

**EXPRESSION OF INTEREST
FOR
EMPANELMENT OF COST AUDITORS FOR
CONDUCTING COST AUDIT IN MSETCL FOR THE FINANCIAL
YEAR 2024-25 TO 2028-29**

Registered Office

6th Floor, Prakashganga, Plot No. C-19,"E" Block, Bandra-Kurla Complex, Bandra (East),
Mumbai-400 051

(This document is meant for exclusive purpose of Expression of Interest (EOI) for Empanelment of Cost Audit Firms only and shall not be transferred, reproduced or otherwise used for purpose other than that for which it is specifically issued)

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**NOTICE FOR EXPRESSION OF INTEREST FOR EMPANELMENT OF COST
AUDITORS FOR
CONDUCTING COST AUDIT IN MSETCL FOR THE FINANCIAL YEAR 2024-25
TO 2028-29**

Maharashtra State Electricity Transmission Company Limited (MSETCL), a wholly owned corporate entity under the Maharashtra Government, invites Expression of Interest (EoI) (Application) from reputed Cost Auditors having office in Maharashtra for Empanelment of Cost Auditors for performing Cost Audit for the financial year 2024-25 to 2028-29 for its Power Transmission business.

The Notice Inviting Expression of Interest (EoI) along with annexure detailing the scope of work, selection criteria and general terms and conditions etc. will be published in brief in approved newspapers i.e. one English and one Marathi circulated in Mumbai, Maharashtra. The detailed advertisement will be placed on the MSETCL website www.mahatransco.in. In addition, Expression of Interest (Application) will be sent to The Institute of Cost Accountants of India for uploading on its website.

The same can be downloaded from MSETCL website - www.mahatransco.in from 04/07/2024. Any updates to the EoI documents will be posted on the MSETCL website. The interested firms are requested to ensure that all updates are considered while submitting the Application.

Interested firms having requisite experience in Cost Audit may send their application in prescribed format (**Annexure-III**) in sealed envelope super-scribing “Expression of Interest (EOI) For Empanelment of Cost Auditors of MSETCL for FY 2024-25 to FY 2028-29” through post/courier/by hand only so as to reach in the office of General Manager (F&A-IA), 6th Floor, Prakashganga, MSETCL, Plot No. C-19, E Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051 on or before 4:30 hours on 18/07/2024. MSETCL takes no responsibility for delays, loss or non-receipt of application documents or any letters sent by post/courier or any other mode.

Applicants are advised to study the document carefully. Submission of application shall be deemed to have been done after careful study and examination of the invitation to make applications with full understanding of its implications. Failure to furnish all information required by the application documents or submission of an application not in accordance with the documents in every respect may result in rejection of the application. Incomplete/partial applications or late received applications are likely to be rejected and no correspondence in this regard will be entertained by MSETCL.

EMPANELMENT OF COST AUDITORS FOR CONDUCTING COST AUDIT IN MSETCL FOR THE FINANCIAL YEAR 2024-25 TO 2028-29

1. Introduction of the Company

Maharashtra State Electricity Transmission Company Limited (MSETCL) was incorporated under the Companies Act, 1956 on 31st May, 2005. Maharashtra State Electricity Transmission Company Limited is a leading state transmission utility in the country. MSETCL owns and operates most of Maharashtra's Electric Power Transmission System. The Company is a wholly owned corporate entity under the Maharashtra Government incorporated and domiciled in India on May 31, 2005 after restructuring the erstwhile Maharashtra State Electricity Board to transmit electricity from its point of generation to its point of distribution.

The Company is notified as the State Transmission Utility (STU) under The Electricity Act, 2003 and is principally engaged in planning, implementation, operation and maintenance of Intra-State Transmission System (ISTS).

2. Maharashtra State Electricity Transmission Company Limited (MSETCL), a wholly owned corporate entity under the Maharashtra Government, invites Expression of Interest (EoI) (Application) from reputed Cost Auditors having office in Maharashtra for Empanelment of Cost Auditors for performing Cost Audit for the financial year 2024-25 to 2028-29 for its Power Transmission business.

If your firm is interested in being considered for the above EoI, you may submit your Application to MSETCL in **Annexure-III**. The terms and conditions with regard to the submission of Application, scope of work, evaluation/selection process are detailed below:

3. Scope of Work

The scope of work is as detailed in **Annexure I**.

4. Selection Criteria

The Selection Criteria are detailed in **Annexure II**.

5. Eligibility and General Terms and Conditions

- i) The panel for successful Cost Audit firms will be made in descending order on the basis of marks obtained considering the qualifying criteria.
- ii) Consequently, 5 Cost Audit firms will be empaneled in the order of their ranking i.e. total marks scored by the firm out of 100 marks. The said panel will be operative for F.Y. 2024-25 to 2028-29.
- iii) Out of these empaneled firms, one firm will be appointed every financial year as Cost Auditor in order of their ranking for carrying out the Cost Audit of MSETCL.
- iv) Mere selection in the list of empanelment based on the given criteria does not guarantee the allotment of a Cost Audit assignment to the Cost Audit firm.
- v) The successful Cost Audit firms is not allowed to sub-contract works to any other firm. If it is found that the Audit assignment has been sub-contracted by the successful Cost Audit firm, the

said firm will be debarred from such empanelment for the next 5 years.

- vi) If, any firm of Cost Accountants who is selected for appointment as per (iii) above refuse to accept the appointment, the next firm in sequence or as decided by the management shall be offered the appointment. The decision taken by the management in this respect will be considered as final and no firm can challenge the same.
- vii) In the case of two or more firm obtaining the same marks as per qualifying criteria, the firm registered earlier will be considered for appointment.
- viii) The team should consist of an adequate number of qualified /semi qualified Assistants (Cost/Chartered Accountant) led by a senior partner of the Firm.
- ix) The appointment of Cost Auditor shall be initially for one year. For the next year, the company reserves the right to allot the assignment to the current firm or to allot the same to the firm having next lower rank than the current firm. The decision taken by the management in this respect will be considered as final. During empanelment, any firm can conduct the work to the maximum of two years.
- x) The Cost Audit firm will start the Cost Audit simultaneously with the Statutory Audit of accounts for the FY 2024-25 to FY 2028-29 and will submit report immediately after completion of Statutory Audit.

Cost Audit Fee:

The fees payable for the Cost Audit for FY 2024-25 is Rs.2,75,000/-plus applicable GST and reimbursement on account of out of pocket expenses (lump sum) Rs.55,000/- plus applicable GST.

Other terms and conditions:

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

- a) The EoI should be unconditional. Conditional EoI shall be out-rightly rejected.
- b) Only selected firms will be intimated about their selection in due course.
- c) The audit team will ensure that the information in respect of MSETCL's Cost Records is dealt in strict confidentiality and secrecy.
- d) No partner 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.
- e) Neither the firm nor its partner or Associates should have any interest in the business of Company.
- f) The auditor will be required to issue certificate of Independence and arm's length relationship with the Company in the self declaration form. (**Annexure IV**)
- g) The Cost Audit firm shall have prime responsibility to ensure that they do not violate the limits specified under section 141 (3)(g) of the companies Act, 2013.
- h) The Cost Audit firm 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 MSETCL for relevant financial year.
- i) 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 MSETCL. If it

is found that more than one firms having common partners makes application in the empanelment process initiated by MSETCL, then such applications shall stand cancelled and the said firms will be debarred.

- j) The partners / proprietor should hold certificate of practice issued by The Institute of Cost Accountants of India and should be in whole-time practice.
- k) The Cost Audit firm should submit the registration certificate of the firm.
- l) The Cost Audit firm will be debarred from getting, in future, the Cost audit assignment in MSETCL 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 submit the audit report, complete in all respect in terms of appointment.
 - iii) If the Firm violates any of the stipulations under clauses of Terms and Conditions.
- m) The Cost Auditor shall undertake that data given to the Auditor by MSETCL 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 EoI document. All documents, duly stamped and signed, are to be submitted.
- o) Application must be submitted at office of “General Manager (F&A-IA), 6th Floor, Prakashganga, MSETCL, Plot No. C-19, E Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051” through post/courier/by hand delivery on or before due date of submission, complete in all respect. Incomplete applications will be rejected outrightly without assigning any reasons. Application sent through Fax or E-mail will not be entertained. With regard to the email, the firms must ensure that an active email address is provided for future correspondence.
- p) Each Cost Audit firm should submit Self Evaluation form as per **Annexure-V**
- q) Disclaimer: MSETCL 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.

Instructions relating to submission of Application

SIGNATURE OF APPLICATIONS

1. The application must contain the name, designation, residence and place of business of the person or persons making the application and must be duly signed and stamped on each page by the applicant with his usual signature.
2. Offer by a partnership firm must be furnished with full names of all partners and be signed with the partnership name, followed by the signature(s) and designation(s) of the authorized partner(s) or other authorized representative(s).
3. The Applicant’s name stated on the Application shall be the exact legal name of the firm.
4. Erasures or other changes in the offer shall be authenticated by the initials of the persons signing the Application.
5. The company reserves the sole right to accept or reject any or all the Applications thus received without assigning any reasons thereof.

Clarification of Applications

During Application evaluation, the Company may, at its discretion, ask the Applicant for a clarification of its application. In case of erroneous/non submission of documents by the Applicant as per the provisions of the Application Documents, the Company may give the Applicant not more than 02 working day' notice to rectify/furnish such documents, failing which the Application shall be rejected.

Disputes or differences, if any, arising out of or in connection with the contract shall be to the extent possible settled amicably between the parties.

This assignment shall be governed by the Indian Laws for the time being in force and the Mumbai Courts shall have the exclusive jurisdiction.

Annexure - I

Scope of Work

Scope of work includes Cost audit of Transmission of Power 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.

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).

Detail Scope of work is as under :

1. To conduct cost audit and to prepare the Cost Audit Report in Form CRA-3 for the year 2024-25 and onwards along with relevant annexures/proforma(s)/statements/performance appraisal report etc. as per the statutory requirements for 16 EHV O&M Circles and for the Company as a whole with online submission of Form "CRA-4" pursuant to Section 148 of the Companies Act, 2013 to the Central Government (MCA portal).
2. To visit EHV O&M Circles and their Divisions for vouching transactions as per the requirement of the management.
3. To visit the Corporate Office for Cost Audit and collect the financial data audited by Statutory Auditors required for Cost Audit for all offices through SAP/ERP. Also, assist in extracting such required cost records from SAP-ERP.
4. To comment whether the proper cost accounting system is being followed in all offices or otherwise and guide accordingly.
5. To review and suggest improvement in cost accounting followed in SAP ERP along with updation of Excel CAR file for newly created Profit Centre, Cost Centre and GL as the required under Cost Audit Reports and rules.
6. To ascertain the cost per unit of electricity transmitted by each Circle/Cost Centre.
7. Reconciliation of profit / loss as per cost accounts & financial accounts.
8. To ascertain R&M Expenses, Employee Cost per MVA of installed capacity of sub-stations and per ckt for various voltage levels for each Circle/Cost Centre.
9. To suggest the cost saving/cutting measures to be applied at various levels.
10. To brief the Cost Audit Report giving the overview of parameters of comparison with previous year and industry/related business.
11. To ensure that the Cost Auditor complies with all prevailing statutory requirements regarding Cost Audit before the due date of such compliance.

12. To give presentation of Cost Audit Report and related observations to various management authorities, including the Audit Committee and Board Meetings as and when required by the Management.
13. Analyze the reasons for higher cost per unit for a particular cost center/cost element, brief the management and suggest corrective measures.
14. Any other area in the opinion of Cost Auditor required to be covered under scope of Cost Audit as per prevailing statutory provisions and/or in the in the interest of the Company.

Annexure – II

SELECTION CRITERIA (POINT ALLOCATION) FOR EMPANELMENT OF COST AUDIT FIRMS

- i.** The firm of Practicing Cost Accountants should be registered with the Institute of Cost Accountants of India (ICMAI).
- ii.** The firm must be registered and located in the State of Maharashtra.
- iii.** In addition to the above essential requirement, the following will be the basis of allotment of Cost Audit assignment. The firm having higher points, as per the criteria given below, shall be allotted the assignment earlier.
- iv.** Mere selection in the list of empanelment based on the following criteria does not guarantee the allotment of a Cost Audit assignment to the Cost Audit firm:-

S. No.	Particulars	Points to be allocated	Maximum Points
1.	Years 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 one year 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 2013-14 to FY 2023-24)	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 2013-14 to FY 2023-24)	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.

FORMAT OF APPLICATION FOR EMPANELMENT OF COST AUDITOR FOR FY 2024-25 TO FY 2028-29

Sr. No.	Particulars	Remarks
1.	Name of the Cost Auditor / Firm of Cost Auditor (Indicate whether Proprietary Concern or Partnership Firm)	
2.	a. Registration No. of the Firm (Institute of Cost Accountants of India) b. Proprietor's Membership no. (In case of members not having Firm Name)	
3.	Date of Registration of the Firm	
4.	Other Details of the Firm	
	Address of the Cost Accountant Firm as registered with ICMAI	
	Telephone No with STD code	
	Email address of the Cost Accountant Firm	
	PAN No. of the Cost Accountant Firm	
	GST Registration No. if applicable	
	Website of the Firm	

5. 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

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

6. Details of Partners in the Firm:

Sr.No.	Name of the Partner	Membership No.	Membership Status ACMA/ FCMA	Date of joining the firm as partner

7. Details of Qualified Assistants

Sr.No.	Name of the Assistant	Membership No.	Membership Status ACMA/ FCMA/ACA/FCA	Date of joining the firm as Qualified Assistant

8. Details of Experience in Power Sector companies under State/Central Government (from F/Y 2013-14 to F/Y 2023-24)

Sr.No.	Name of the Company/Unit along with address	Year of Cost Audit Conducted

9. Details of Experience in State / Central Government companies other than of Power Sector (from F/Y 2013-14 to F/Y 2023-24)

Sr.No.	Name of the Company/Unit along with address	Year of Cost Audit Conducted

10. Bank details for e-payment:

Sr.No.	Name of the Company/Unit	Year of Cost Audit Conducted
1	Bank Name	
2	Branch Name, Address	
3	Type of account-Saving/ Current	
4	Bank Account Number	
5	IFSC Code of the Bank	

Note:Self-attested documentary proofs in support of all above criteria are to be submitted.

SELF DECLARATION FORM
(TO BE GIVEN ON THE COST ACCOUNTANT FIRM'S LETTER HEAD)

I Shri/Smt.....partner/proprietor of.....(name of firm) hereby declare and certify the following:

1. Our appointment as Cost Auditors for the year 2024-25 onwards will be free from any disqualification as specified in Subsection (3) of Section 141 of the Companies Act, 2013 and as amended from time to time.
2. No partner of our Audit Firm is related to any Director, whole time or part time, of the Company within the meaning of section 2 (77) of the Companies Act, 2013;
3. Neither our firm nor our partners or associates have any interest in the business of MSETCL;
4. We are an independent firm of Cost Accountants and are at arm's length relationship with MSETCL;
5. The Audit assignment will not be sub-contracted by us to some other Audit Firm;
6. We shall abide by any other compliances/declaration, if any, required under Companies Act, 2013 or as per other prevailing Statutory requirements;
7. Our Firm has not been banned/de-listed/de-barred from business by any PSU/Govt. Department during last 03 (three) years.

**Signature & Name of Partner with
seal of the Concern/Firm**

Date: _____

Place: _____

Annexure - V

SELF EVALUATION BY THE FIRM
(subject to verification & acceptance by the company)

S. No.	Particulars	Points to be allocated	Maximum Points	Points Obtained by Firm (subject to verification by MSETCL)	Page Reference Number	Marks Obtained (to be filled by MSETCL after document verification)
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 one 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 2013-14 to FY 2023-24)	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 2013-14 to FY 2023-24)	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.

Signature & Name of Partner with seal of the Firm

Date: _____

Place: _____

Annexure - VI

List of Documents to be submitted

Sr. No.	Particulars	Whether Submitted with application (Y/N)
1.	Copy of PAN Card	
2.	GST Registration certificate	
3.	Copy of Registration certificate of firm / Individual	
4.	Membership certificate with ICMAI of all partners	
5.	Copies of Appointment / Engagement letter for Cost Audit issued by the auditee companies	
6.	Self declaration form (Annexure – IV)	
7.	Self Evaluation by firm in Annexure – V	

Declaration

- i) 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.
- ii) I/We hereby confirm that all terms and conditions as specified in the EOI and Annexures thereto have been accepted by us.

Signature & Name of Partner with seal of the Firm

Note:

- i) Based on the application submitted by each Firm, shortlisting will be done as per Selection Criteria mentioned in Annexure-II of EOI.
- ii) Application through email will not be entertained in any circumstances.