

Sub: Notice inviting bids from Practicing Cost Auditors/ Firm of Cost Accountants for one year extendable by another two years for carrying out Cost Audit of Karnataka Power Corporation Limited from Financial Year 2023-24 to 2025-26

Karnataka Power Corporation Limited registered under the Companies Act 1956 is a major electricity generating company with an installed capacity of 7128 MW consisting of Thermal Plant of 3,420 MW, Hydro Station of 3669 MW, Wind farm of 5 MW and Solar of 34 MW. The existing thermal plants are located in Shakthi Nagar (Dist.: Raichur) named as “Raichur Thermal Power Station” comprising of 8 units with total installed capacity of 1720 MW; seven units of 210 MW each and one unit of 250 MW of installed capacity. Another thermal power plant is situated at Kudithini (Dist.: Ballari) named as “Bellary Thermal Power Station” comprising of 3 units with total installed capacity of 1700 MW; - two units of 500MW each and one unit of 700MW of installed capacity. The hydro stations are located in 15 different locations across the State.

As at 31st March, 2022, the Issued, Subscribed and Paid-up Capital of the Company is ` 4769.45 crores which is held by the Government of Karnataka. The FY 2021-22 ended with a Profit before Tax of ` 317 crores with a turnover of ` 9598.29 crores. As at the end of the Financial Year 2021-22, the capital employed is at ` 26013.90 crores.

As per provisions of Companies (Cost Records and Audit) Rules, 2014, KPCL is subject to maintenance of cost records and to get the cost records audited by the Cost Auditor, being appointed in accordance with the provisions of section 148 of the Companies Act, 2013.

As per Companies (Cost records and Audit) Rules, 2014 (issued by Ministry of Corporate Affairs vide Notification No. GSR 425 (E) dated 30th June, 2014); KPCL has to appoint cost auditor in its Board Meeting and file a notice of such appointment with the Central Government through electronic mode, in Form CRA-2 within a period of 30 days of the Board meeting.

KPCL intends to invite quotations from reputed Practicing Cost Accountants (PCA)/Firm of Cost Accountants having 10 or more years of experience and

having a Registered Office in Karnataka as Cost Auditors initially for a period of one financial year extendable by another two years, one year at a time to conduct Cost Audit of the Company starting from Financial Year 2023-24 onwards, till 2025-26 with terms of appointment and remuneration remaining the same. Financial bids are invited from eligible Practising Cost Accountant/ Firm for conducting the Cost Audit for the financial year 2023-24.

1. SCOPE OF WORK

The cost auditor has to audit the cost accounts of generation activities of KPCL and submit the report in prescribed formats as required by Companies (Cost Records and Audit) Rules, 2014. In addition, uploading of cost information to the portal of Ministry of Corporate Affairs within the due date is also the responsibility of cost auditors. The minimum time required for the Cost Audit is around 20 days.

2. ELIGIBILITY CRITERIA FOR SUBMISSION OF TECHNICAL BID

- The Lead Partner/Proprietor/Individual, under whose supervision the Cost Audit of KPCL will be carried out, should have minimum post Qualification experience of 10 years as a practicing cost accountant. The cut –off date for ascertaining experience will be 30th June 2023 (30 Points);
- The Practicing Cost Accountant (PCA)/ Firm should have conducted or in-hand Cost Audit of at least one Company engaged in the activity of generation/ transmission or distribution of electricity (30 points);
- The Practicing Cost Accountant (PCA)/ Firm should have conducted or in-hand Cost Audit of at least one Company having Paid up Capital of Rs.100 crores or more in the financial year **2021-22** (20 points);
- Should have Registered Office in Karnataka and Branch in Bengaluru (20 points).

The cost accountant firm should get a minimum of 70 points in the Technical Bid evaluation to qualify for opening of their Financial Bid.

3. TERMS AND CONDITIONS:

(i) Validity of Appointment:

The validity of appointment will initially be for a period of one financial year starting from 2023-24 for conducting Cost Audit. The Company at its

sole discretion may extend the validity with the approval of Competent Authority of the Company, for another two years, one year at a time.

(ii) Financial Bid for conduct of Cost Audit:

Financial Bid of those Cost Accountant firms/ Cost auditors will be opened, if they qualify in the Technical Bid round.

(iii) Place of Audit:

The cost audit has to be conducted at the Corporate Office of the Company at No.82, Shakti Bhavan, Race Course Road, Bengaluru and at relevant project locations of KPCL.

(iv) Payment Terms:

Payment will be released within one month from the date of submission of bill by the Practising Cost Accountants/Firm after issuance of Cost Audit Report to the satisfaction of KPCL. No advance payments shall be made for conduct of Cost Audit. Out of pocket expenses will be reimbursed at actuals after production of necessary vouchers and documents subject to the limit of 10% of the fees.

(v) Minimum fees for Cost audit as per decision of ICAI Council:

Attention is invited to the Guidelines issued by the Council of ICAI vide Gazette Notification CWA/1/2017 dated 19.04.2017 relating to responding to the tenders by the members in practice. Accordingly, minimum fees of 2,00,000/- (Exclusive of GST) is prescribed for the cost audit assignment.

(vi) Appointment based on the lowest quote criteria:

It is to intimate that the appointment of cost auditor is based on L1 (Lowest quote) criteria.

(vii) Dispute:

In case of any dispute relating to contract terms and Conditions, decision of MD, KPCL will be final and binding on both the parties to the Contract.

(viii) The Company has uploaded this notification on e-procurement portal of Government of Karnataka with copy transmitted to the Bengaluru Chapter of the Institute of Cost Accountants of India for information of practising Cost Accountants.

(ix) Separate Upload of Technical and Financial Bids:

Technical Bid and Financial Bid are to be signed by Authorised Signatory on each page of offer document, along with duly filled in format enclosed as **Annexure-I & II separately**. The technical and financial bid shall not be clubbed together and any such action shall result in rejection of such offer.

(x) Opening of Technical and financial bid:

The Technical and financial bid shall be opened as per following calendar of events:

Last date of upload to GoK e-portal with time	10 th August, 2023; @ 3:00 pm
Last Date of receipt of Prebid clarifications by Email with time	8 th August, 2023; @ 4:00 pm
Date of Technical bid Opening with time	14 th August 2023; @ 4:00 pm
Date of Financial Bid Opening with time	16 th August, 2023; @ 4:00 pm

(xi) In case of any clarification required in this regard, please contact @ 080 22208837; 080 22202956; 9480330132 and information can be availed from:

General Manager (Accounts),
Karnataka Power Corporation Limited,
No. 82, Shakti Bhavan,
Race Course Road,
Bengaluru (PIN:560001).
E-mail: taxationkpcl@gmail.com

(xii) KPCL reserves the right to cancel/ restrict/ enlarge/ modify/ postpone and /or extend the date of receipt / opening of Bid or withdraw the Bid notice without assigning any reason(s) whatsoever. In such case the bidders shall not be entitled to any form of compensation from the Company.

**-Sd-
General Manager (Accounts)**

Annexure-I

(On letter head of Practicing Cost Accountant/ Firm /Company of Cost Accountants)

PROFORMA FOR TECHNICAL BID (For conducting Cost Audit of KPCL)

General Manager (Accounts),
Karnataka Power Corporation Limited,
No. 82, Shakti Bhavan,
Race Course Road,
Bengaluru (PIN: 560001).

Sl. No.	Particulars	
1.	Name of the Practicing Cost Accountant (PCA)/Firm of Cost Accountants (Firm): <ul style="list-style-type: none">• Whether Partnership firm or Proprietorship/ Individual• Name of the Lead Partner/ Proprietor/ Individual/ In- charge• Name(s) of the Contact person (s) and the Contact details	
2.	I. Year of Commencement of Practice PCA/Firm II. Certificate of Practice Number /Registration Number. Attach Documentary evidence: <ul style="list-style-type: none">• Copy of Certificate of Practice from ICAI/ previously ICWAI regarding date of Commencement of Practice as Cost Accountant; and /or• Copy of approval letter from ICAI in respect of Firm's Name.	
3.	Details of Registered Office/Branch Office(s) Address Telephone Nos. Fax No. Email	

	Website		
4.	Post Qualification Experience of Lead Partner/ Proprietor / Individual in Practice under whose supervision the Cost Audit will be conducted. -Total Post Qualification Experience (min. 10 years)		
5.	PAN No. GST Regn. No. (attach Documentary evidence)		
6. a) b)	Number of Cost Audits conducted Companies having Paid up Capital of Rs. 100 crores or more. PSU.	Name of the company	Financial Year for which Cost Audit conducted
7.	Number of active Partners in/ with the Firm having experience of more than 10 years on 31.03.2020. Number of active Partners in/with the Firm having experience of less than 10 years on 31.03.2020.		
8.	Any other relevant information.		

Declaration

1. All the information provided above by me/us is/are correct to the best of my /our knowledge & belief.
2. I/We have no objection if enquiries are made about the work listed by me/us in the accompanying sheets/ annexure.
3. I/We have read all the terms & conditions of bid and the instructions and these are acceptable to me/us.

Name & Designation of the Authorized Signatory
Stamp of the PCA/Firm:

Date:

Place:

Annexure-II

(On letter head of Practicing Cost Accountant/ Firm /Company of Cost Accountants)

To
General Manager (Accounts),
Karnataka Power Corporation Limited,
No. 82, Shakti Bhavan,
Race Course Road,
Bengaluru (PIN: 560001).

Sl.No.	Particulars	
	Fees for Cost Audit (Excluding GST)	

Separate details to be entered as per instruction in e-procurement portal of Government of Karnataka.

Signature:

Name & Designation of the Authorized Signatory:

Stamp of the PCA/Firm:

Date:

Place:

Abstract of Tender Notification

NIT Reference: KPCL/Cost Audit/ 01 dated 26th July, 2023
Published on eproc.karnataka.gov.in in Open Tender
Category with two covers System under KTPP Act.

Service Reference: Appointment of Statutory Cost Auditor for the
block of FYs 2023-24 to 2025-26 of Karnataka
Power Corporation Limited.

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(Sd/-)
General Manager (Accounts)
Karnataka Power Corporation Limited
82, Race Course Road Bengaluru 560001