment, if necessary.

- 5.7 Overwriting/ correction/ erasing and/or use of white ink should be avoided. However, if any overwriting/correction/erasing is inevitable, the same should be authenticated with the signature of the applicant.
- 5.8 All the pages of the offer documents submitted are to be signed by the authorized signatory with the seal of the firm.
- 5.9 The Offer should be submitted strictly as per the terms & conditions laid down in the document.
- 5.10 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 solely at its discretion without assigning any reason.
- 5.11 The last date for receipt of the offer is 12/02/2025. No offer shall be entertained after this date.

## **6.0 Cost Audit Fees:**

- 6.1 Cost Audit Fees shall be as decided by the Company from time to time. However, the indicative cost audit fee for 2025-26 for **One Region** is Rs. 6,00,000 (Six lakhs). Out of pocket expenses limited to **5%** of the audit fee and taxes at the applicable rates will be payable extra. Travelling and boarding will be arranged by the Company.
- 6.2 In the event that any unit of the organization is closed down or if an audit is deemed not applicable for any year, the auditor shall not be entitled to any fees related to that specific unit.
- 6.3 The Cost Audit Fee will escalate by 5% every two years (i.e starting from FY 2027-28) on reappointment.

## **7.0 Compliances/Declarations by firm(s) on Appointment**

- 7.1 Assigned Cost audit work of the unit shall be completed within time frame specified by the Company.
- 7.2 No partner of the cost audit firm should be related to either Chairman and Managing Director or any Whole Time Directors or Part Time Directors of the Company within the meaning of the Companies Act, 2013.
- 7.3 Neither the cost audit firm nor its partner(s) or associates should have any interest in the business of the Company.
- 7.4 The cost auditor will be required to submit a certificate that:
  - The firm is eligible for appointment and is not disqualified for appointment under the Companies Act 2013, the Cost and Works Accountants Act, 1959 (23 of 1959) and the rules or regulations made there under.
  - The auditor / firm is 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 is not holding any assignment as Statutory Auditor or

Internal Auditor of GAIL (India) Ltd. and its subsidiaries as on the date of appointment and during the continuity of the Cost Audit.

- The proposed appointment is within the limits laid down by or under the authority of the Companies Act 2013.
- The list of proceedings against the cost auditor or audit firm or any partner of the audit firm pending with respect to professional matters of conduct, as disclosed in the certificate, is true and correct.
- If appointed, Cost audit firm(s) shall have prime responsibility to ensure that appointment is within limits of maximum number of audit as specified under Companies Act, 2013.
- The cost audit firm(s) shall be free from any disqualification under The Companies Act, 2013. In addition to this, the cost audit firm(s) must not be holding any assignment of physical Verification or Internal Audit of GAIL (India) Ltd.
- The Cost auditor shall ensure that data given to the Auditor by company and any information generated from the data provided shall not be used by the Auditor for any other purpose.

### **8.0 Debarring Provisions:**

The Cost Audit Firm will be debarred from appointment to the Cost audit of GAIL (India) Ltd if:

- a) The Firm obtains the appointment on the basis of false information/mis-statement.
- b) The Firm does not take up audit in terms of appointment letter.
- c) The Firm fails to maintain/honor confidentiality and secrecy of the Company's cost data, cost statement and cost information.
- d) The Firm fails to comply with any of condition laid down in clause 5 above.

**Format of the offer**

<b>Sl. No.</b>	<b>Particulars</b>	
1.	<b>Name of the Cost Audit Firm:</b>	
2.	<b>Office Address :</b>  I. Permanent Address II. Correspondence Address III. Telephone No. IV. Fax No. V. Email Address VI. Website	
3.	<b>Year of establishment of firms with ICAI:</b>  I. Year of Establishment II. Firm Registration No. III. GST Registration No. IV. Permanent Account No. (PAN) of Firm	
4.	<b>Number of Partners/Employee (Fellow/ Associate):</b>  I. Number of Partners/Employee (Fellow/Associate) II. Date of Joining Firm  <b>(Mention Name, Address, Practicing Membership number of each Partner/Employee clearly specifying - Associate/Fellow)</b>	
5.	<b>Experience of Statutory Cost Audit in Central /State PSU Organizations:</b>  I. Name of the Company II. Turnover of the Company III. Year of Audit IV. Applicable CARR	
6.	<b>Experience of Statutory Cost Audit in Oil and Gas/ Power/ Chemical Sector Company</b>  I. Name of the Company II. Turnover of the Company III. Year of Audit	

7.	<b>National level award/ recognition received by firm/partner in the field of cost and management accounting.</b>	
8.	<b>Turnover of the Cost Audit Firm:</b>  {Mention Turnover of the firm for FY 2023-24 (Audited/certified accounts)}	
9.	<b>Number of Statutory cost audit done where cost records are maintained in SAP based environment:</b>  I. Name of the company:  II. Year of Audit:	

**Note:**

- Documentary evidence in support of all the information provided above by the applicant must be furnished along with the application.
- All the pages of the offer documents submitted are to be signed with the seal of the firm.
- Details in extra sheet(s) in respect of any of the above mentioned particulars, if required, can be furnished with signature & seal of the applicant / firm.

**(Signature and seal of the firm)**

**SELF DECLARATION**

I/We, M/s..... (Name of Cost Audit Firm) hereby certify that I/we have not been banned/de-listed/de-barred from business by any PSU/Govt. Department.

I/We, M/s ..... (Name of Cost Audit Firm) further declare and confirm that our firm and its affiliates are not related to any Cost Audit firm that was appointed by GAIL (India) Limited during the financial years FY 2020-21 to FY 2024-25, as per Section 2(77) of the Companies Act, 2013, which defines "relative" **(Note (e) of para 4)**

Additionally, I understand and acknowledge that any firm associated with a relative of a Cost Audit firm appointed during this period is excluded from participation in the tender process. I further confirm that if any of the above statements are found to be false or misleading, GAIL (India) Limited reserves the right to disqualify our firm from the current process or cancel any ongoing engagements.

**(Signature and seal of the firm)**

Format

**REAL TIME GROSS SETTLEMENT (RTGS) / NATIONAL ELECTRONIC FUNDS TRANSFER (NEFT)  
MANDATE FORM**

(To be issued on vendors letter head)

1. Vendor/customer Name:
2. Vendor/customer Code:
3. Vendor /customer Address:
4. Vendor/customer e-mail id:
5. Particulars of bank account:
  - a) Account Holder / Beneficiary Name
  - b) Name of Bank:
  - c) Name of branch:
  - d) Branch code:
  - e) Address:
  - f) Telephone number:
  - g) Type of account (current/saving etc):
  - h) Account Number:
  - i) IFSC code of the bank branch:
  - j) Reason (if Vendor (S.N.1) and Account Holder / Beneficiary name (S.N. 5 (a)) is not the same

I/We hereby authorize GAIL (India) Limited & its wholly owned subsidiary to release any amount due to me/us in the bank account as mentioned above. I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or lost because of incomplete or incorrect information, we would not hold the GAIL(India) Limited responsible.

(Signature of vendor/customer)

**BANK CERTIFICATE**

We certify that Account Holder/Beneficiary \_\_\_\_\_ has an Account no. \_\_\_\_\_ and IFSC Code: \_\_\_\_\_ with us and we confirm that the details given above are correct as per our records.

Bank stamp

Date

(Signature of authorized officer of bank)