

APPOINTMENT OF COST AUDITOR FOR FINANCIAL YEAR 2020-21

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**NOTICE INVITING EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT
/APPOINTMENT OF COST AUDITORS FOR THE FINANCIAL YEAR 2020-21.**

NHDC Limited invites Expression of Interest (EOI) for Empanelment/ Appointment of Cost Auditors for the financial Year 2020-21. The scope of work along with detailed terms & conditions and schedule of fee together with Annex-I, II and III are available at the website www.eprocure.gov.in which can be downloaded. The empanelment/selection of the Cost Auditor shall be based on qualifying criteria given in 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/Appointment of Cost Auditors" so as to reach the office of General Manager (Finance), Finance Division, NHDC Office Complex, NHDC Limited, Near Hotel lake View Ashoka, Shymala Hills, Bhopal-462013 (Madhya Pradesh) latest by 23.03.2020 (1800 HRS).

**INVITATION OF EXPRESSION OF INTEREST (EOI) FOR
EMPANELMENT/APPOINTMENT OF COST AUDITORS FOR THE FINANCIAL YEAR
2020-21**

1. Introduction:

NHDC Limited (A Joint Venture of NHPC Ltd & Govt. of M.P.) formerly known as Narmada Hydroelectric Development Corporation Ltd., was set up on 1st August 2000 with its Corporate Office at Bhopal with the objective and commitment of development of hydropower and other renewable energy potential in the state of Madhya Pradesh. NHDC was entrusted with the construction of Indira Sagar Project (1000 MW) and Omkareshwar Project (520 MW) in Narmada basin on ownership basis. Both the projects have been completed ahead of schedule in the years 2004-05 and 2006-07 respectively and presently these two projects are under operation and supplying power to the state of Madhya Pradesh.

2. Power Stations for which Cost Auditors are to be empanelled:

Company intends to empanel/appoint Cost Auditors for F.Y 2020-21 for it's Power Stations located in the state of Madhya Pradesh namely Indira Sagar Power Station (1000MW) and Omkareshwar Power Station (520MW).

2.1 Firms having office / branch office located in Madhya Pradesh shall be eligible for empanelment.

3. Scope of Work:

Detailed scope of work shall be as under:

3.1 To Carry out Cost Audit of Cost Accounts of NHDC Limited (ISPS,OSPS), finalization of Audit Report (ISPS,OSPS & Company) in accordance with the provisions of Section 148 of the Companies Act, 2013 and provisions of the Companies (Cost Records 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 Accountants of India, from time to time.

3.2 Cost Auditor appointed by the Company shall also consolidate Cost Audit Reports and annexure to Cost Audit Reports of all Power Stations and file Cost Accounts/Statements/Audit Report in XBRL mode or other validated Format as notified in Companies Act. Conversion of Cost Accounts accounts/statements/Audit Report in XBRL mode or other validated format means the documents/annexure that is required to be uploaded digitally in MCA site.

3.3 Compliance with any other instruction issued in respect of cost audit under Companies Act, 2013.

3.4 Attending formal meetings with the Company management, Audit Committee/Board of Directors 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 of each power station.

5 Cost Audit Fees:

5.1 Audit Fees shall be as decided by the Company from time to time. For Cost Audit of 2020-21, the Cost Audit fee for two power stations is Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) including fee for consolidation of Cost Audit Reports and conversion of cost statements in XBRL/compatible version for filing with MCA.

5.2 Travelling & Daily Allowance (from branch office located in Madhya Pradesh) shall be paid extra and the same shall be regulated based on actual claims subject to the followings

| | |
|-----------------------------|--|
| Partner | Entitlement equal to General Manager (E-8) of NHDC |
| Qualified Assistant | Entitlement equal to Officer (E-2) of NHDC |
| Assistant/Supervisor | Entitlement equal to Supervisors (S-1) of NHDC. |

5.3 Goods & Service Tax (GST) shall be paid extra, as applicable.

5.4 Auditor shall make their own arrangements of Air/Train ticket, conveyance etc. For which expenses as per approved rates/norms of the Company shall be reimbursed on submission of bills along with proof. Submission of boarding pass along with ticket is essential in case of air travel.

6 Selection Criteria:

6.1 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 of Central/State Power sector PSUs. 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.

| Sl. No. | Selection Criteria | Minimum Criteria | Basis of Mark | Marks per Criteria | Maximum Marks |
|---------|---|---|-----------------|---------------------------|---------------|
| 1. | Firms Experience in Practice (From date of registration with the institute of Cost Accountants of India) | 5 years on the last date of submission of EOI | No. of Years | 2 marks per year | 20 |
| 2. | No. of partners with the firm for not less than three years (the partner must be holding certificate of practice issued by Institute of Cost Accountants of India and should be in whole time practice. | 2 Cost Accountant / Partner | No. of Partners | 2 marks for every partner | 20 |

| | | | | | |
|----|--|--------------|-------------------------------|------------------------|----|
| 3. | No. of Cost Audit assignment completed in PSU's from FY 2014-15 to FY 2018-19 (PSU concern should have minimum annual turnover of Rs. 500 Crore in each year)* | 1 Assignment | No. of Cost Audit assignments | 2 marks per assignment | 30 |
| 4 | No. of Cost Audit assignment in power sector companies | 1 Assignment | No. of Cost Audit assignments | 2 marks per assignment | 30 |

*Note: Copy of Profit & loss account to be submitted as proof of turnover.

6.2 From the EOI received by the Company, Firms of Cost Accountants who secures at least 50 marks as per qualifying criteria given above shall be prepared and maintained in descending order on the basis of highest marks. In other words, the Cost Accountants/Firm of Cost Accountants securing highest marks shall be kept at sl. No. 1 in the list and shall be selected for the assignment.

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

6.4 Pre-requisites for considering rankings:

- i. Requisite documentary evidence(s) in support of criteria at 6.1 (1 to 4) mentioned in table above is required to be submitted. Proposals without the required documentary evidence(s) shall not considered for evaluation. Copy of appointment letter/Copy of CRA-2/CRA-4 must be submitted for establishing credentials of experience.

6.5 Empanelment of Cost Accountant/Firm of Cost Accountants for appointment as cost auditor shall remain valid for 3 financial years.

7 Terms and Conditions:

- i. The tenure of appointment shall be at the sole discretion of the Company. The tenure shall be for a maximum of three 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 reserves the right not to reappoint at its sole discretion without assigning any reason therefore.
- ii. Maximum tenure of appointment for a cost auditor shall be a continuous period of three (3) years. After that Cost Auditor shall be considered for re-appointment after the cooling period of at least one year.
- iii. The Company reserves the right to accept / reject any or all the offers without assigning any reason whatsoever therefore.
- iv. Firms who have served in the capacity of Cost Auditor of the Company up to FY 2019-20 for consecutive three years shall not be considered for appointment as Cost Auditor for the Financial Year 2020-21. However, that firm may be considered for the Financial Year 2021-22 or thereafter in case he satisfies other laid down criteria.
- v. 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 authorised person of applicant firm.
- vi. Information related to Cost Audit Firms and selection criteria shall be submitted in the Annexure-I.
- vii. 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.
- viii. Payments shall only be made through Electronic Mode, hence Bank Details as per Annexure - III need to be submitted at the time of acceptance of the appointment.
- ix. Company shall deduct TDS/any other tax/levy as per prevailing rules/rates.
- x. 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 authorised signatory of the applicant firm(s) with the firm's seal
- xi. The offer should be submitted strictly as per terms and conditions laid down in the document. The Invitation of offer in the Prescribed Format at Annexure - I, II & III shall be submitted in physical form to following address:

**General Manager (Finance),
NHDC Office Complex,
NHDC Parisar
Near Hotel lake View Ashoka
Shymala Hills,
Bhopal
Contact No. 0755-4030045**

Application documents consisting all the documents as required/desired together with supporting 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.

8 Compliances / Declarations /Certificates 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 data, cost statement and cost information and any other information in respect of the operation of the Power Station / work centre / Company is dealt with in strict confidentiality and secrecy.
- iii. Assigned Cost audit work of the power Station shall be completed within time frame specified by the Company.
- iv. No partner of the cost audit firm should be related to either Chairman/Managing Director or any Whole Time Directors or Part Time Directors 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 Act, 1959 (23 of 1959) and the rules or regulations 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. If appointed, Cost audit firm(s) shall have prime responsibility to ensure that the maximum number of audit limits specified under Companies Act, 2013 are not violated.
- viii. The cost audit firm(s) shall be free from any disqualification under the Companies Act, 2013.
- ix. The partners holding Certificate of Practice issued by Institute of Cost Accountants of India are in whole time practice.
- x. 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.

9 Debarring Provisions:

The Audit Firm will be debarred from getting, in future, the Cost audit of NHDC Ltd

- 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 7 & 8 above.

Annexure-I

Format of the offer

| | | |
|---|--|--|
| 1 | Name of the Cost Auditor / Firm of Cost Auditor (Indicate whether Proprietary Concern or Partnership Firm) | |
| | Office Address i) Permanent Address ii) Correspondence Address iii) Telephone No. iv) Fax No. v) Email Address vi) Website | |
| | a) Year of Establishment b) Firm Registration No. (in case of partnership firm/sole proprietary firm) c) Proprietor Membership No. (In case of members not having firm name) d) GST Registration No. e) Permanent Account No. (PAN) of firm/Proprietor | |

Selection Criteria

| Sl. No. | Selection Criteria | |
|---------|--|--|
| 1. | Firm's experience in practice (From date of registration with the Institute of Cost Accountants of India) | |
| 2. | No. of partners/ with the firm for not less than 3 years. (The partners must be holding certificate of practice issued by Institute of Cost Accountants of India and should be in whole time practice. | |
| 3. | No. of Cost Audit assignment completed in PSUs from FY 2014-15 to 2018-19. (PSU concern should have minimum annual turnover of Rs. 500 Crore in each year) | |
| 4 | No. of Cost Audit assignment in Power Sector Companies | |

Note:

- 1) Documentary evidences of all the information as stated above are to be furnished along



with the offer.

- 2) All the pages of offers and documents are to be signed by the partner/owner of the firm along with seal of the firm.

Declaration:

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

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)



ECS -FORM

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)
(PAYMENT TO BIDDER THROUGH CREDIT CLEARING MECHANISM)

No. :

1. COST AUDIT FIRM'S NAME :

Address :

Phone/Mobile No. :

2. PARTICULARS OF BANK ACCOUNT OF COST AUDIT FIRM:

A. BANK NAME :

B. BRANCH NAME

Address :

Telephone No. :

C. IFSC code of the Bank
(For payments through RTGS):

D. ACCOUNT TYPE

(S.B. Account/Current Account

E. ACCOUNT NUMBER

(As appearing on the Cheque Book):

I hereby declared that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user Company responsible.

Date:

(.....)

Signature and seal of the firm

Certified that the particulars furnished above are correct as per our records.

(Bank's Stamp)

Date:

(.....)

Signature of the Authorised
Official from the Bank