

**POWER GRID CORPORATION OF INDIA LIMITED**  
**(A Govt. of India Enterprise)**

**LETTER OF INVITATION FOR APPOINTMENT OF COST AUDIT FIRMS FOR CONDUCTING  
COST AUDIT IN POWERGRID FOR THE FINANCIAL YEAR 2017-18.**

Specification No. : CC-CS/828-CC/MISC-3739/3/G3

Dated : 03.07.2017

**Letter of Invitation (LOI)**

Power Grid Corporation of India Limited, a Government of India Enterprise, calls applications from reputed Cost Accountant Firms **having office in Delhi NCR (as per records of Institute of Cost Accountants of India)** for appointment as Cost Auditors for the financial year 2017-18 for its Power Transmission and Telecom businesses. The appointment of Cost Auditors shall be initially for one year (FY 2017-18) which can be further extended on annual basis for a maximum period of two years on same fees, terms and conditions.

Two firms shall be appointed, one for the Cost Audit of Power Transmission business of five Regions (i.e. NR-I, NR-II, NR-III, WR-I and WR-II) and another for Cost Audit of Power Transmission business of other five Regions (i.e. ER-I, ER-II, NER, SR-I and SR-II) & the Cost Audit of Telecom business of the Company. One of the two firms (to be decided by POWERGRID) shall be responsible for consolidation and filing of Cost Audit Report of the Company with MCA, Govt. of India in XBRL format for an additional fee @ 10% of the amount of cost audit fee to one cost auditor. The appointment of Cost Auditor shall be at the sole discretion of the Management of the Company.

Minimum fee for assignment of Cost Audit by a firm will be Rs. 1,25,000/- for the FY 2017-18. Taxes will be paid extra as applicable. Travelling and out of pocket expenses be reimbursed at actual as per the policy of the Company.

The offer is to be submitted in two envelopes, one containing credentials for evaluation of qualification criteria and another for financial offer.

The format of application along with annexures on scope of work, selection criteria and general terms and conditions can be downloaded from the official website of the Company; [www.powergridindia.com](http://www.powergridindia.com),

Firms may send their applications in the prescribed format along with annexures under sealed cover to the GM (Fin.-Books), POWER GRID CORPORATION OF INDIA LIMITED, Plot No. 2, Sector-29, Gurgaon, Haryana - 122001 so as to reach this office latest by 10<sup>th</sup> July, 2017 up to 02.00 PM. The applications received after 02.00 PM shall not be entertained. The letter of invitation received up to 02.00 PM shall be opened at 02.30 PM on the same date in the presence of audit firms who choose to remain present in opening of letter of invitation.

**TABLE OF CONTENTS**

<b>S. No.</b>	<b>Description</b>	<b>Page No.</b>
1.	Format of Application	3-4
2.	Annexure A - Scope of Work	5
3.	Annexure B - Selection Criteria	6
4.	Annexure C - General Terms & Conditions	7-9
5.	Annexure D - Financial offer for Appointment	10

**FORMAT OF APPLICATION FOR APPOINTMENT OF COST AUDITOR IN POWER GRID CORPORATION OF INDIA LIMITED FOR THE FINANCIAL YEAR 2017-18**

1. Name of the Firm:
2. Registration No. of the Firm :  
(Institute of Cost Accountants of India)
3. Date of Registration of the Firm:
4. Details of Head Office & Branch Office(s):

Head Office:

Address	Date of Establishment	Contact No(s)	E-mail

Branch Office 1

Address	Date of Establishment	Contact No(s)	E-mail

Branch Office 2

Address	Date of Establishment	Contact No(s)	E-mail

Branch office 3

Address	Date of Establishment	Contact No(s)	E-mail

(Insert further Branch Office(s), if any)

5. Details of Partners in the Firm:

Sl.No	Name of the Partner	Membership No.	Membership Status ACMA/FCMA	Date of joining the firm as partner
1.				
2.				
3.				
4.				

6. Details of Qualified Assistants

Sl.No	Name of the Assistant	Membership No.	Membership Status Fellow/Associate	Date of joining the firm as Qualified Assistant
1.				
2.				
3.				
4.				

7. Details of Experience in Power Sector companies under State/Central Government (from FY 2010-11 to FY 2016-17)

Sl.No.	Name of the Company/Unit	Year of Cost Audit Conducted
1.		
2.		
3.		
4.		

8. Details of Experience in State / Central Government companies other than of Power Sector (from FY 2010-11 to FY 2016-17)

Sl.No.	Name of the Company/Unit	Year of Cost Audit Conducted
1.		
2.		
3.		
4.		

9. Income Tax PAN No. of the Firm :

10. GST Registration No.:

11. Bank details for e-payment:

1.	Bank Name, Address	
2.	Branch Name, Address	
3.	Bank Account Number with nature/type of account, Saving/ Current	
4.	IFSC Code No. of the Bank/Branch	
5.	A cancelled cheque of the said Bank Account	

Note:

Self attested documentary proofs in support of all above criteria are to be furnished alongwith the application.

### **Declaration**

This is to certify that all the information given above is true and correct to the best of my/our knowledge. If it is found later that the information is false or wrong, my/our application shall be liable to be rejected.

I/We will abide by the Terms & Conditions set by the company for the appointment of Cost Auditors.

Signature of Partner with  
Name & Seal of the Audit Firm

**Scope of Work**

Scope of work includes Cost audit of Transmission of Power business and Telecom business of the Company. The audit is to be conducted under section 148 of the Companies Act, 2013 in accordance with the Companies (Cost Records and Audit) Rules, 2014, notified by Government of India, Ministry of Corporate Affairs (MCA) vide its notification dt. 30.06.2014, as amended thereafter, in adherence to the relevant orders/clarification as issued from time to time 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.

One of the two Cost Auditor firms selected shall be assigned the work of consolidation and filing of Cost Audit Report of the Company with MCA, Govt. of India in XBRL format as Lead Cost Auditor and the additional fee for the same shall be paid @ 10% of the amount of cost audit fee to one cost auditor.

All the required information for Cost Audit shall be provided at Corporate Office, Gurgaon. However, visits to the Regional headquarters may be made by the Cost Auditors as per requirement of the work.

The Cost data in various formats, as required by the Companies (Cost Records and Audit) Rules, 2014 and amendment thereof and other applicable laws / acts, shall be certified by the Cost Auditor(s).

**SELECTION CRITERIA (POINT ALLOCATION) FOR APPOINTMENT OF  
COST AUDIT FIRMS WILL BE AS FOLLOWS**

<b>S. No.</b>	<b>Particulars</b>	<b>Points to be allocated</b>	<b>Maximum Points</b>
1.	Year of Establishment of the Audit Firm	1(one) per year in existence (for each completed year)	15 (Fifteen)
2.	No. of Partners in the Firm who are with the Firm for a minimum period of three years as on date of application	a. 3(three) for each Partner who is ACMA b. 5(five) for each Partner who is FCMA	25 (twenty five)
3.	No. of Qualified Assistants (Chartered/ Cost Accountants) employed with the Firm	2 (Two) per Qualified Assistant	10 (ten)
4.	Experience of the Firm as Cost Auditor in Power sector company under State/Central Government (from FY 2010-11 to FY 2016-17)	3 (three) per year per Unit/Company(*)	30 (thirty)
5.	Experience of the Firm as Cost Auditor in State/ Central Government companies other than Power Sector (from FY 2010-11 to FY 2016-17)	2 (two) per year per Unit/Company(*)	20 (twenty)
	Total Points		100 (hundred)

(\*) for example, Cost Audit of multiple units of a Company in a year shall be counted as 1(one) Cost Audit.

## Annexure - C

### GENERAL TERMS AND CONDITIONS

#### **A. Selection**

- i) The panel for successful Audit Firms will be made in descending order considering the qualifying criteria. Financial offer of the top six firms shall be opened in the presence of Cost Audit Firms who choose to remain present. These top six firms shall be intimated date and time for opening of the financial offer. The firm with the lowest offer for Audit assignment only shall be selected as one of the Cost Auditor. The firms quoting next higher fee in sequence shall be asked to match their offered price with the lowest (L1) Audit Firm till the requirement of two firms are met.
- ii) If, any firm of Cost Auditor who is selected for appointment as per (i) above and refuse to accept the appointment the next firm in sequence shall be offered the appointment subject to matching the price with lowest (L1) audit firm.
- iii) Further, in case of two or more firm quoting same fee, the firm having highest points scored, and in case of the tie on points, the firm registered earlier will be considered for appointment.
- iv) The team should consist of adequate number of qualified /semi qualified Assistants (Cost/Chartered Accountant) led by a senior partner of the Firm.
- v) The appointment of Cost Auditor shall be initially for one year which can be further extended on annual basis for a maximum period of two years on same fees, terms and conditions, based on the experience gained by POWERGRID. The Cost audit firms will start the Cost Audit immediately after the finalization of accounts for the FY 2017-18 and will submit report within 45 days to GM (Fin.-Books), POWER GRID CORPORATION OF INDIA LIMITED, Plot No. 2, Sector-29, Gurgaon, Haryana - 122001.

#### **B. TA/DA:**

TA/DA shall be paid for out of city tours to sites as applicable to E6 grade (Chief Manager) for Partners and E2A grade (Accounts Officer) for the Assistants according to the applicable TA rules of POWERGRID as given below. Visits to sites can be made by the Audit Firms based on the requirement of work with prior consent of the Management.

ACCOMODATION CHARGES & DA ALLOWANCE ON TOUR							
Level	ACCOMODATION (Rate/day in Rs.)			DAILY ALLOWANCE (Rate/day in Rs.)			
				FOOD & INCIDENTAL		COMPOSITE	
	Delhi, Mumbai, Bangalore, Hyderabad, Chennai & Kolkata	Other Principal Cities	Ordinary Cities (@80% of principal cities)	Principal Cities	Others	Principal Cities	Others
Chief Manager (E6)	5600	4400	3520	900	720	1130	904
Accounts officer (E2A)	3150	2475	1980	700	560	880	704

**Principal Cities:** Agra, Ahmedabad, Allahabad, Amritsar, Asansol, Bangalore, Bhopal, Chennai, Coimbatore, Delhi, Dhanbad, Faridabad, Greater Mumbai, Hyderabad, Indore, Jabalpur, Jaipur, Jamshedpur, Kanpur, Kochi, Kolkata, Lucknow, Ludhiana, Madurai, Meerut, Nagpur, Nasik, Patna, Pune, Rajkot, Surat, Vadodara, Varanasi, Vijayawada, Vishakhapatnam

**C. Cost Audit Fee:**

Cost Audit Fee and additional fee (along with applicable taxes) for consolidation work shall be paid after completion of Audit and filing of Cost Audit Report with the Ministry of Corporate Affairs. The payment of TA/DA shall be processed after receipt of original bills along with relevant documents/proofs on completion of audit. TDS shall be deducted at applicable rates.

D. All supporting proofs/ documents in respect of selection criteria must be submitted with the application. Cost Audit Firms will be shortlisted strictly on the basis of documents submitted.

**E. Other terms and conditions:**

The appointment of auditors is subject to the following Compliance/ Declarations/ Certificates:

- a) The Audit Firm shall not sub-contract the work;
- b) The audit team will ensure that the information in respect of the operation of the Area/Unit is dealt in strict confidence and secrecy.
- c) Whether partners of the Audit Firm are related to Managing Director/whole time Director or part-time Director of company within the meaning of clause (77) of section 2 of the Companies Act, 2013 read with rule 4 of the Companies (Specification of definitions details) Rules, 2014.
- d) Neither the firm nor its partner or Associates have any interest in the business of Company;
- e) The auditor will be required to issue certificate of Independence and arm's length relationship with the Company;
- f) The Cost Auditors shall have prime responsibility to ensure that he does not violate the limits specified under section 141 (3)(g) of the companies Act, 2013;
- g) The Cost Auditors shall be free from any disqualification under Section 148 of the Companies Act, 2013. In addition to this, Audit Firm must not be holding any assignment as Statutory Auditor or Internal Auditor/ Physical verifier of POWERGRID and its Subsidiaries for relevant financial year;
- h) Cost Audit firm will not be offered more than one appointment as Cost Auditor for POWERGRID and its Subsidiaries;
- i) Where a Cost Accountant is a Partner/Owner of more than one firm, in such case, only one firm shall be allowed to take part in the LOI process of POWERGRID. If it is found that more than one Firms having common partners makes application in the LOI initiated by POWERGRID, than applicant with highest evaluated points among the firms (having common partners) shall only be considered and applications of other firms (having common partners) shall stand cancelled;
- j) The partners should hold certificate of practice issued by Institute of Cost Accountants of India and should be in whole time practice.
- k) The Audit Firm will be debarred from getting, in future, the Cost audit in POWERGRID and its Subsidiaries in the following cases:



- i) If the firm obtains the appointment on the basis of false information/false statement.
  - ii) If the Firm does not take up audit in terms of appointment.
  - iii) If the Firm does not submit the audit report, complete in all respect in terms of appointment.
  - iv) If the Firm violates any of the stipulations under clause (a) to (j).
- 
- l) Overwriting/correction/erase and use of white ink should be avoided. However, if any Overwriting/correction/erase is inevitable, that should be authenticated with the applicant's signature.
  - m) The Cost auditor shall undertake that data given to the Auditor by POWERGRID and any information generated from the data provided shall not be used by the Auditor for any other purpose.
  - n) The offer should be submitted strictly as per the terms & conditions laid down in the LOI document. All documents, duly stamped and signed, are to be submitted as a token of acceptance of all terms and conditions. Both envelopes (EOI and Financial Offer must be sealed and super scribed with the LOI No. & date mentioning 'Appointment of Cost Audit Firm - FY 2017-18'. The envelope containing financial offer should also be marked clearly as "Financial Offer" on the top of the envelope. The name and address of the firm must be indicated on the body of the envelope.
  - o) Application may be submitted by the firm in person or may be sent by post to GM (Fin. - Books), Power Grid Corporation of India Limited, Plot No. 2, Sector 29, Gurgaon, Haryana - 122001. POWERGRID, however, does not take any responsibility for loss of application in transit. Application sent through Fax or E-mail will not be entertained.
  - p) Applications received after the due date and time shall be ignored. For late receipt of application due to any reason whatsoever, POWERGRID will not be responsible.
  - q) Jurisdiction of Courts: Any dispute arising out of or in respect of the contract will be subject to the jurisdiction of Courts at New Delhi only.
  - r) Disclaimer: POWERGRID reserves the right to accept or reject any or all responses and to request additional submissions or clarification from one or more Applicant(s) at any stage or to cancel the process entirely without assigning any reason.

**Annexure-D**

**FINANCIAL OFFER FOR APPOINTMENT OF COST AUDITOR IN POWER GRID CORPORATION OF INDIA LIMITED FOR THE FINANCIAL YEAR 2017-18**

<b>S.No</b>	<b>Particulars</b>	<b>Fee (Rs.)</b>
1	Cost Audit Fee	
2	Taxes (if any)	
	Total	

(Minimum fee for assignment of Cost Audit by a firm will be Rs. 1,25,000/- for the FY 2017-18.)

Signature of Partner with  
Name & Seal of the Audit Firm