



A Maharatna Company

APPOINTMENT OF COST AUDITOR FOR FINANCIAL YEAR 2017-18

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Corporate Office: NTPC Bhawan, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi -110003.

Website: www.ntpc.co.in

**NOTICE INVITING EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT/APPOINTMENT
OF COST AUDITORS FOR THE FINANCIAL YEAR 2017-18.**

NTPC Ltd. invites Expression of Interest (EOI) for Empanelment/ Appointment of cost Auditors for the financial Year 2017-18. 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.ntpc.co.in/www.icmai.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 in the office of General Manager, Finance Commercial, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003 latest by **07.08.2017**.

INVITATION OF EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT/APPOINTMENT OF COST AUDITORS FOR THE FINANCIAL YEAR 2017-18

1. Introduction:

NTPC is India’s largest energy conglomerate with roots planted way back in 1975 to accelerate power development in India. Since then it has established itself as the dominant power major with presence in the entire value chain of the power generation business. From fossil fuels it has forayed into generating electricity via hydro, nuclear and renewable energy sources. To strengthen its core business, the corporation has diversified into the fields of consultancy, power trading, training of power professionals, rural electrification, ash utilisation and coal mining as well.

NTPC became a Maharatna company in May 2010, one of the only four companies to be awarded this status. NTPC was ranked 400th in the ‘2016, Forbes Global 2000’ ranking of the World’s biggest companies.

Present installed capacity of NTPC is 51,635 MW (including 7,216 MW through JVs/Subsidiaries) comprising of 48 NTPC Stations (20 Coal based stations, 7 combined cycle gas/liquid fuel based stations, 1 Hydro based station), 9 Joint Venture stations (8 coal based and one gas based) and 12 renewable energy projects.

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

	Station	State	Capacity (MW)
Coal Based Stations:			
1	Singrauli	Uttar Pradesh	2,015
2	Korba	Chhattisgarh	2,600
3	Ramagundam	Telangana	2,610
4	Farakka	West Bengal	2,100
5	Vindhyachal	Madhya Pradesh	4,760
6	Rihand	Uttar Pradesh	3,000
7	Kahalgaon	Bihar	2,340
8	Talcher Super	Orissa	3,010
9	TTPS	Orissa	460
10	Dadri Thermal	Uttar Pradesh	1,825
11	Tanda	Uttar Pradesh	440
12	Unchahar	Uttar Pradesh	1,060
13	Sipat	Chhattisgarh	2,980
14	Simhadri	Andhra Pradesh	2,000
15	Badarpur	Delhi	705

16	Mouda	Maharashtra	1,660
17	Barh	Bihar	1,320
18	Bongaingaon	Bihar	250
Gas Based Stations:			
19	Anta	Rajasthan	419
20	Auraiya	Uttar Pradesh	663
21	Dadri Gas	Uttar Pradesh	830
22	Faridabad	Haryana	437
23	Kawas	Gujarat	656
24	Gandhar	Gujarat	657
25	Kayamkulam	Kerala	360
Solar PVs:			
26	Andaman SPV	Andaman & Nicobar Island	5
27	Rajgarh SPV	Madhya Pradesh	50
28	Anantpur SPV	Andhra Pradesh	250
29	Bhadla SPV	Rajasthan	260
Hydro :			
30	Koldam	Himachal Pradesh	800
Wind:			
31	Rojmal	Gujarat	2

The capacity addition during the year will be in addition to the above mentioned stations.

3. Scope of Work:

The broad scope of work would be:

- 3.1 To conduct Cost audit of the Company in accordance with the provisions of the Companies (Cost Audit Report) Amendment Rules 2016. 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 audit team should consist of adequate number of qualified/semi-qualified assistants (Cost Accountants) led by a senior partner of the Firm so as to be commensurate with cost audit work requirements.
- 3.3 Verification and certification of cost proformas maintained by the Company as per Companies (Cost record & audit) Rules, 2014.
- 3.4 Verification and certification of annexures to the cost audit report.
- 3.5 Cost audit firm so appointed shall commence cost audit and submit necessary reports as per the schedule communicated by NTPC, along with reservation or qualification or observations or suggestion, if any in form CRA-3 and annexures as per notification or any other instructions issued by Central Government from time to time or any other section of the Companies Act 2013.

4. Selection Criteria:

- 4.1 Firms of Practicing Cost Accountants registered with the Institute of Cost Accountants of India (ICAI) shall be considered for Shortlisting /Appointment as Cost Auditors for conducting Cost Audit of Units of the Company.
- 4.2 The following will be the basis of Points for the selection which will be made on the basis of attainment of highest Points.

Sl. No.	Selection Criteria	Basis for awarding of Points	Maximum Points
1	Firm's experience in practice (From date of registration with the Institute of Cost Accountants of India) (No: of years)	2 Point for every 2 years of Firm's Registration.	10
2	Experience of the firm in conducting statutory cost Audit of PSU.	2 Point for each completed Cost Audit of a PSU Unit/ Company.	10
3	Experience relating to Power Generation Industry	5 Point for a completed Cost Audit of Power Generation Industry.	5
4	Number & Experience of partners in the Firm*	5 Marks per Member / Partner in full time practice for more than 10 years 4 marks per Member / Partner in full time practice for 5-10 years 3 marks per Member / Partner in full time practice for less than 5 years	20
5.	Proficiency in SAP/ERP System	5 Points for exposure in SAP/ERP Environment – For Cost Audit	5
		TOTAL	50

*He/She should be a partner in the firm for a minimum period of one year as on date of application.

4.3 The following documentary evidence duly signed by partner with seal of the firm should be submitted in support of each of the above – mentioned criteria:

- a) Proof of Registration of Firm clearly indicating the Registration date and firm registration number issued by ICAI.
- b) Partnership Deed, communication from ICAI or other evidence clearly indicating the partners in the firm with their membership number and date from which they are with the firm.
- c) Proof indicating Effective date of issue of Certificate of Practice (Full time) shall be provided for experience of Member/ Partner.
- d) Proof of Final Pass Certificates / Membership of the Institute for Qualified Assistants is to be provided along with date from which they are with the firm.
- e) Copy of Appointment / Engagement letter for Cost Audit in the PSU / Company or other evidence clearly indicating engagement of the firm as Cost Auditor in the company is to be provided.

4.4 From the EOI received by the Company, panel of Cost Accountants/ firms of Cost Accountants who secures at least 30 marks as per qualifying criteria given above shall be prepared and maintained in descending order on the basis of attainment of highest marks i.e. the Cost Accountants /Firm of Cost Accountants securing highest marks shall be kept at no.1 in the list.

4.5 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.

5 Terms and Conditions:

- i. **Audit team:** The team should consist of qualified assistants led by a senior partner of the firm commensurate with the size of the organization / area of work.
- ii. **Submission of Report:** Cost audit firm so appointed will start conducting the audit after communication from Corporate Center and will submit the Cost Audit Report to General Manager - Finance Commercial within stipulated time.
- iii. The Cost Auditor shall submit Performance Appraisal Report (PAR) and suggestions for effective cost control and improvement thereof to General Manager – Finance Commercial.
- iv. The Cost Auditor shall attend and make presentation to the Audit Committee Meeting and Board Meeting, if required, on the Cost Audit under review.
- v. **Period of Audit:** Initially the period of audit will be for one year i.e. for the year 2017-18 but it may further be extended to 2nd , 3rd , 4th and 5th year i.e. 2018-19, 2019-20, 2020-21 and 2021-22 at the same rate and terms and conditions subject to satisfactory performance. However, the above tenure is not to be interpreted as assured and NTPC reserves the right not to re-appoint at its sole discretion without assigning any reason thereof.
- vi. Maximum tenure of appointment for a cost auditor shall be a continuous period of five (5) years. After that Cost Auditor shall be considered for re-appointment after the cooling off period as per the Companies Act 2013 or as prescribed by the relevant authorities from time to time.
- vii. The Company reserves the right to accept / reject any or all the offers without assigning any reason whatsoever.
- viii. Appointment in respect of the projects commercialised during the year will be informed separately.
- ix. Firms who have served in the capacity of Cost Auditor of the Company upto F. Y. 2016-17 for consecutive four years shall not be considered for appointment as Cost Auditor for financial year 2017-18.
- x. Overwriting/correction is not permitted.
- xi. Information related to Cost Audit Firms and selection criteria shall be submitted in the Form-I.

- xii. Declaration that Cost Audit Firm have not been banned/de-listed/de-barred from business by any PSU/Govt. Department during last 04 (four) years shall be submitted in Form-II.
- xiii. Payments shall only be made through Electronic Mode, hence Bank Details as per Form – III need to be submitted at the time of acceptance of the appointment.
- xiv. Company shall deduct TDS/any other tax/levy as per prevailing rules/rates.
- xv. 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 Form – I, II & III shall be submitted in physical form to following address:

**General Manager- Finance Commercial,
NTPC Bhawan, Scope Complex, Core-6, 4th Floor
7, Institutional Area, Lodhi Road, New Delhi -110003.**

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.

6. Cost Audit Fees:

6.1 Audit Fees shall be as decided by the Company from time to time.

6.2 Cost Audit fee for the financial year 2016-17 was as follows

Fee Structure	
Station Capacity	Fee per Station (Rs.)
upto 999 MW	67500
1000 to 1999 MW	101250
2000 MW and above	135000
CC –Lead Auditor / Consolidation	75000
Solar PV up to 50 MW	10000
Solar PV above 50 MW	25000

6.3 The above fee structure will be continue for the financial year 2017-18.

6.5 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 NTPC.
- Qualified assistants** : Entitlement equal to **Senior Manager** of NTPC.
- Other Assistants** : Entitlement equal to **Manager** of NTPC.

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

7. Compliances / Declarations /Certificates by firm(s) on appointment:

7.1 The Cost Audit Firm shall not sub-contract the assigned cost audit work,

7.2 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.

7.3 Assigned Cost audit work of the power Station shall be completed within time frame specified by the Company.

7.4 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,

7.5 Neither the cost audit firm nor its partner(s) or associates should have any interest in the business of the Company,

7.6 The cost auditor will be required to submit a certificate that

- 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;
- The auditor / firm is free from any disqualification under sub-section (3) or sub-section (4) of section 141 read with sub-section(5) of section 148 of the Companies Act, 2013. In addition to this, the Auditor/ Firm is not holding any assignment as Statutory Auditor or Internal Auditor of NTPC Ltd. and its subsidiaries as on the date of appointment and during the continuity of the Cost Audit.
- Where a cost accountant is a partner / proprietor of more than one firm, in such case, only one firm shall be allowed to take part in the selection process of NTPC Ltd. If it is found that more than one Firms having common partners makes application in the EOI initiated by NTPC Ltd., then applicant with highest marks among the firms (having common partners) shall only be considered and applications of other firms(having common partners) shall stand cancelled.
- 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;
- the proposed appointment is within the limits laid down by or under the authority of the Companies Act 2013; and
- 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.

- 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.
- 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 NTPC Ltd.
- The partners holding Certificate of Practice issued by Institute of Cost Accountants of India are in whole time practice.
- 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.

8. Debarring Provisions:

The Audit Firm will be debarred from getting, in future, the Cost audit of NTPC 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 5 & 7 above.

Format of the offer

1	Name of the Cost Auditor / Firm of Cost Auditor (Indicate whether Proprietary Concern or Partnership Firm)	
2	Office Address i) Permanent Address ii) Correspondence Address iii) Telephone No. iv) Fax No. v) Email Address vi) Website	
3	a) Year of Establishment b) Firm Registration No. (In case of Partnership Firm/Sole proprietary Firm) c) Proprietor's Membership No. (In case of members not having Firm Name) d) GST Regn. No. e) Permanent Account No. (PAN) of Firm/Proprietor	

Selection Criteria

S.no.	Selection Criteria	
1.	Firm's experience in practice (From date of registration with the Institute of Cost Accountants of India)	Detailed Experience with period.
2	Experience of the firm in conducting statutory cost Audit of PSU.	Detailed Experience with period.
3	Experience relating to Power Generation Industry	Detailed Experience with period.
4	Number & Experience of partners in the Firm	Detail of each partner / member
5	Proficiency in SAP/ERP System	Specify details

Note:-

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

Declaration:-

I, _____ Partner / Proprietor 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 regarding 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.

(Signature and seal of the firm)

F) 9 DIGIT MICR CODE OF THE BANK BRANCH (ENCLOSE COPY OF A CANCELLED CHEQUE)

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G) 11 DIGIT IFSC CODE OF THE BANK BRANCH

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H) BANK ACCOUNT NUMBER

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I) BANK ACCOUNT TYPE (TICK ONE)

SAVING	CURRENT	LOAN	CASH CREDIT	OTHERS
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IF OTHERS, SPECIFY

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5. PERMANENT ACCOUNT NUMBER (PAN)

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6. E-MAIL Address(for Intimation regarding release of payments)

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I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or credit is not affected at all for reasons of incomplete or incorrect information, I/We would not hold the Company responsible.

DATE

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SIGNATURE

(AUTHORISED SIGNATORY)

Name:

(OFFICIAL STAMP)

BANK CERTIFICATION:

It is certified that above mentioned beneficiary holds a Bank Account No. _____ with our branch and the Bank particulars mentioned above are correct.

SIGNATURE

DATE

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(AUTHORISED SIGNATORY)

Authorization no.:

Name:

OFFICIAL STAMP