

JHARKHAND URJA SANCHARAN NIGAM LIMITED

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EOI No.– 142/PR/JUSNL/2023–24



For

Expression of interest for empanelment of Cost Auditors in Jharkhand Urja Sancharan Nigam Limited for the Financial year 2023-24

Opening date of downloading EoI document	21.07.2023 at 11:00 AM
Closing date of downloading EoI document	21.08.2023 upto 04:00 PM
Date & time of submission of EoI	21.08.2023 upto 06:00 PM
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INVITATION OF EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT/ APPOINTMENT OF COST AUDITORS FOR THE FINANCIAL YEAR 2023-24

1. **Introduction**

JUSNL (Jharkhand Urja Sancharan Nigam Ltd.) a subsidiary company of Jharkhand Urja Vikas Nigam Ltd. (JUVNL) under the Energy Department, Government of Jharkhand with headquarter in Ranchi is engaged in the business of transmission of electricity in the State of Jharkhand.

The functioning of JUSNL has been divided into 5 Zones and 8 Circles operating at different area of Jharkhand.

2. **Cost auditors are to be empaneled**

Company intends to empanel/ appoint cost auditors for F.Y. 2023-24, extendable for 2024-25 & 2025-26. Firms having head office/ branch office located at Ranchi, in the State of Jharkhand shall be considered for empanelment/ appointment of Cost Auditors.

3. **Scope of work**

Detailed scope of work shall be as under

- 3.1 To carry out cost audit of all the accounting units of company in accordance with the provision of Section 148 of the Companies Act, 2013 and provisions of the Companies (Cost record and Audit) Rules 2014 as amended from time to time. 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 Accountant of India, from time to time.
- 3.2 Compliance with any other instruction issued in respect of cost audit under Companies Act, 2013.
- 3.3 Verification and certification of annexures to cost audit report.
- 3.4 The cost audit firm shall submit a single cost audit report for the company as a whole.
- 3.5 Attending formal meetings with the company management, audit committee/ Board of Director of the Company in connection with the Cost Audit work.

4. **Cost Audit Team**

Cost audit team should consist of adequate number of qualified/ semi qualified assistants (Cost Accountants) led by a senior partner of the firm for the cost audit work.

5. **Cost Audit Fee**

- 5.1 For cost audit year wise fee is to be quoted by the bidder in financial bid proforma (Annexure-III) in excel sheet. However minimum fee of cost auditor of Rs. 62,500.00 per annum.

No TA/ DA shall be payable to the firm. The firm shall make its own arrangement for their travel to different accounting units.

5.2 Statutory taxes/ levies & duties shall be paid extra as applicable.

5.3 The interested firm/ company will have to quote the price in prescribed performance financial bid (Annexure-III)

6. Completion time

Within 60 days from the date of handover of records for each financial year.

7. Eligibility Criteria for empanelment of Cost Auditor

7.1 The audit firm shall be registered with the Institute of Cost Accountant of India.

7.2 The firm should have its head office/ branch office in Ranchi, Jharkhand.

7.3 the firm should have at least five years of Existence/ experience.

7.4 The firm should have at least three partner and in case of proprietorship firm at least two paid assistant (Cost Accountant) along with the proprietor.

7.5 The average annual turnover should be Rs. 10.00 Lac during the three preceding financial year.

7.6 The firm must have carried out at least two Cost Audit of Public Sector/ Power Sector during the preceding five financial year.

8. Selection Criteria

8.1 The selection of the cost auditor shall be as per qualitative criteria, which is based on the overall suitability of the firm and its experience in the cost audit. The following criteria will be the basis of marks assigned to the firms and selection will be made on the basis of attainment of highest marks in final score sheet prepared by Co.

Sl. No.	Selection Criteria	Minimum Criteria	Basis of Marks	Marks per criteria	Max. marks
1.	Firm's experience in practice (from date of Registration with the institute of cost Accountants of India)	5 Years as on 31.03.2023	No. of years in establishment after 5 years	4 Marks per year	20
2.	Proprietor/ no. of partners/ cost accountants (Associated with the firm for not less than 3 years)	ACMA/ FCMA	No. of partners/ cost Accountant	3 Marks for every ACMA and 4 marks for every	20
3.	Semi qualified Assistant		Inter-qualified CA/ CMA/ CS	2 Marks for each semi qualified assistant	20
4.	Turnover	Rs. 10.00 Lac		1 Marks per lakhs over Rs. 10.00	10
5.	Firm experience in conducting Cost Audit in Central/ State PSUs		No. of Assignment	4 marks per completed cost audit	20
6.	Firm experience in conducting Cost Audit in Power Sector		No. of Assignment	5 marks per completed cost audit	10

8.2 From the EOI received by the company, a panel of Cost Accountants/ firms of Cost Accountant who secures at least 50 marks as per qualifying criteria given in above clause 7.1, will be qualified for opening of financial bid. Out of qualifying firm the assignment/ work will be awarded to L1 bidder/ firm.

8.3 In case of a tie, the following sequence shall be adopted for selection.

- a) Cost Accountants/ Firm of Cost Accountants with longer experience shall be given preference based on the years of registration.
- b) Firm with a higher number of fellow and/ or associate members of the Institute of Cost Accountant as partner shall be given preference.

8.4 **Pre requisite of considering rankings.**

Requisite documentary evidence (s) is support of Criteria at 7.1 (1 to 6) mentioned table above is required to be submitted. Proposals without the required documentary evidence (s) shall not be considered for evaluation.

9. **Terms and condition**

- i) The tenure of appointment shall be at the sole discretion of the Company. The tenure shall be for a maximum of three financial 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 reserve the right not to reappoint at its sole discretion without assigning any reason therefore.
- ii) The company reserve the right to accept/ reject any or all the offers without assigning any reason whatsoever therefore.
- iii) Cost accountant/ All partner of the firm of Cost accountants should be a member having availed full time certificate of practice issued by the Institute of Cost Accountant of India.
- iv) 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 authorized person of applicant firm.
- v) Information related to cost Audit firms and qualifying criteria shall be submitted in the Annexure-I.
- vi) Declaration that cost Audit firm have not been banned/ de-listed/ de-barred from business by any PSU/ Govt. Department during last 03 (three) years shall be submitted in Annexure-II.
- vii) Company shall deduct TDS/ any other tax/ levy as per prevailing rules/ rates.
- viii) 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 authorized signatory of the applicant firm (s) with the firm's seal.

- ix) The offer should be submitted strictly as per terms and condition laid down Annexure-I & II shall be submitted in physical form to following address mentioned above.
 - x) Application documents consisting all the documents placed on website duly sealed and signed are to be submitted as a token of acceptance of all terms and conditions. Envelope must be sealed and super scribed mentioning "Invitation of Offers for Expression of Interest for Appointment of Cost Auditor". The name and address of the firm must be indicated on the body of the envelope.
10. Compliance/ Declarations/ certificate by firm (s) on appointment
- i) The cost Audit firm shall not sub-contract the assigned cost audit work.
 - ii) The cost audit team shall work in strict confidence and shall ensure that the cost date, cost statement and cost information and any other information in respect of the Company is dealt with in strict confidentiality and secrecy. A certificate to maintain confidentiality to be provided by cost auditor before commencement of work.
 - iii) Assigned cost audit work of the company shall be completed within time frame specified by the company in the work order.
 - iv) No partner of the cost audit firm should be related to either CMD or any whole time Director or Part Time Director of the Company within the meaning of the Companies Act 2013
 - v) Neither the cost audit firm nor its partner (s) or associates should have any interest in the business of the company.
 - vi) The cost auditor will be required to submit a certificate that –
 - a. the individual or the firm, as the case may be, is eligible for appointment and is not disqualified for appointment under the Companies Act 2013, the cost and works Accountants made there under.
 - b. The individual or the firm, as the case may be satisfies the criteria provided in section 141 of the companies Act 2013, so far as may be applicable.
 - c. the proposed appointment is within the limits laid down by or under the authority of the companies Act 2013; and

- d. 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.
- vii) The cost audit firm (s) shall be free from any disqualification under the Company Act, 2013. In addition to this, the cost audit firm (s) must not be holding any assignment of physical verification or internal audit of JUSNL.
- viii) The Cost auditor shall ensure that data given to the auditor by company and any information generated from the date provided shall not be used by the Auditor for any other purpose.

11. Debarring provision

The audit firm will be debarred from getting in future, the cost audit of JUSNL

- 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 fails to comply with any of condition laid down in clause 8 & 9 above.

Details of Cost audit firm and qualifying criteria

Format of the offer

Sl. No.	Particular	Information provided
1	Name of the Cost Auditor/ firm of cost auditor (indicate whether proprietary concern/ partnership firm/ LLP)	
2	Office address I) Permanent Address II) Correspondence Address III) Telephone No. IV) Fax No. V) Email Address VI) Website	
3	Year of establishment	
4	Firm registration no.	
5	No. of partners in the firm (ACMA/ FCMA)	
6	Annual average Turnover for last 03 years	
7	No. of semi qualified assistant (inter qualified CA/ CMA/CS) in the firm	
8	The firm having the experience of conducting cost audit in Central/ State PSUs	
9	Firm experience in conducting Cost Audit in Power Sector	
10	Pan of the firm	
11	GST Registration No.	
12	Certificate of practice of the partner	
13	Membership no. of the partner.	

Note:-

- 1) Documentary evidence of all the information as stated above are to be furnished along with the offer.
- 2) All the pages of offer and documents are to be signed by the partner/ owner of the firm along with seal of the firm.

Signature and seal of the firm

Declaration of Ineligibility

(by the cost audit Firm)

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 during last 03 (three) years.

Signature and seal of the firm

Place: _____

Dated : _____

Membership No. _____