

APPOINTMENT OF COST AUDITOR FOR FINANCIAL YEAR 2020-21

Table of Contents

Sl. No	Particulars	Page No
1	Notice Inviting Offers	2
2	Introduction	3
3	Power Stations for which Cost Auditors are to be empanelled.	3-4
4	Scope of Work	4
5	Cost Audit Team	5
6	Cost Audit Fees	5
7	Selection Criteria	5-7
8	Terms & Conditions	7-8
9	Compliances/Declarations/Certificates by firm(s) on appointment	8-9
10	Debarring provisions	9

Annexures

Annex No	Particulars	Page No
I	Format of the Offer	10-11
II	Declaration of ineligibility	12
III	Bank details	13

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

NHPC Ltd. 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.nhpcindia.com/www.icmai.in (PD Portal) 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 submitted their application in prescribed format through electronic form with subject heading “**Expression of Interest (EOI) For Empanelment/Appointment of Cost Auditors**”. All the documents should be signed with the seal of the firm and scanned subsequently into one PDF file and emailed to nhpc-cost@nhpc.nic.in/nhpccost@gmail.com . Last date for submission of application is **29/05/2020**. No application shall be entertained after this date. In case of any query, please contact Sh. Naveen Samariya, Sr. Manager (Fin) Mob No 9419037174 or Sh. R. K. Yadav, Sr. Manager (Fin) Mob No 9990012933.

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

1. Introduction:

NHPC Ltd. a Mini Ratna Category-I Enterprise of the Govt. of India with an authorised share capital of Rs. 15,000 Crore with an investment base of around Rs. 60,000 crore is ranked as a premier organization in the country for development of hydropower.

It has 22 Power Stations in operation with an installed capacity of 5551 MW across the country.

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 J&K, Himachal Pradesh, Uttarakhand, Rajasthan, Sikkim, West Bengal, Manipur and Tamilnadu . One of the appointed firms shall be designated as Lead Cost Auditor also.

2.1 Power Stations of NHPC Ltd.

Sl. No.	Power Stations	Situated in States/ UTs	Sl. No.	Power Stations	Situated in States /UTs
1	Uri-I	J&K	12	Bairasuil,	Himachal Pradesh
2	Uri-II	J&K	13	Chamera-I	Himachal Pradesh
3	Salal	J&K	14	Chamera-II	Himachal Pradesh
4	Dulhasti	J&K	15	Chamera-III	Himachal Pradesh
5	Sewa-II	J&K	16	Parbati-III	Himachal Pradesh
6	Chutak	J&K	17	Solar Power Project	Tamilnadu
7	Nimmo Bazgo	J&K	18	Loktak	Manipur
8	Kishan Ganga	J&K	19	TLDP-III	West Bengal
9	Tanakpur	Uttarakhand	20	Teesta-V	Sikkim
10	Dhauliganga	Uttarakhand	21	Rangit	Sikkim
11	Wind Power Project, Jaisalmer	Rajasthan	22	TLDP-IV	West Bengal

2.2 Project expected to be commercially operative during the financial year 2020-21.

Sl. No.	Power Stations	Situated in States
1	Parbati-II	Himachal Pradesh

2.3 Power Stations given in the details at para no. 2.1 and 2.2 shall be distributed in the two Zones in the following manner:

- i. Zone – I :
 - a. Power Stations at sl. no. 1 to 17 of para 2.1 *and*
 - b. Project mentioned in para 2.2
- ii. Zone – II : Power Stations at sl. no. 18 to 22 of para 2.1

2.4 Firms having office / branch office located in the state of Himachal Pradesh, Uttarakhand, Rajasthan, Punjab, Haryana, Uttar Pradesh, Delhi and union territory of J&K and Ladakh shall be considered for Zone –I. Firms having office / branch office located in the state of Sikkim, West Bengal, Assam and Manipur shall be considered for Zone –II. Two separate panel shall be maintained for empanelment of Cost Auditors for each Zone.

3 Scope of Work:

Detailed scope of work shall be as under:

3.1 To Carry out Cost Audit of the Power Stations of 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 Lead Cost Auditor designated by the Company shall consolidate Cost Audit Reports and annexure to cost audit reports of all power stations as certified by the respective Cost Auditors of the Power Stations. Lead Cost Auditor shall also work for conversion of Consolidated Cost Audit Reports in XBRL mode, filling the same with Central Government and other associated works at Corporate Office, Faridabad.

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 2019-20, the Cost Audit fee per power station was ₹ 75,000/- (Rupees Seventy Five Thousand) and Cost Audit fee to the Lead Cost Auditor for consolidation of Cost Audit Reports and annexure is ₹ 75,000/-(Rupees Seventy Five Thousand). Fees for F.Y. 2020-21 shall be fixed by the Competent Authority.

5.2 Travelling & Daily Allowance shall be paid extra and the same shall be regulated based on actual claims subject to the followings:

Partners : Entitlement equal to General Manager of NHPC.

Qualified assistants : Entitlement equal to Senior Manager of NHPC.

Other Assistants : Entitlement equal to Assistant Manager of NHPC.

5.3 Statutory Taxes/levies & duties shall be paid extra, as applicable.

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 Marks	Marks per criteria	Maximum marks
1.	Period of establishment of the Firm of Cost Accountants Period of establishment of the Firm since date of registration with the Institute of Cost Accountants of India (ICAI).	At least 5 Years of standing in Profession as on date of Application.	No. of years	2 marks per full year of existence	20
2	No. & Experience of Partners	2 Partners having	No. of	i) 2 marks for every Partner in practice	

	No. of Partners associated with the Firm for a minimum period of three years as on the date of application. (The partners must be holding certificate of practice issued by Institute of Cost Accountants of India and should be in whole time practice).	experience of minimum 3 years.	Partners	for more than 10 years ii) 1.5 marks for every partner in practice for more than 5 years and upto 10 years. iii) 1 mark for every partner in practice for 3 to 5 years.	20
3	Experience of the Firm in PSUs No. of Cost audit assignment completed in PSUs from F. Y. 2014-15 to 2018-19. (PSUs concern should have minimum annual turnover of ₹ 500 Crore in the year for which audit assignment was given)	1 Assignment (Company-wise per year of Audit)	No. of Cost audit assignments	2 marks per assignment (Company-wise per year of Audit)	25
4	Experience of the Firm in Power sector No. of Cost audit assignment in Power Sector Companies from F.Y. 2014-15 to 2018-19.	1 Assignment (Company-wise per year of Audit)	No. of Cost audit assignments	2 marks per assignment (Company-wise per year of Audit)	30
5	Experience of Cost Audit in ERP System The firm should have experience of cost audit in ERP based Environment. (Companies where Audit of cost record maintained in ERP based system has been done during the financial years from 2014-15 to 2018-19 shall be considered)	One Audit of a Company having Accounts in ERP System	No. of Companies Audited in ERP System	1 Marks per Company *	5
				Total	100

*For experience of Cost Audit in ERP System, Cost Audit for multiple years in a company shall be counted as experience of one Company.

6.2 From the EOI received by the Company, Zone wise panel of 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 attainment of highest marks. In other words, the Firm of Cost Accountants securing highest marks shall be kept at no.1 in the list. Two separate panel shall be maintained for empanelment of Cost Auditors for each Zone.

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

- a) 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 5) mentioned in table above is required to be submitted. Proposals without the required documentary evidence(s) shall not be considered for evaluation.

6.5 Empanelment of 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 three years.
- iii. The Company reserves the right to accept / reject any or all the offers without assigning any reason whatsoever therefore.
- iv. Appointment in respect of the project given in 2.2 would be subject to it's becoming commercially operative during the financial year 2020-21.
- v. Firms who have served in the capacity of Cost Auditor of the Company upto F. Y. 2019-20 for consecutive three years shall not be considered for appointment as Cost Auditor.
- vi. 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.

- vii. Information related to Firm of Cost Accountants and selection criteria shall be submitted in the Annexure-I.
- viii. Declaration that Firm of Cost Accountants 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.
- ix. 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.
- x. Company shall deduct TDS/any other tax/levy as per prevailing rules/rates.
- xi. 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.
- xii. 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 through electronic form i.e. e-mail with subject heading “**Expression of Interest (EOI) For Empanelment/Appointment of Cost Auditors**”. All the documents should be signed with the seal of the firm and scanned subsequently into one PDF file and emailed to nhpc-cost@nhpc.nic.in/nhpcost@gmail.com. Last date for submission of application **29/05/2020**. No application shall be entertained after this date.

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 and 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. In addition to this, the cost audit firm(s) must not be holding any assignment of physical Verification or Internal Audit of NHPC Ltd.
- 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 NHPC 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.

Format of the offer**1. Detail of Establishment**

Name of the Firm of Cost Accountants	
Registration No. of the Firm:	
Date of Registration of the Firm:	
PAN No. of the Firm:	
GST Registration No. :	
Zone for which Cost Audit of NHPC is applied for	

2. Detail of Head Office and Branch Office

	Address	Date of Establishment	Contact Person/Mobile No. /other contact Nos.	E- mail	Supporting document
Head Office					
Branch Office 1					
Branch Office 2					

3. Detail of Partners

Sl No.	Name of the Partner(s)	Membership No.	Date of joining the firm as Partner	No. of years completed in full time practice	Supporting document

4. Details of Experience in Public Sector Enterprises (PSEs) from F.Y. 2014-15 to 2018-19.

Sl No.	Name of the Public Sector Enterprises	Fin. Year of Audit	Turnover of the PSEs (Rs. in Crore)	Supporting document

5. Details of Experience in Power Sector Companies from F.Y. 2014-15 to 2018-19.

Sl No.	Name of the Company	Fin. Year of Audit	Supporting document

6. Details of Exposure of Cost Audit in ERP based Environment from F.Y. 2014-15 to 2018-19.

Sl	Name of the Company*	Fin. Year of Audit	Supporting document

No.			

*For experience of Cost Audit in ERP System, Cost Audit for multiple years in a company shall be counted as experience of one Company.

Note:-

- 1) All supporting proofs/ documents in respect of evaluation criteria must be submitted with the application. Firms of Cost accountants will be shortlisted strictly on the basis of documents submitted.
- 2) List of documents to be submitted along with the applications/ EOIs:
 - a. Latest registration certificate of the firm issued by The Institute of Cost Accountants of India w.r.t the information related to the year of establishment of Head Office, Branch Office(s), address(es), details of partners along-with their membership nos. etc. Particulars as indicated in the Certificate(s) will be treated as conclusive and used for the purpose of evaluation of EOIs.
 - b. Copy of PAN card.
 - c. Copy of GST Registration.
 - d. Certificate of practice issued by Institute of Cost Accountants of India to partners.
 - e. Copies of appointment letters for Cost Audit in PSUs / power sector companies in evidence of experience.
 - f. Firms with experience in PSUs have to submit a certificate to the effect that the annual turnover of the auditee for the relevant financial years is Rs 500 Crores or more along with self-attested copies of published accounts showing turnover for the relevant years/ CIN and other relevant web links to verify the turnover or certificate giving year- wise turnover details issued by the company.
 - g. A Certificate from Company having ERP based accounts whose Cost Audit has been carried out by the Cost Audit Firm during FY 2014-15 to FY 2018-19 needs to be attached.
- 3) A copy of complete EOI document duly signed as a token of acceptance of all terms and conditions and sealed.
- 4) 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 NAME OF FIRM OF COST ACCOUNTANTS : _____

Address : _____

Phone/Mobile No. : _____

2. PARTICULARS OF BANK ACCOUNT OF FIRM OF COST ACCOUNTANTS:

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 or Cash _____

Credit with Code 10/11/13): _____

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