



Himachal Pradesh Power Corporation Limited
(A State Government Undertaking)
Regd. Office: Himfed Building, BCS, New Shimla.
Ph. No: 0177-2671589 Website: www.hppcl.in
(CIN: U40101HP2006SGC030591)

NOTICE INVITING EXPRESSION OF INTEREST FOR
APPOINTMENT OF COST AUDITOR FOR THE FINANCIAL YEAR
2024-25 and 2025-26

HPPCL invites Expression of Interest (EoI) from Cost Audit Firms for Appointment of Cost Auditor for conducting Cost Audit for the Financial Years 2024-25 and 2025-26. The Application form, Scope of Work, detailed Terms & Conditions, Eligibility criteria and Fee Structure are as per *Annexure – “A” to “C”* be referred by logging in to HPPCL’s web site www.hppcl.in and can be downloaded.

Interested and eligible firms may submit their applications in prescribed format in envelopes super scribing **“Appointment of Cost Auditor”, for the Financial Year 2024-25 & 2025-26”** so as to reach in the office of Director (Finance), Himachal Pradesh Power Corporation Limited, Himfed Building, BCS, New Shimla (H.P.)-171009, **latest by 17th September, 2024 up to 1:00 PM** and same will be opened at **3:00 PM**, on the same date. Management reserves the right to cancel EOI at any time, without assigning any reasons. Further, the representative must carry the authorization letter from the participating firm at the time of opening of application on their letter head please.

-Sd/-
Director (Finance)

Himachal Pradesh Power Corporation Ltd.

Selection and Appointment of Cost Auditor:

A) Introduction:

HPPCL is a state Govt. PSU under the administrative control of Ministry of MPP & Power, Govt. of H.P. It is a fast upcoming electricity generation utility.

HPPCL intends to appoint Cost Accountants Firm to conduct Cost Audit of Cost Accounting Records prepared under section 148(1) of the Companies Act, 2013. The applications are invited from the firms of Cost Accountants having requisite experience in maintenance of Cost Records/Cost Audit of Power Sector Companies/ PSUs.

In exercise of the powers conferred by sub-sections (1) and (2) of Section 469 and section 148 of the Companies Act, 2013, the Ministry of Corporate Affairs, Govt. of India, New Delhi, has issued notification for conducting Cost Audit under Sub-Section (i) of Section 148 of the Companies Act, 2013, in respect of each of its financial year commencing on or after the 1st day of April, 2014 and Rule (3B) (a) (iv) of Companies (Cost Records and Audit) Rules, 2014. Hence, HPPCL desires to empanel the Cost Auditors for conducting Cost audit of HPPCL.

B) Scope of Work:

HPPCL is looking for engagement of eligible cost audit firm for carrying out the following jobs:-

- i. Cost audit is to be conducted for the Financial Years 2024-25 and 2025-26, in respect of 5 Nos. projects viz. Integrated Kashang HEP Stage-I (65 MW), Sainj HEP (100 MW), Berra Dol Solar Power Plant (5 MW), Sawra Kuddu HEP (111 MW), and Pekhubella Solar Power Project (32 MW and any other upcoming projects completed during the year of audit in accordance with Rule (3 B)(a)(iv) of Companies (Cost Records and Audit) Rules, 2014, as published in the Official Gazette of Govt. of India, Ministry of Corporate Affairs and as required by the Section-148 of the Companies Act, 2013 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.
- ii. The Cost Auditors shall be responsible for uploading the Cost Audit Report for the Company to Ministry of Corporate Affairs, as per the requirement of Companies (Cost Records and Audit) Rules, 2014.

C) Audit team:

The team should consist of adequate number of qualified/semi-qualified Assistants (Cost Accountant) led by a senior partner of the firm.

D) Proposed Audit Fee:

- i. Cost Audit fees for each Hydro and Solar Power project under generation shall be Rs. 38,500/- (Rupees Thirty Eight Thousand Five Hundred only) plus GST as applicable per year.
- ii. **Earnest Money Deposit:** EMD of Rs 5000/- (Five thousand only) (refundable), in the shape of Bank Draft shall be submitted by the bidding firm with the bid in favour of **“The Director (Finance), HPPCL”**. Further, if the bidder withdraws the bid after the bid opening or the successful bidder fails within the specified time to submit acceptance, the amount of EMD shall be forfeited.
- iii. **Performance Security:** Successful bidder shall deposit Performance Security of Rs.15000/- (Fifteen thousand only) , within 5 (five) days of award of work and the same shall be refunded after three months period, from the date of submission of Cost Audit Report.
- iv. The travelling and out of pocket expenses will be re-imbursed to the Partners of the Cost Audit Firm at rates at par with the entitlement of DGM level executive and to its Audit Assistants at par with Finance Officer level executive of the Corporation.
- v. The fees payable shall be paid on submission of Cost audit Report. Audit Firm is to submit fee invoices including TA/DA Claims, supported by the stay certificate issued by the Head of Department of Finance.

(E) List of Projects to be audited (F.Y. 2024-25 and F.Y. 2025-26):

Sr. No.	Name of the Hydro Electric Project	Location
1	Integrating Kashang Hydro Electric Project (Stage-I) (65 MW)	Reckongpeo, Distt.Kinnaur (H.P.)
2	Sainj Hydro Electric Project (100 MW)	Sarabai, Distt. Kullu (H.P.)
3	Sawra Kuddu Hydro Electric Project (111 MW).	Hatkoti, Rohru, Distt. Shimla (H.P.)

Sr. No.	Name of the Solar Power Project	Location
1	Berra Dol Solar Power Plant (5MW)	Bilaspur , Near Naina Mata Temple (H.P.)
2	Pekhubella Solar Power Plant (32MW)	Pekhubella, Distt. Una (H.P.)
3	Bhanjal Solar Power Plant (5 MW)	VPO Bhanjal, Distt. Una (H.P.)
4	Aghlor Solar Power Plant (10 MW)	VPO Aghlor, Tehsil Bangana, Distt. Una (H.P.)

Please Note: Number of Projects may vary in case of commissioning of new projects during the course of audit.

(F) Other Terms and Conditions:

The appointment of Cost Auditors is subject to the following conditions/ declarations:

- i. The Audit firm must not subcontract the work.
- ii. The audit team will work in strict confidence and will ensure that the information in respect of the operation of the area/units dealt in strict confidence and secrecy. A certificate towards maintaining confidentiality to be provided by the Cost Auditor before commencement of audit.
- iii. No partner of the Auditors is related to M.D./ whole time Director or part time or Independent Director of the company within the meaning of Sub-section (76) & (77) of Section 2 of the Companies Act,2013.
- iv. Neither the firm nor its partner or associates have any interest in the business of the company.
- v. The auditor will be required to issue certificate of Independence before commencement of audit.
- vi. If appointed, a Cost Auditor shall have prime responsibility to ensure that he does not violate the limits specific under section141 (3) (g) of the Companies Act, 2013.
- vii. The auditor / firm shall be free from any disqualification under section141(3) of the Companies Act,2013.In addition to this, Audit Firm must not be holding any assignment as Statutory Auditor or Internal Auditor of HPPCL.
- viii. The partners holding certificate of Practice issued by Institute of Cost Accountants of India are in whole time practice.
- ix. The Cost auditor shall ensure that data given to the Auditor by company and any information generated from the data provided shall not be caused by the Auditor for any other purpose.
- x. The tenure of appointment shall be at the sole discretion of the Company. The tenure for appointment shall be initially for one year. However, the same may extended for another year based on the satisfactory performance of previous year.
- xi. The Audit Firm will be debarred from conducting the cost audit in future in HPPCL in the following cases:
 - a. If the firm obtains the appointment on the basis of false information/false statement.
 - b. If the firm does not take up audit in terms of appointment letter.
 - c. If the firm does not submit the audit report complete in all respect in Terms of appointment letter.
 - d. If the Firm violates any of the stipulations from (i) to (ix), mentionedabove.
- xii. The offer should be submitted strictly as per terms and conditions laid down in the document. Application documents duly sealed and signed are to be submitted as a token of acceptance of all terms and conditions. All envelopes must be sealed and superscribed mentioning "**Appointment of Cost Auditor for the financial year 2024-25 and 2025-26**".
- xiii. Application received after the due date and closing time of submission of applications shall not be entertained. Any application received late due to any reason whatsoever will not be accepted.
- xiv. **Jurisdiction of courts:** Any dispute arising out of or in respect of the contract will be subject

to the jurisdiction of High Court of H.P. Shimla only.

- xv. **Disclaimer:** HPPCL reserves the right to accept or reject any or all responses and to request additional submissions or clarifications from one or more Applicant(s) at any stage or to cancel the process entirely without assigning any reason.

(G) Eligibility & Evaluation Criteria:-

The selection of the Cost Auditor shall be as per Eligibility criteria for selection of Cost auditor indicated in **Annexure-“C”**, which is based on the overall suitability of the firm and its experience in the Cost audit of Central/ State Power sector PSUs.

The firm securing maximum marks will be selected. In case of tie in overall evaluation as per the eligibility criteria to select L1, preference will be given as per the following order:-

- (a) Firm having more experience in (No. of years) in conducting Cost Audit shall be given **1st preference.**
- (b) Firm having more experience in conducting Cost Audit of Power Sector (Central/State) PSU's shall be given **2nd preference.**

Eligibility Criteria:

Following supporting documents must be submitted by the firm along with the technical proposal:

- 1. Cost Accountants associated with the Firm:** Details of Cost Accountants, associated with the firm along with their registration number.
- 2. Experience of the Firm:** Experience certificate from the concerned Organization may be provided along with the application.
- 3. Turnover of the Firm:** Average annual turnover in the last three years should not be less than Rs. 15 lakh along with copy of Audited Profit & loss A/c and Balance Sheet.
- 4. Cost Audit assignment of Power Sector PSUs (Central/State):** The firm must submit a copy of the appointment letters from the Auditee Organizations.
- 5. Place of Registered Office/Branch Office of Cost Accountant firm:** Proof of Registered office /Branch office.

Application Form

- 1. Name of the Cost Auditor / Firm of Cost Auditors**
(Indicate whether Proprietary Concern or Partnership Firm)
- 2. Office Address**
- 3. Permanent Address**
- 4. Correspondence Address**
- 5. Telephone No.**
- 6. Fax No.**
- 7. E-mail Address**
- 8. Web site**
- 9. Year of Establishment**
- 10. Firm Registration No.**
(Please mention whether Partnership Firm / Sole proprietary Firm, any other)
- 11. Proprietor's Membership No.**
(In case of members not having Firm Name)
- 12. GST Registration No.**
- 13. Permanent Account No. (PAN) of Firm/Proprietor**
- 14. Average Annual Turnover of the firm in the Last 3 preceding financial years.**
- 15. No. of Partners in the firm indicating separately fellow partners and associate partners.**
- 16. No. of qualified assistants in the firm. He should be a member of his respective institute.**
- 17. No. of Semi qualified assistants (Inter Cost Accountant) in the firm and relevance and quality of the Methodology for execution of work.**
- 18. Experience:**
 - (i) No. of years in conducting Cost Audit
 - (ii) Experience (in years) in conducting cost audit of Power Sector (Central/State) PSU's.
- 19. Whether any partner/owner is also a partner/owner of any other firm of Cost Accountants. If yes, then furnish the following details:**
 - (i) Name of such partners along with Membership No.
 - (ii) Name of firm along with registration no. in which the said member is partner/owner.
- 20. Address of the Corporate Office/Branch office of the Cost Auditors firm.**

Documentary evidences of all the information as stated above are to be furnished along with the offer. All the pages of application and documents attached are to be signed by the partner/ owner of the firm along with seal of the firm.

Partner/owner of the Firm- _____ hereby declare that the above information furnished are true & correct to the best of my knowledge and I will abide by the Terms & Conditions set by the company for the Empanelment of Cost Auditors.

**Signature of the
Partner/ Owner
(with seal of the Firm)**