



**Himachal Pradesh Power Corporation Limited**  
**(A State Government Undertaking)**  
**Himfed Building, BCS, New Shimla-171009.**  
**Phones: 0177-2671589**  
**CIN: U40101HP2006SGC030591**

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**NOTICE INVITING EXPRESSION OF INTEREST FOR APPOINTMENT /  
EMPANNELMENT OF COST AUDIT FIRMS FOR THE YEAR 2018-19**

HPPCL invites expression of interest from Cost Audit Firms for appointment / empanelment of Cost Audit Firms for Conducting Cost Audit for the F.Y. 2018-19. The Application form, Scope of Work, detailed Terms & Conditions and Fee Structure are as per **Annexure – “A” & “B”** which are available at HPPCL's web site [www.hppcl.in](http://www.hppcl.in) and can be downloaded. The selection of the Auditor shall be based on overall suitability of the firm and its experience in conducting of Cost Audit of Central/state Power sector PSUs.

Interested firms (having requisite experience in conducting Cost Audit of Central/State Power Sector organizations / PSUs and having its office preferably in Himachal Pradesh or at Chandigarh, may send their application in prescribed format in separate envelopes superscribing "**Appointment / Empanelment of Cost Audit Firms**", so as to reach in the office of Director (Finance), Himachal Pradesh Power Corporation Limited, Himfed Building, BCS, New Shimla (H.P.)-171009, **latest by 25<sup>th</sup> July 2018, upto 4.00 PM** and same will be opened at 4.30 PM, on same date, in the presence of authorized representatives of the participating firms.

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**Director (Finance)**

**Himachal Pradesh Power Corporation Ltd.**

**Selection and Appointment of Cost Auditors**

**A) Introduction:**

HPPCL is a state Govt. PSU under the administrative control of Ministry of MPP & Power, Govt. of H.P. It is a fast upcoming electricity generation utility.

HPPCL intends to empanel Cost Accountants Firms to conduct Cost Audit of Cost Accounting Records prepared under section 148(1) of the Companies Act, 2013. The applications are invited from the firms of Cost Accountants, preferably based in H.P. and Chandigarh / Northern region, having requisite experience in maintenance of Cost Records/Cost Audit of Power Sector organizations / PSUs, along with their latest resume for empanelment.

In exercise of the powers conferred by sub-sections (1) and (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 (i) of Section 148 of the Companies Act, 2013, in respect of each of its financial year commencing on or after the 1<sup>st</sup> day of April, 2014 and Rule (3B) (a) (iv) of Companies (Cost Records and Audit) Rules, 2014. Hence, HPPCL desires to empanel the Cost Auditors for conducting cost audit of HPPCL.

**B) Scope of Work:**

HPPCL 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 2018-19, in respect of 2 No. projects viz. Integrated Kashang HEP Stage-I (65 MW) and Sainj HEP (100 MW), in accordance with Rule (38)(a)(iv) of Companies (Cost Records and Audit) Rules, 2014, as published in the Official Gazette of Govt. of India, Ministry of Corporate Affairs and as required by the 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 schedule of fee will be as follow:

- i. Cost Audit fees for each project under Generation only : Rs.35,000/-
- ii. The travelling and out of pocket expenses will be re-imbursed to the Partners of the Cost Audit Firm at rates at par with the entitlement of G.M. Level executive and to its Audit Assistants at par with Finance Officer level executive of the Corporation.
- iii. GST shall be paid extra as applicable on furnishing the registration Number with the appropriate authority.
- iv. The fees payable shall be paid on submission of Cost audit Report. Audit Firm is to submit fee invoices including TA/DA Claims, supported by the stay certificate issued by the HoD of Finance of the concerned project and any other supporting documents required to process such bills.

#### **E) Selection Criteria:-**

The selection of the Cost Auditor shall be as per qualitative criteria for selection of cost auditor indicated in **Annexure-“C”**, 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. Preference will be given to firm having its office near the Headquarter of HPPCL.

#### **F) Other Terms and Conditions:**

The appointment of Cost Auditors is subject to the following declarations:

- i. The Audit firm must not subcontract 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/units 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 M.D./ whole time Director or part time or Independent Director of the company within the meaning of Sub-section(76) & (77) of Section 2 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 specific under section141 (3) (g) of the Companies Act, 2013.
- vii. The auditor / firm shall be free from any disqualification under section141(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 HPPCL.
- 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 caused by the Auditor for any other purpose.
- x. The Audit Firm will be debarred from getting the cost audit in future in HPPCL 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 superscribed 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:** HPPCL 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.

**Format of the offer**

- 1 **Name of the Cost Auditor / Firm of Cost Auditors**  
(indicate whether Proprietary Concern or Partnership Firm)
- 2 **Office Address**
  - i) Permanent Address
  - ii) Correspondence Address
  - iii) Telephone No.
  - iv) Fax No.
  - v) E-mail Address
  - vi) Web site
- 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 Registration No.
  - e) Permanent Account No. **(PAN)** of Firm/Proprietor
- 4 Average Annual Turnover of the firm in the Last 3 preceding financial years.
- 5 No. of Partners in the firm indicating separately fellow partners and associate partners.
- 6 No. of qualified assistants (Cost Accountants) in the firm. He should be a member of his respective institute.
- 7 No. of Semi qualified assistants (Inter Cost Accountant) in the firm and relevance and quality of the Methodology for execution of work.
- 8 Experience:
  - i No. of years in conducting Cost Audit
  - ii Experience in years in conducting statutory cost audit of Central/State PSU's engaged in Generation of electricity.
  - iii Experience in years in conducting statutory Cost Audit of Central/State PSU's in service industries other than mentioned in (ii) above.
- 9 Whether any partner/owner is also a partner/owner of any other firm of Cost Accountants. If yes, then furnish the following details.
  - i) Name of such partners along with Membership No.
  - ii) Name of firm along with registration no. in which the said member is partner/owner. Choice of the firm for which such partner be considered for assignment of marks as indicated at Sr. No. (ii) of the criteria of selection of cost auditors for empanelment.
- 10 Address of the office / Branch near to HQ of HPPCL.

**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.
- 3) Partner/owner of the Firm \_\_\_\_\_, hereby declare that the above information furnished are true & correct to the best of my knowledge and I will abide by the Terms & Conditions set by the company for the Empanelment of Cost Auditors.

Signature of the Partner/Owner  
(with seal of the Firm)

**Supporting Documents for Qualitative/Selection criteria:**

Following supporting documents must be submitted by the firm along with the technical proposal:

1. For Serial No. 1, details of Cost Accountants, associated with the firm along with their registration number.
2. For Serial No. 2, copy of the registration of the firm along with the copy of the first assignment carried out by the firm.
3. For Serial No. 3, the firm must submit a copy of the balance sheet for the last three years i.e. 2015-16, 2016-17 and 2017-18.
4. For Serial No. 4, the firm must submit a copy of the appointment letters from the Auditee Organisations.
5. For Serial No. 5, Proof of Registered office /branch

**List of Projects (F.Y. 2018-19)**

<b>Sl No</b>	<b>Name of the Project</b>	<b>Location</b>
1.	Integrating Kashang Hydro Electric Project (Stage-I) (65 MW)	Recongpeo, Distt. Kinnaur (H.P.)
2.	Sainj Hydro Electric Project (100 MW)	Sarabai, Distt. Kullu (H.P.)