

BID DOCUMENT

EXPRESSION OF INTEREST FOR APPOINTMENT/ EMPANELMENT OF COST AUDITOR FOR THE FINANCIAL YEAR 2022-23



SJVN LIMITED

INTERNAL AUDIT DEPARTMENT

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Headquarters,

Shanan, Shimla

Himachal Pradesh - 171006

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Corporate Identity Number (CIN): L40101HP1988GOI008409

SJVN Limited

Mini Ratna & Schedule 'A' Company

EXPRESSION OF INTEREST (EOI) FOR APPOINTMENT/ EMPANELMENT OF COST AUDIT FIRM FOR CONDUCTING COST AUDIT FOR THE FINANCIAL YEAR 2022-23.

SJVN Limited invites expression of interest for appointment/empanelment of Cost Audit Firm for Cost Audit of the Cost Accounting Records. The scope of work along with detailed terms & conditions and estimated schedule of fee together with Attachment-1 & 2 are available at the website www.sjvn.nic.in which can be downloaded. The selection of the auditor shall be based on overall suitability of the firm and its experience in the cost audit of Central/state Power sector PSUs. Preference will also be given to firm having its office near headquarter of SJVN.

Interested firms (having requisite experience in Cost Audit of Central/State Power Sector organisations / PSUs and having its office preferably in northern region) may send their application in prescribed format in envelop super scribing **“Appointment/Empanelment of Cost Audit Firm”** so as to reach in the office of **Chief Internal Auditor, Room No. 204, Internal Audit Department, SJVN Corporate Head Quarters, Shakti Sadan, Shanan, Shimla (HP)- 171006** latest by **25th March, 2022** up to **05:00 PM**.

SJVN Limited

Mini Ratna & Schedule 'A' Company

Selection and Appointment of Cost Auditor

A) Introduction:

SJVN Limited, a Mini Ratna, Category-I and Schedule 'A' CPSE under administrative control of Ministry of Power, Govt. of India, was incorporated on May 24, 1988 as a joint venture of the Government of India (GOI) and the Government of Himachal Pradesh (GOHP). SJVN is now a listed Company having shareholders pattern of 59.92% with Govt. of India, 26.85% with Govt. of Himachal Pradesh and rest of 13.23 % with Public. The present paid up capital and authorized capitals of SJVN are Rs. 3,929.80 Crore and Rs. 7,000 Crore respectively. The present Net Worth is Rs.13349.21 Crore.

Beginning with a single Project and single State operation (i.e. India's largest 1500 MW Nathpa Jhakri Hydro Power Station in Himachal Pradesh) the Company has commissioned six projects totalling 2016.5 MW of installed capacity. SJVN is presently implementing Power Projects in Himachal Pradesh, Uttarakhand, Uttar Pradesh, Bihar, Maharashtra, Punjab and Gujarat in India besides neighbouring countries viz. Nepal and Bhutan.

SJVN intends to empanel Cost Auditor for audit of the Cost Accounting Records prepared under section 148(1) of the Companies Act, 2013. The applications are invited from the firms of Cost Accountant preferably of Northern region, having requisite experience in Cost Audit of Power Sector organisations / PSUs along with their latest resume for empanelment.

In exercise of the powers conferred under sub-sections (1) & (2) of section 469 and section 148 of the Companies Act, 2013, the Ministry of Corporate Affairs, Govt. of India, New Delhi has issued notification for conducting Cost Audit under sub-section (1) of section 148 of Companies Act, 2013 in respect of each of its financial year commencing on or after the 1st day of April, 2014 and Rule (3B) (a) (iv) of Companies (Cost Records and Audit) Rules, 2014. Hence, SJVN Ltd desires to empanel the Cost Auditors for conducting Cost Audit of SJVN Ltd.

B) Scope of Work:

SJVN is looking for engagement of eligible Cost Audit firm preferably from Northern Region for carrying out the following job: -

- i. Cost audit is to be conducted for the Financial Year 2022-23 in respect of five projects (**Annexure-III**) viz. NJHPS, RHPS, Khirvire Wind Power Plant, Charanaka Solar Power Plant and Sadla Wind Power Plant in accordance with Companies (Cost of Records and Audit) Rules, 2014 as published in the official gazette of Govt. of India, Ministry of Corporate Affairs and as required by Section 148 of the Companies Act, 2013 and in adherence to the relevant orders/clarifications 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.

- ii. The Cost Auditors shall be responsible for uploading the Cost Audit Report for the Company to MCA as per the requirement of Companies (Cost Records and Audit) Rules, 2014.

C) Audit team:

The team should consist of adequate number of qualified/ semi qualified Assistants (Cost Accountants) led by a senior partner of the firm.

D) Proposed Audit Fee:

The audit fee will be as follow:

- i. The annual Cost Audit fee for all five nos. of projects shall be Rs. 2,10,000/-.
- ii. The travelling and out of pocket expenses will be paid subject to production of documentary evidence. The entitlement for the purpose of payment of travelling shall be as per SJVN rule which shall be indicated in detail in the offer.
- iii. GST shall be paid extra as applicable on furnishing copy of the registration certificate.

E) Selection Criteria/Evaluation: -

The selection of the Cost Auditor shall be as per qualitative criteria for selection of cost auditor indicated in Annexure-I which is based on the overall suitability of the firm and its experience in the cost audit of Central/State Power sector PSUs. The firm securing maximum marks will be selected as per (Annexure-II). In case of two or more firms securing same marks, preference will be given to firm having its office near headquarter of SJVN Ltd. In case if there is tie again then preference will be given to a firm scoring highest marks (after ignoring the requirement of maximum limit) for additional experience of Power Sector PSUs (Central/State). Further, in case if there is tie again between the shortlisted firms then the overall total points/marks obtained by the firms by ignoring the requirement of maximum limits against the points/marks for different category wise selection criteria shall be considered for selection of firm.

F) Other Terms and Conditions:

- i. The tenure of appointment shall be at the sole discretion of the Company. The tenure for appointment shall be initially for one year. The period of appointment can further be extended for another period of two years based on the satisfactory performance of Auditor.
- ii. Maximum tenure of appointment for a cost auditor shall be a continues period of three (3) years. After that Cost Auditor shall be considered for re-appointment after the cooling period of three years.

- iii. Firm who has served in the capacity of Cost Auditor of the Company up to FY 2021-22 for consecutive three years shall not be considered for appointment as Cost Auditor.
- iv. Company shall deduct TDS/any other tax/levy as per prevailing rules/rates.

G) Compliances/Declarations by firm(s):

- i. The Audit firm must not sub contract the work.
- ii. The audit team will work in strict confidence and will ensure that the information in respect of the operation of the area/ unit is dealt in strict confidence and secrecy. A certificate towards maintaining confidentiality to be provided by the Cost Auditor before commencement of audit.
- iii. No partner of the Auditors is related to C.M.D./ whole time Director or part time or Independent Director of the company within the meaning of Sub-Section (76) & (77) of the Companies Act,2013.
- iv. Neither the firm nor its partner or associates have any interest in the business of the company.
- v. The auditor will be required to issue certificate of Independence before commencement of audit.
- vi. If appointed, a Cost Auditor shall have prime responsibility to ensure that he does not violate the limits specified under section 141 (3) (g) of the Companies Act, 2013.
- vii. The auditor / firm shall be free from any disqualification under section 143 (3) of the Companies Act, 2013.
In addition to this, Audit Firm must not be holding any assignment as Statutory Auditor or Internal Auditor of SJVN Ltd.
- viii. The partners holding certificate of Practice issued by Institute of Cost Accountants of India are in whole time practice.
- ix. 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.
- x. The Audit Firm will be debarred from getting the Cost Audit in future in SJVN in the following cases:
 - a. If the firm obtains the appointment on the basis of false information/ false statement.
 - b. If the firm does not take up audit in terms of appointment letter.
 - c. If the firm does not submit the audit report, complete in all respect in terms of appointment letter.
 - d. If the Firm violets any of the stipulations from (i) to (ix).
- xi. The offer should be submitted strictly as per terms and conditions laid down in the document. Application documents duly sealed and signed are to be submitted as a token of acceptance of all terms and conditions. All envelopes must be sealed and super scribed mentioning **“Appointment / Empanelment of Cost Audit Firms”**.
- xii. Application received after the due date and closing time of submission of applications shall be ignored. Any application received late due to any reason whatsoever will not be accepted.
- xiii. Jurisdiction of courts: Any dispute arising out of or in respect of the contract will be subject to the jurisdiction of High Court of H.P., Shimla Only.

- xiv. Disclaimer: SJVN reserves the right to accept or reject any or all responses and to request additional submissions or clarifications from one or more Applicant(s) at any stage or to cancel the process entirely without assigning any reason.

H) GENERAL INSTRUCTION TO AUDIT FIRM(S)

1. Expression of Interest (EOI) may be submitted by the 'Person' who is authorized to submit the bid on behalf of Audit Firm/LLP either through 'Partnership Deed' or by 'Power of Attorney.'

Duly Notarized true copy of 'Partnership Deed' and Power of Attorney in original (if bidder submitting the bid is not authorized in Partnership Deed) may be submitted along with bid.

2. Firm(s) not having the requisite experience need not to apply.
3. Format for Application (Annexure-I) must be completely filled in. Incomplete applications will be rejected out-rightly.
4. Please ensure that date of registration of Registered Office / Branch Office(s), date of joining of partners/qualified/semi-qualified assistants into the firm should be invariably indicated in the application.
5. All EOI will be evaluated on the basis of the documents furnished along with application only. Any additional documents received, after last date & time of receiving of EOI as stipulated in the notice inviting EOI, will not be entertained.
6. Since, all the applications will be evaluated strictly on the basis of Selection Criteria as per "*Annexure – II*", attaching unsolicited information / documents may be avoided to enable processing of applications expeditiously.
7. All documents submitted should be signed by a authorized person with his name and under the seal of the firm.
8. Overwriting/correction/erase and/or use of white ink should be avoided in the offer. However, if overwriting/correction/erase is inevitable, the same should be authenticated with the signature & seal of authorized person of applicant firm.
9. Any application received after the stipulated date and time due to any reason whatsoever, will be rejected out-rightly.
10. Application on Fax, E Mail will not be considered.

Format of Application

1.	Name of the Cost Auditor/ Firm of Cost Auditor (Indicate whether Proprietary Concern or Partnership Firm)	
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2.	a) Firm Registration No. (In case of Partnership Firm/Sole Proprietary Firm) b) Proprietor's Membership No. (In case of members not having Firm Name) c) GST Registration No. d) Permanent Account No. (PAN) of firm/proprietor.		Respective page no of the document.
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3.	Year of establishment/Date of Registration of the firm.		Page No
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4. Details of Head Office & operative Branch Office(s): -

Head Office: -

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

Operative Branch Office(s): -

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

5. Details of Partners in the Firm/Limited Liability Partnership: -

Sl. No	Name of the Partner	Membership No.	Membership Status ACMA/FCMA	Date of joining of the firm as partner	Respective page no of the document.

6. Details of Qualified Assistants: -

Sl. No	Name of the Qualified Assistants	Membership No.	Membership Status ACMA/FCMA	Date of joining of the firm as Qualified Assistant	Respective page no of the document.

7. Details of Semi-Qualified Assistants: -

Sl. No	Name of the Semi-Qualified Assistant	Whether CMA Intermediate	Date of Joining the firm as Semi-Qualified Assistants	Page No

8. Details of Turnover for the last three years: -

Sl. No	Financial year	Turnover	Average Turnover for the last three years	Page No
1	2018-19			
2	2019-20			
3	2020-21			

9. Details of Experience in Power Sector PSUs (Central/State): -

Sl. No	Name of the Company/Unit	Year of Audit	Type of Audit – Statutory Cost Audit	Page No

10. Whether Internal/Statutory/Cost Audit of SJVN Ltd. has been conducted earlier. If yes, then details of financial years and name of project/office for which the Internal/statutory/cost Audit has been conducted shall be given as per table given below.

Type of audit assignment in SJVN	Project/office	Period of Audit

11. Bank details for NEFT: -

i.	Bank Name	
ii.	Branch Name, Address & Pin Code	
iii.	Type of account (saving or current account)	
iv.	IFSC Code No.	

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 authorized partner/owner of the firm along with seal of the firm.

Declaration: -

I/We, _____ 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 / Empanelment as Internal Auditors

**Signature of Authorized Partner/Owner with
Name & Seal of the Audit Firm**

Annexure - II

**QUALITATIVE CRITERIA (POINT ALLOCATION) FOR SELECTION OF COST
AUDITORS WILL BE AS FOLLOWS**

Sr. No	Criteria	Mini. Criteria	Max. Marks	Evaluation Criteria
1	Year of Establishment of the Audit Firm / Limited Partnership Firms (Minimum 5 years)	5 years	5	5-6 years = 2 marks 7-8 years = 3 marks 9-10 years = 4 marks More than 10 years = 5 marks
2	No. of Partners/Cost Accountants associated with the firms for not less than three years as on date of application	One (1 no.) Cost Accountant	5	One mark each for every partner i.e., firm having one partner will get one mark and so on.
3	Turnover of the firm (Average annual turnover in the Last three financial years i.e. 2018-19,2019-20 & 2020-21)	At least Rs.10 Lakh	5	10-12 lakh = 3 marks >12-15 lakh= 4 marks More than 15 lakh= 5 marks
4	No. of Cost Audit assignments of power sector PSUs (Centre/State) during the last 7 years (i.e. FY-2014-15 to FY 2020-21)	5 assignments	10	5-7 nos. = 5 marks 8-10 nos. = 6 marks 11-15 nos. = 8 marks More than 15 nos. = 10 marks
5	Place of Registered Office/Branch office of Cost Accountant firm		5	HP/Chandigarh= 5 marks Delhi (NCR)/Punjab/Haryana/ Utrakhand = 3 marks Any other states = 2 marks
		Total Points	30	

Supporting Documents for Qualitative Criteria:

- 1) For Serial no. 1, copy of registration of the firm.
- 2) For Serial no. 2, details of the Cost Accountants/Partners associated with the firm along with their registration number.
- 3) For Serial no. 3, the firm must submit a copy of the Balance Sheet/Profit & Loss Account for the last three financial years i.e. FY 2018-19, 2019-20 & 2020-21.
- 4) For Serial no. 4, the firm must submit copies of appointment letters from the Auditee Organization.
- 5) For Serial no. 5, Proof of registered office/branch offices.

LIST OF PROJECTS (FY 2022-23)

Sr. no.	Name of Project	Location
1	Nathpa Jhakri Hydro Power Station (NJHPS) (1500 MW)	Jhakri, Distt. Shimla (HP).
2	Rampur Hydro Power Station (RHPS) (412 MW)	Jhakri/Bayal, Distt. Shimla (HP).
3	Khirvire Wind Power Plant (KWPP) (47.6 MW)	Distt. Nashik, Maharashtra.
4	Charanaka Solar Power Plant (CSPP) (5 MW)	Distt. Patan, Gujrat.
5	Sadla Wind Power Project (SWPP) (50 MW)	Distt. Surendranagar, Gujrat.