



Meghalaya Energy Corporation Limited

(Government of Meghalaya Enterprise)

Corporate Identification Number: U40101ML2009SGC008374

Registered Office: Lumjingshai, Short Round Road, Shillong – 793001, Meghalaya

Telephone No.: 0364-2591074; Fax No.: 0364-2590355

Website Address: www.meecl.nic.in

NOTICE INVITING EXPRESSION OF INTEREST

FOR APPOINTMENT/EMPANELMENT

OF COST AUDIT FIRMS FOR COST AUDIT

FOR THE FINANCIAL YEAR 2017-18, 2018-19 & 2019-20

Ref No.: MeECL/CS/COST AUDIT/2012/1073 dated 23/08/2017

Meghalaya Energy Corporation Limited (MeECL) invites Expression of Interest from the Cost Audit firms having Registered Office/Branch Office located in Eastern Region of India for empanelment as Cost Auditors of its three subsidiaries viz., **Meghalaya Power Generation Corporation Ltd (MePGCL)**, **Meghalaya Power Distribution Corporation Ltd (MePDCL)** and **Meghalaya Power Transmission Corporation Ltd (MePTCL)** mainly responsible for Generation of Hydro Power, Distribution of Power and Transmission of Power within the State respectively for three financial years commencing from the FY 2017-18.

The relevant documents along with annexures can be downloaded from the Corporation website www.meecl.nic.in, or can be obtained from the Office of the Company Secretary, Meghalaya Energy Corporation Ltd, Lumjingshai, Short Round Road, Shillong-793001, Meghalaya on any working day (Monday to Friday) between 10:00 AM and 3:00 PM.

Firms may send their applications in the prescribed format at the Annexures and to reach the Office of the Company Secretary, Meghalaya Energy Corporation Ltd, Lumjingshai, Short Round Road, Shillong-793001, Meghalaya latest by 05/09/2017 within 3:00 pm. The offers will be opened on the same day (i.e., on 05/09/2017) at 3:30 pm.

Sd/-

(G.S. Mukherjee)

Company Secretary

Meghalaya Energy Corporate Limited

Dated: Shillong

The: 23rd August, 2017



**SELECTION AND APPOINTMENT
OF COST AUDITORS
For three subsidiary companies of
Meghalaya Energy Corporation Ltd**

FOR THE FINANCIAL YEAR 2017-18, 2018-19 & 2019-20

1. Introduction:

The Meghalaya Energy Corporation Ltd (MeECL) is a Government Company incorporated under the Companies' Act, 2013 having its registered office at Lumjingshai, Short Round Road, Shillong-793001, Meghalaya. The three subsidiary Companies of MeECL namely **Meghalaya Power Generation Corporation Ltd (MePGCL), Meghalaya Power Distribution Corporation Ltd (MePDCL), and Meghalaya Power Transmission Corporation Ltd (MePTCL)** are State utilities mainly responsible for Generation of Hydro Power, Distribution of Power and Transmission of Power respectively within the State.

The Meghalaya Energy Corporation Ltd (the "Holding Company) wishes to engage cost Auditors for three of its subsidiary companies for the financial year 2017-18, 2018-19 and 2019-20.

2. **Scope of Work:** MeECL is looking for empanelment of eligible Cost Audit Firms for carrying out the following job:-

- (a) Cost audit for the FY 2017-18, 2018-19 and 2019-20 to be conducted in accordance with Order No. G.S.R 425 (E) dated 30th June 2014 & G.S.R 695 (E) dated 14th July 2016 in line with Sub-Sections (1) and (2) of Section 469 and Section 148 of the Companies' Act, 2013 (18 of 2013) as issued by the Govt. of India, Ministry of Corporate Affairs and in adherence to the relevant orders/clarification/notifications 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.
- (b) i) The total installed capacity of MePGCL is 354.7 MW, there are four Generating stations namely, 3x 42 MW Myntdu Leshka HEP, 2 x 20 MW New Umtru HEP, 1.5 MW Sonapani Projects and four stages of Umiam Generating station. There are two ongoing projects, one is 3x7.5 MW Ganol HEP and another is Lakroh HEP.
 - ii) The MePDCL is looking after distribution of Electricity throughout the State. Different ongoing projects under Rural Electrifications, System improvements etc. are going on.
 - iii) The MePTCL is manly looking after Transmission of Electricity within State which is 132KV and onwards. Different projects under World Bank scheme and other System improvement Schemes are going on.
- (c) All formats as required by statute are to be certified.

3. **Selection Criteria:** The following will be the basis of marks for the selection/empanelment- Selection/empanelment will be done on the basis of attainment of highest marks obtained.

SL No	Norms	Basis of Marks	Maximum	Minimum Qualifying Marks
1	Year of establishment of Firms(s) since date of Registration.	3 marks per year	24	15
2	Numbers of partners in the Firm.	3 marks for each Member of Institute of Cost Accountants of India.	21	9
3	The Firm having the experience of conducting statutory Cost Audit in Central/ State PSUs.	i) 3 marks for each year Cost audit in Central / State PSU other than Power Sector (Maximum 15) ii) 5 marks for each year Cost audit in Central Power Sector PSU (Maximum 15 marks)	30	15
4	The partner(s) having experience in Internal Audit/ Accounting /Finance/ Commercial in Power Sector.	i) More than 10 years (5 marks) ii) More than 15 Years (10 marks)	10	0
5	Turnover of the firm (Average annual in the last three years (Rupees in Lakh)	5 to10= 5 Marks >10= 7 Marks	7	5
6	Audit Firms having registered office/branch Office within Eastern / North Eastern Region of the country	North Eastern Region = 8 marks, Eastern Region (other than NER) = 6 marks	8	6
	Total		100	50

Note:

- i. Documentary evidence in support of each of the above mentioned criteria are required to be submitted.
- ii. In case of a tie, a firm with longer experience will be preferred. If still there is a tie, a Firm with a higher number of Partners those are members of the Institute of Cost Accountants will be considered.

Audit team: The team should consist of adequate number of qualified Cost Accountant led by a senior partner of the Firm.

4. TERMS AND CONDITIONS:

- I. **Submission of Report:** The Cost audit firm so appointed will start conducting the job after finalisation of Accounts and will submit the final report within 30 days to the Chairman-Cum-Managing Director of the Corporation(s).
- II. **Period of Audit:** The qualified firms will be empaneled for a period of 03 (three) financial years commencing from the FY 2017-18. However, appointment will be given to the eligible Cost Audit firm on year-to-year basis as per the agreed terms and conditions subject to satisfactory performance and the approval of the appropriate authority.

III. Existing Cost Audit Firm: The existing cost audit firm or any other cost audit firm in which the partner(s) of the existing cost audit firm is/are in employment/engaged/partnered will not be considered for evaluation.

IV. Audit Fees: The schedule of annual audit fees shall be inclusive of all expenditure. GST on fees shall be paid extra as applicable on furnishing the registration number with the appropriate authority. No other expenditure will be borne/reimbursed by the Corporation(s) except the fees and tax as mentioned above:

- i) For MePGCL the fee for Cost Audit for 2017-18 will be Rs. 60,000 with annual increment of 10%.during the FY 2018-19 and 2019-2020
- ii) For MePDCL the fee for Cost Audit for 2017-18 will be Rs. 50,000 with annual increment of 10%.during the FY 2018-19 and 2019-2020.
- iii) For MePTCL the fee for Cost Audit for 2017-18 will be Rs. 40,000 with annual increment of 10% during the FY 2018-19 and 2019-2020.

V. Validity of Empanelment

The validity of empanelment will initially be for a period of 3 financial years starting from 2017-18 for conducting Cost Audit. The Company at its sole discretion may extend the validity of panel with the approval of the Competent Authority of the Company for a further period of 01 (one) year after completion of the 03rd year (ie. FY 2019-20).

However, MeECL has the right to cancel the empanelled list without assigning any reason.

VI. Evaluation of Bids

The evaluation of the bids will be done as per the evaluation/selection criteria mentioned at Clause No. 3 above. The firm securing the highest mark on evaluation shall be selected. If on evaluation, it is found that more than one firm gets the highest marks or same marks, then, the selection shall be done as per footnote of Clause 3 above or at the sole discretion of the Company.

VII. Place of Audit

The Audit work has to be conducted mainly in the Corporate office at Lumjingshai, Short Round Road, Shillong, Meghalaya- 793001, but as per requirement the Audit may be conducted at any other place as may be decided by MeECL.

VIII. Payment Terms

Payment will be released after submission of the bill by the Cost Audit Firm after issuance of Cost Audit Report and adoption of the Cost Audit Report during the Annual General meeting. No advance payment shall be paid.

IX. The Management of MeECL reserves the right to reject all or any bids without assigning any reason(s), whatsoever.

X. Identification of Nodal Officer

The successful Cost Audit Firm shall nominate a Nodal Officer, within 10 days from the award of the work/contract. Details of the Nodal Officer should be given to MeECL immediately after his/her nomination for timely and smooth interaction.

XI. Dispute

In case of any dispute arising during execution of contract, an amicable solution may be arrived at with discussion and reconciliation. However, in case of any dispute remaining unresolved, the decision of the Chairman & Managing Director, MeECL will be final and binding on both the parties.

XII. The Audit Firm satisfying / fulfilling the above minimum criteria may download the bid Document from www.meecl.nic.in, or collect the same from the office of the Company Secretary, Meghalaya Energy Corporation Ltd, Lumjingshai, Short Round Road, Shillong-793001, Meghalaya on any working day (Monday to Friday) between 10:00 AM and 3:00 PM.

XIII. Last date for submission of Bids

The Bid (along with all other supporting documents) is to be signed by the Authorised Signatory on each and every page of the bid document, along with duly filled in format enclosed as annexed.

The envelope containing the Bid should be super-scribed 'Empanelment of Cost Audit Firm for conduct of Cost Audit', and shall reach MeECL's Corporate Office on or before **5th September, 2017** latest by **3:00 PM** at the following address:

To,

**The Company Secretary
Meghalaya Energy Corporation Ltd
Lumjingshai, Short Round Road
Shillong – 793001
Meghalaya**

XIV. Opening of Bid

Bids will be opened on **the 5th September, 2017 at 03:30 PM** in the presence of applicants, who desire to be present there. The Bid received after the specified date/time/incomplete/unsigned/in open envelope/by fax will not be considered and therefore will be rejected.

In case of any clarification required in this regard, the firms are requested to contact at phone number 0364- 2591074, Email: companysecretarymeecl@gmail.com

The MeECL reserves the right to cancel/restrict/modify/postpone and/or extend the date of receipt/opening of Bid or withdraw the Bid notice without assigning any reason(s) whatsoever. In such case the bidders shall not be entitled to any form of compensation from the Company.

XV. Other Terms & Conditions:

The appointment of auditors is subject to the following declarations:

- a) The Audit Firm must not sub-contract the work;
- b) The audit team will work in strict confidence and will ensure that the information in respect of the operation of the O&M Units is dealt in strict confidence and secrecy. A Certificate towards maintaining confidentiality to be provided by the Cost Auditor before commencement of Audit;
- c) No partner of the Auditors is related to Managing Director/whole time Director or part-time Director of the Company within the meaning of Section 2(77) of the Companies' Act, 2013;
- d) Neither the firm nor its partner or Associates have any interest in the business of the Company;
- e) The auditor will be required to issue certificate of Independence;
- f) The Cost Auditor shall have prime responsibility to ensure that he does not violate the limits specified under Section 139 (2) of the Companies' Act, 2013;
- g) The auditor/ firm shall be free from any disqualification as mentioned under Sec. 141(3) of the Companies' Act 2013;
- h) The auditor/firm shall need to submit certificates U/S 148, read with 139 & 141 of the Companies Act, 2013, certificate u/s 2(l)(b), 6(1) of Cost & Works Accountant Act, 1959, Certificate under Rule 6(1)(1A) as per Clause V of Companies (Cost records & audit) Amendment Rules, 2016 & a copy of validity of certificate of practice.
- i) The partners holding certificate of practice issued by the Institute of Cost Accountants of India are in whole time practice.
- j) The Audit Firm will be debarred from getting, in future, the Cost audit in MeECL 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 letter.
 - iii. If the Firm does not submit the audit report, complete in all respects in terms of appointment
 - iv. If the Firm violates any of the stipulations under Clauses (a) to (i).
- k) Overwriting/correction/erasure and use of white ink should be avoided. However, if any correction/erasure is inevitable, that should be authenticated afresh with the applicant's signature.
- l) **Jurisdiction of Courts:** Any dispute arising out of or in respect of the contract will be subject to the jurisdiction of Meghalaya High Court only.
- m) **Disclaimer:** MeECL 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.

Format of the offer

1. Name of the Audit Firm :

2. Address :

i) Permanent Address :

ii) Correspondence Address :

iii) Telephone Number :

iv) Fax Number :

v) Email Address :

vi) Website :

Serial No.	Particulars	Supporting Documents attached
1	Year of establishment of Firms(s) since date of Registration.	
2	Numbers of partners in the firm. (Attested Copies of Associate/Fellow membership of each Partner along-with their membership no. should be enclosed)	
3	The partner(s) having experience in Internal Audit/ Accounting /Finance/ Commercial in Power Sector.	
4	The firm having the experience of Conducting Statutory Cost Audit in Central/ State PSUs.	
5	The firm having the experience of conducting Cost Audit in State/ Central Power Sector.	
6	Turnover of the firm (Average annual in the last three years) (To be supported by copy of last three years' Annual Reports)	
7	Audit Firms having registered office/branch office within Eastern Region/ NE region of the country	

Note:

1. Documentary evidence of all the information as stated above is to be furnished along with the offer.
2. All the pages of the terms & conditions and documents submitted are to be signed with the seal of the firm.

Signature with seal of the firm

ANNEXURE II

To,

The Company Secretary
Meghalaya Energy Corporation Ltd
Lumjingshai, Short Round Road
Shillong-793001, Meghalaya

Sub: Authorization of all payments through Electronic Fund Transfer system/RTGS/NEET.

We hereby authorize Meghalaya Energy Corporation Ltd (MeECL) to disburse all our payments through electronic fund transfer system/RTGS/NEET.

The details for facilitating the payments are given below:-

1. Name of the Beneficiary, address with Telephone No. :
2. Bank Name, address with Telephone No. :
3. Branch Name & Code :
4. Bank Account number with style of account (savings/current) :
5. IFSC code no. of the Bank :
6. PAN no. of the Beneficiary :
7. E-mail no. & Mobile no. of the beneficiary for intimation of release of payment :

I/We hereby, declare that particulars given above are correct and complete and if the transaction is delayed or credit is not effected due to incorrect information, I/we will not hold the Meghalaya Energy Corporation Ltd (MeECL) responsible.

Authorised Signatory
Name
Official stamp with Date

Note: Please enclose one cancelled cheque for E-Payment