

Sub: -Notice Inviting Expression of Interest (EOI) for Empanelment of Chartered Accountant/Cost Accountant Partnership /LLP/Proprietorship Firms for conducting Miscellaneous Audit in Northern Coalfields Limited for 2018-19.

HOD(Internal Audit), NCL invites Expression of Interest (EOI) from Partnership /LLP/Proprietorship Firms for conducting Miscellaneous Audit in NCL for the FY2018-19.

(A) Those Audit firms who have conducted the assignment of Audit [Internal Audit/Cost Audit/Statutory Audit/Miscellaneous Audit] for last three consecutive years (FY2015-16 to FY17-18) in NCL, will not be given appointment for next two years due to cooling off of these firms. Also those audit firms who are in cooling off in NCL for the FY2017-18 and FY2018-19 will not be considered for empanelment.

(B) Audit firms appointed for Internal Audit, Statutory Audit and Cost Audit at CIL and its Subsidiaries for the FY2018-19 or part thereof will not be considered for empanelment.

(C) Expression of Interest (EOI) of Audit firms, who had previously refused to conduct Audit of NCL during FY2015-16 to FY 2017-18, will not be considered.

Details/information along with the documentary evidence to be submitted with EOI are given below:-

- (1) Years of Establishment of the Partnership /LLP/Proprietorship Firm since the date of Registration.
- (2) (i) Details of full time partners in the firm as on 01.01.2018 and continuing thereafter/ full time qualified persons, having more than 5 years experience in practice in the Audit Firm as on 01.01.2018 and continuing thereafter.
(ii) Details of full time partners having DISA/CISA, who are in the firm as on 01.01.2018 and continuing thereafter/ full time qualified persons having more than 5 years experience in practice in the firm having DISA/CISA who is in the firm as on 01.01.2018 and continuing thereafter.
- 3) Details of full time qualified Assistants who are an ACA/ACMA/FCA/FCMA and is having experience of 5 years or less and is working with the firm as on 01.01.2018 and continuing thereafter.
- 4) Details of full time semi-qualified Assistants (Inter Cost/Inter Chartered –IPCC-both group) and who are working full time with the firm as on 01.01.2018 and continuing thereafter.
- 5) (i) Year wise experience of the firm in conducting Statutory/Internal Audit/Perpetual Inventory audit/Coal Sale or Road Sale audit/physical verification of stores & spares and /or fixed assets during last Ten years:-
 - (a) PSU/Govt Companies.
 - (b) Other large companies having annual turnover of at least Rs100crores during the last ten years.
 - (ii) Year wise experience of the firm in conducting Statutory/Internal Audit in Scheduled Bank during last Ten years.
- 6) If the audit firm is having Regd./Branch office (as on 01.01.2018 and continuing thereafter) within the state, in which company headquarter is situated or having its mining operation a declaration in this regard, is to be given.
- 7) Attach photocopies of all relevant certificates/documents such as (i) qualification certificates, membership certificates, professional qualification viz CISA/DISA, COP in respect of full time partner & full time qualified persons. (ii) photocopies of membership certificate. COP in respect of full time qualified assistants. (iii) photocopies of relevant certificate or marks sheet in respect of semi-qualified assistants.
- 8) Attach copies of appointment letters for the last ten years with name of the audit firm, letter no and date, signature of appointing authority and the job allotted for 5(i)(a) & 5(ii) above and photocopies of appointment letters with name of the audit firm, letter no and date, signature of appointing authority and the job allotted with statement of accounts for the last ten years for 5(i)(b) above.

- 9) Latest Firm Registration/Constitution certificate **not before the date of publication of notice inviting expression of interest (EOI)** issued by the Institute of Chartered Accountants of India (ICAI)/the Institute of Cost Accountants of India (ICAI) must be enclosed, otherwise the EOI of the Partnership /LLP/Proprietorship firm may not be considered.
- 10) A certificate confirming that the details/information furnished with the Expression of Interest (EOI) is true and correct.
- 11) All the documents including the application format should be signed & stamped by the managing partner of the firm along with the application/expression of interest.
- 12) All the pages of the expression of interest (EOI) should be numbered and binded together like a booklet.

The willing **Partnership Audit/LLP/Proprietorship firms** may send their Expression of Interest (EOI) along with above **documentary evidence** in the sealed envelope super scribed **“Expression of Interest (EOI) for Empanelment for Miscellaneous Audit in NCL for FY2018-19”** through Registered /Speed post postal service or courier service only, so as to reach HOD (Internal Audit), Northern Coalfields Limited, P.O.-Singrauli Colliery, Dist.-Singrauli (MP), Pin: 486889 latest by 25th January, 2019 at 4pm. Any Postal/Courier delay will not be the responsibility of NCL. Further details are available in NCL website: [http:// www.nclcil.in](http://www.nclcil.in) and <http://www.eprocure.gov.in>. Further, all corrigenda, addenda, time/due date extension etc if any to expression of interest (EOI) will be hosted/notified on the above websites and will not be published in the newspapers. The firms are requested to visit regularly above websites to keep themselves updated.

FORMAT FOR SUBMISSION OF APPLICATION:

Sl no	Particulars	Details
1	Name of the Firm with Registration no	
	Registration no and date of registration of the firm	
2	Registered office address and date of establishment	
3	Branch office address and date of establishment	
4	Contact no of the partner	
5	Fax number	
6	Email id and website	
7	Name, membership no and date of joining of existing partner with the Firm having the longest association. Ref:Selection criteria:Sl no 1	
8	Name, Number and membership no of the full time partners in the firm as on 01.01.2018 and continuing thereafter/ full time qualified persons having more than 5 years experience in practice in the firm whether ACA/ACMA/FCA/FCMA as on 01.01.2018 & continuing thereafter. Ref:Selection Criteria:sl no 2(A)(i)	
9	Name,Number and Membership no of the full time partners having DISA/CISA who is in the firm as on 01.01.2018 and continuing thereafter/ full time qualified persons having DISA/CISA having more than 5 years experience in practice in the firm as on 01.01.2018 & continuing thereafter. Ref:Selection Criteria:sl no 2(A)(ii)	
10	Name, Membership no and joining date of the full time partners who is in the firm as on 01.01.2018 and continuing thereafter/full time qualified persons with more than 5 years experience in practise with the same firm who is in the firm as on 01.01.2018 and continuing thereafter. Ref:Selection Criteria: sl no 2(B)	
11	Name,Number,Membership no and joining date of the full time qualified assistants who is an ACA/ACMA/FCA/FCMA having experience of 5 years or less and is working with the firm as on 01.01.2018 and continuing thereafter. Ref:Selection Criteria:sl no 3	
12	Name,Number and date of joining of full time semi-qualified assistants (Inter Cost/Inter Chartered-IPCC-both group) & is working full time with the firm as on 01.01.2018 and continuing thereafter. Ref:Selection Criteria:sl no 4	
13	(a)Year wise experience of the firm in conducting Statutory/Internal Audit/Perpetual Inventory audit/Coal Sale or Road Sale audit/physical verification of stores &spares and /or fixed assets during the last 10(ten) years: i)Name of PSU/Govt Companies ii)Other companies having annual turnover at least Rs100crores during the last ten years. (b)Year wise experience of the firm in conducting Statutory/Internal Audit in Scheduled Bank during the last 10(ten) years. Ref:Selection Criteria:sl no 5	

Date

Signature with seal
Membership No.

Name of the Managing Partner

Place:

Name of the Firm, Firm Registration No

Annexure -B

Selection criteria for engaging Auditor for Miscellaneous Audit in Northern Coalfields Limited for FY2018-19			
SI.No.	CRITERIA	BASIS OF MARKS	MAXIMUM MARKS
1	Experience of the Firm: Shall be reckoned from the date of joining of an existing partner with the Firm and having the longest association with the firm as on 01.01.2018 and continuing thereafter.	1.5 mark per year (fraction of the year to be ignored)	15
2(A)(i)	Number of full time partners in the firm as on 01.01.2018 and continuing thereafter/ full time qualified persons having more than 5 years' experience in practice in the firm/Limited Liability Partnership who is in the firm as on 01.01.2018 and continuing thereafter.	3 marks for each partner/person who is ACA/ACMA. 4 marks for each partner/person who is FCA/FCMA.	25
2(A)(ii)	Number of full time partners having DISA/CISA who is in the firm as on 01.01.2018 and continuing thereafter/ full time qualified person having more than 5 years' experience in practice in the firm/ Limited Liability Partnership having DISA/CISA who is in the firm as on 01.01.2018 and continuing thereafter.	2 marks for each partner/person having DISA/CISA	5
2(B)	Association of the full time Partner who is in the firm as on 01.01.2018 and continuing thereafter / full time qualified person with more than 5 years' experience in practice with the same firm who is in the firm as on 01.01.2018 and continuing thereafter.	4 marks for each partner/person above 20 years. 3 marks for each partner /person above 15 years. 2 marks for each partner/person above 10 years. 1 mark for each partner/person below 10 Years but above 5 Years. (fraction of the year to be ignored)	10
3.	Number of full time qualified assistants who is an ACA/ACMA/FCA/FCMA having experience of 5 years or less and is working with the firm as on 01.01.2018 and continuing thereafter.	1.5 marks for every qualified assistant	10
4	Number of full time semi-qualified assistants (Inter Cost/ Inter Chartered - IPCC - both group) & is working full time with the firm as on 01.01.2018 and continuing thereafter.	0.75 mark per semi-qualified assistant	5
5	(a)Experience of the firm during the last ten years in conducting (i)Statutory/InternalAudit/perpetual inventory audit/coal sale or road sale audit/physical verification of stores and spares and /or fixed assets in PSU/Govt. Companies. (ii)Statutory/InternalAudit/perpetual inventory audit/coal sale or road sale audit/physical verification of stores and spares and /or fixed assets in large companies with annual turnover of at leastRs. 100 crore during the last 10 years. (b)Experience of the firm during the last ten years in conducting statutory/internal audit in scheduled banks.	2 marks per year of audit.	20
6(A)	Audit firms having Registered Office / Branch Office within the state as on 01.01.2018 and continuing thereafter, in which headquarter of Northern Coalfields Limited situated or having its mining operation.		10
TOTAL MARKS			100

Note:

1. In case of tie in the marks scored, firm having seniority w.r.t. "Experience of the Firm" (As per SI. No. 1 of Selection criteria.), will be preferred.
2. Documentary evidences are to be enclosed with the expression of interest (EOI) like the copy of Latest Firm Registration/Constitution certificate **not before the date of publication of notice inviting expression of interest (EOI)** issued by The Institute of Chartered Accountants of India (ICAI)/The Institute of Cost Accountants of India (ICAI). Photocopies of membership certificates, COP and professional qualification Certificates viz DISA/CISA etc in respect of Partners/qualified persons, Photocopies of membership certificates, COP in respect of Qualified Assistants. Details of semi-qualified assistants with photocopies of marksheets/certificates in support of Inter Cost/Inter Chartered-IPCC-both groups.
3. Attach declarations in respect of sl no 2(A)(i),2(A)(ii),2(B),3 & 4 of the Selection Criteria stating therein that they are in the firm as on 01.01.2018 and continuing thereafter.
4. Attach Photocopies of appointment letters of the last ten years containing name of the audit firm with letter no & date and signature of appointing authority and the job allotted with the EOI in respect of PSU/Govt Companies/Scheduled Bank with the EOI.
5. Attach the photocopies of appointment letters of last ten years with name of the audit firm with letter no & date and signature of appointing authority and the job allotted with Statement of accounts in respect of other large companies having annual turnover of atleast Rs. 100 crores during the last ten years with the EOI.
6. The registered/branch office mentioned in the Latest Firm Registration/Constitution certificate issued by The Institute of Chartered Accountants of India(ICAI)/The Institute of Cost Accountants of India(ICAI) will only be considered.
7. If the audit firm is having registered/branch offices , as on 01.01.2018 and continuing thereafter within the state,in which headquarters of Northern Coalfields Limited is situated or having its mining operation,a declaration in this regard is to be given.
8. No marks will be given for the audit experience for the FY2018-19.
9. Panel will be prepared based on the highest marks to lowest marks, however, in case of tie among the firms scoring same marks, then priority will be given to the experience of the firm(as per sl no 1 of Selection Criteria).
10. Miscellaneous Audit, as stated above, consists of:
 - i. Road Sale Audit
 - ii. Physical Verification of Stores and Spares.
 - iii. Physical Verification of Fixed Assets and its Reconciliation.

The firm securing the highest marks as per the empanelment/selection criteria and as recommended by Evaluation Committee, will be allotted with the Road Sale Audit. Allotment of the audit shall be done on the basis of the value of the work.

After allotment of Road Sale audit, balance firms will be allotted audit of Physical Verification of Stores and Spares and Physical Verification of Fixed Assets and its Reconciliation, on the basis of merit list/marks secured.

It is pertinent to note that in respect of the allotment of audit of Road Sale, Physical Verification of Stores and Spares & Physical Verification of Fixed Assets and its Reconciliation, one firm can be allotted/given a combination of two or more audits of Physical Verification of Stores and Spares and/or Physical Verification of Fixed Assets & its Reconciliation depending upon the requirement/ quantum of Road Sale Dispatch and Live Cards/Number of Cards/Fixed Assets.

Scope of Work (Physical verification of Stores & Spares).

- i) The Physical verification shall be done at Central/Regional Stores as well as Site/Colliery stores including diesel & Lubricants depot.
- ii) Audited Physical balances statement on 1st Jan'2019, if any, shall be taken as opening balance.
- iii) Checking and verification of Physical balance as on the day of verification, which includes counting/measuring/weighing etc.
- iv) Tracking the receipt and issue of the material between the intervening period with reference to cardex/bin card/stores ledger along with necessary adjustment to arrive at the derived physical balance as on 1st January' 2019.
- v) Item wise discrepancies if any, between book balance as on 01st January'2019 and derived Physical balance as on 01st January'2019 to be submitted to the Depot Officer for verification and acceptance.
- vi) List of Stores and Spares for which no D.T.R./D.R.R. has been prepared as on the date of physical verification is to be submitted separately with reasons thereof.
- vii) Whether action taken by the management against the discrepancies observed in the physical verification report of last year is to be reported by the auditor.
- viii) Statement of Physically verified obsolete/non moving stores and spares beyond three years and five years, if any, to be reported separately along with last date of movement.
- ix) Whether the records maintained in respect of scrap material are satisfactory and complete is to be reported.
- x) To report the status of recovery of store materials issued on loan, if any, to the employees and contractors.
- xi) Statement of insurance claims lodged with insurance company for shortage/damaged materials received in store should be submitted.
- xii) The auditor has to report whether the materials lying in the stores have been properly stored to avoid damage and pilferage.

II) Scope of Work: Physical verification & reconciliation of Assets.

(A) **Physical verification of fixed assets shall include:**

- i) Assets appearing in Assets register
- ii) Assets received from other projects/Co. not entered in Asset Register, if any.
- iii) Assets under commissioning/erection.
- iv) Assets in Stores.
- v) Assets/ Surveyed-off equipments not yet disposed off,

(B) **Reconciliation**

- i) To reconcile physically verified all assets with records in Assets Register/Plant Cards maintained by the Accounts Office of the Project.
- ii) To prepare separate lists of (i) Assets entered in the Assets Register and physically available, (ii) Assets physically available but not appearing in the Assets Register and (iii) Assets appearing in the Assets Register but not physically available (iv) Assets in Stores and (v) Assets under erection/commissioning.
- iii) To reconcile P&Ms in Stores, under erection and under inter-area and inter-company transfer with Store records, job cards and accounts maintained by the Area Accounts Office, as the case may be.

Scope of Road Sales Audit:-

- 1) Whether the despatches to the cash sale parties have been made as per authorised delivery orders (D.O)/Allotment orders (A.O) from the authorised officials? If not, what is the lacuna?
- 2)
 - i) Whether despatches to the cash sale parties have been allowed only against receipt of payments in advance for the entire quantity under delivery. Deviation in above, if any, noticed on examination, should be reported giving relevant details with reasons as ascertained in the course of audit scrutiny.
 - ii) Whether correct amount has been deposited and a cash receipt has duly been issued after confirmation of the credit from the Bank for the amount of A.O./D.O. before issue of A.O./D.O.?
 - iii) Whether all receipts have properly been accounted for.
- 3) Whether all the CST forms required from the outstation customers to whom concessional CST were charged in the invoices have been received. Deviation, if any, and reason for the same to be indicated in the Report.
- 4)
 - i) Whether valuation of the A.O./D.O. is correct?
 - ii) Whether A.O./D.O. quantity is within the limit of sanctioned quantity?
 - iii) Whether grade and colliery as mentioned in A.O./D.O. is within the scope of RRO?
 - iv) Whether there is validity of A.O. before issue of D.O.?
- 5) Whether lifting of coal has been made within the validity period of A.O./D.O.?
- 6) Whether all the despatches have been properly entered into in the Despatch Register immediately and serially?
- 7)
 - i) Whether the despatches have been properly billed ?
 - ii) Whether billing has been made within next 24 hours from the receipt of the despatched documents. Deviation, if any, in above is noticed, and reasons for the same to be indicated in the Report.
 - iii) Whether the bills so raised are timely forwarded to the concerned parties?
 - iv) Whether proper reconciliation is being made between A.O./D.O. quantity and despatch quantity? Also Bill Register/Bill is being reconciled with the lifted quantity of D.O.
- 8) Whether refunds are made after observing all formalities?
- 9) Whether Reconciliation of despatches (party wise & D.O. wise) with bill during 2018-19 has been done?
- 10) Whether all despatch invoices are reconciled regularly at monthly intervals with reference to the corresponding entries in the despatch register, in order to be certain that all despatches have been invoiced.
- 11)
 - i) Whether the Sundry Debtor Ledger/Advance Deposit from Customer's Ledger is up-to-date along with all details of bills?
 - ii) Checking of Sundry Debtor/Advance Deposit from Customer's Ledger balance in Accounts as on 31.03.2019 and details thereof as per Sundry Debtors Schedule and the Register.
- 12) Checking of A.O./D.O. register maintained in Area.
- 13) Checking of lifting of coal/despatch register in Colliery, Weigh Bridge etc.
- 14) Whether grade and colliery diversions have got proper authorization?

NOTE : The above points are illustrative but not exhaustive.

Audit Team

- 1 A practicing Chartered Accountant or Cost Accountant or a firm of Chartered Accountants / Cost Accountants registered with the Institute of Chartered Accountants of India / Institute of Cost Accountants of India, appointed to conduct Audit should depute audit team in the HQ/ Area/Units.
- 2 The Audit Team should consist of one qualified CA/CMA and three Inter CA (IPCC) / Inter CMA semi qualified assistants.
- 3 Normally the composition of audit team should not be changed. However, under certain circumstances beyond control of the Audit Firm, if the same needs to be changed in any manner, it may be done under intimation to GM/HOD (Internal Audit) of the concerned Company (subject to verification of credentials of the new incumbent to be sent alongwith the intimation with photo proof of qualification, PAN card, Aadhar card and a brief profile). The audit team members should carry Photo ID issued by the Audit Firm, PAN Card, Aadhar Card and other credentials.
- 4 .The Partner of the firm or a senior Chartered Accountant / Cost Accountant with minimum 5 years post qualification experience should visit at the start of the work and also at the time of finalizing the audit report.
5. The audit team will conduct the audit as per Manual, rules and regulations, guidelines, instructions, delegation of power etc and in consultation with concerned officials at HQ/Project/Unit.
6. The audit firms shall submit their reports both in soft and hard copy to CGM/GM/ In-charge of the Area/Unit/Project and in case of Head Quarter to GM (Stores),NCL and GM(MM),NCL.The audit firms are required to submit the copy of audit report (both in soft and hard copy) of the project/unit/HQ to Chief of internal audit & GM(Finance) of the company and also to Depot officer and AFM of the respective Area/project/unit/of the company.

Terms and Conditions:-

(A)Those Audit firm who have conducted the assignment of Audit [Internal Audit/Cost Audit/Statutory Audit/Miscellaneous Audit] for last three consecutive years (FY2015-16 to FY17-18) in NCL, will not be given appointment for next two years due to cooling off of these firms. Also those audit firms who are in cooling off in NCL for the FY2017-18 and FY2018-19 will not be considered for empanelment.

(B) Audit firms appointed for Internal Audit, Statutory Audit and Cost Audit at CIL and its Subsidiaries for the FY2018-19 or part thereof will not be considered for empanelment.

(C) Expression of Interest (EOI) of Audit firms, who had previously refused to accept the appointment of Audit of NCL during FY2015-16 to FY 2017-18, will not be considered for empanelment.

(D) Latest Firm Registration/Constitution certificate **not before the date of notice inviting expression of interest (EOI)** issued by the Institute of Chartered Accountants of India (ICAI)/the Institute of Cost Accountants of India (ICAI) must be enclosed, otherwise the EOI of the audit firm/LLP shall not be considered.

(E) The firms will have to declare that they are not related in any manner whatsoever with any existing or past Audit firm or past and present employee of Coal India or any of its subsidiaries or Directors or any person who is employed with Government of India. Past association upto last 3 years of personal or financial or any other association of any kind now or in last 3 years is prohibited.

(F) 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 is to be provided by each member of the Internal Audit team before commencement of Audit.

(G) A certificate confirming that the details/information furnished with the Expression of Interest (EOI) are true and correct is to be given.

(H) All the documents should be signed & stamped by the managing partner of the firm along with the application/expression of interest.

(I) All the pages of the expression of interest (EOI) should be numbered and binded together like a booklet.

Remuneration

For audit of physical verification of Stores & Spares and Fixed Assets and its reconciliation

- i) Fees for the physical verification of Stores & Spares will be paid @ Rs.4.50 per live card in inventory / On line computer print out having positive balance. More than one entry for the same material shall be treated as one item for the purpose of report and also for payment.
- ii) No payment will be made for verification of NIL balance of items in inventory/ On line computer print out. However, if physical balance exists against such NIL book balance the same will be considered for payment.
- iii) Alike previous years, the fees for physical verification of fixed assets will be lump sum which is given below project-wise:-
 - (a) HQ Units(Including Kolkata Desk office & Block-B, Central Stores- Jayant) -- Rs9000.00(Rs Nine Thousand only)
 - (b) Jayant Project—Rs9000.00(Rs Nine Thousand only)
 - (c) CWS&NSC—Rs7500.00(Rs Seven Thousand five hundred only)
 - (d) Dudhichua—Rs5600.00(Rs Five Thousand six hundred only)
 - (e) Nigahi—Rs5600.00(Rs Five Thousand six hundred only)
 - (f) Amlori—Rs5600.00(Rs Five Thousand six hundred only)
 - (g) Bina&Krishnashilla—Rs5600.00(Rs Five Thousand Six Hundred only)
 - (h) Khadia&IWSS—Rs5600.00(Five Thousand Six Hundred only)
 - (i) Jhingurda—Rs5500.00(Rs Five Thousand five hundred only)
 - (j) Kakari—Rs5500.00(Rs Five Thousand five hundred only)

For Road Sales

Auditors will be paid fee @ **05** Paise(Five Paise) per tonne of Coal dispatched.

Taxes

Taxes as applicable shall be reimbursable on production of documentary evidence in support of payment.

Journey Expenses:-

Partner will be entitled for rail fare by AC 1st Class or Air Fare by economy class , Qualified Assistant for rail fare by AC 2nd Class and Semi-qualified assistant for rail fare by AC 3rd Class on Submission of proof of journey, for to and fro journey undertaken.For this purpose, journey will be considered from the firms's nearest office given in the profile to the place of audit. In case of journey by mode other than entitlement as stated above, TA will be limited to entitlement or actual fare, whichever is lower, subject to production of documentary evidence.

Free Boarding and lodging :-

Free Boarding and lodging for the audit team will be provided by the concerned Unit/Project.

Transport

Free transport will be provided once to the audit team, from the nearest Railway Station to their place of stay at NCL and vice-versa during the entire audit period. Free transport will also be provided from the place of stay to the place of work.

Annexure-E

Requirement of Audit Firms for Miscellaneous Audit for FY 2018-19.

Total Requirement of Audit Firms—12 Audit Firms (Twelve audit firms only)