Sub: -Notice Inviting Expression of Interest (EOI) for Empanelment of Chartered Accountant/Cost Accountant Partnership Firms/Limited Liability Partnership (LLP) Firms for conducting Miscellaneous Audit in Northern Coalfields Limited, Singrauli for the F/Y2014-15.

Chief of Internal Audit, NCL invites Expression of Interest (EOI) from Partnership Firm/Limited Liability Partnership Firms indicating details of the Firms as noted below for empanelment.

(A)Those Audit firm who have worked for last three consecutive years (FY2011-12 to FY13-14) at NCL, will not be given appointment for next two years as per Company's Policy.

(B) Auditors appointed for Internal Audit for System/Transaction, Statutory Audit and Cost Audit at CIL and its Subsidiaries for the FY 2014-15 will also not be considered.

(C) Expression of Interest (EOI) of Audit firms, who had previously refused to accept the appointment of Audit of NCL during FY2011-12 to FY 2013-14, will not be considered for empanelment.

(D) Expression of Interest (EOI) of Audit firm will be not considered for empanelment, if it is found that the Audit firm has breached the trust by falsifying the Expression of Interest (EOI).and the matter will be brought to the kind notice of the regulator-Institute of Chartered Accountants of India (ICAI)/Institute of Cost Accountant of India (ICAI).

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

1) Year of Establishment of the Audit Firm/LLP since the date of Registration.

2) Details of Partners in the Audit Firm/LLP, who is with the firm for a minimum period of one year as on the date of EOI(Photocopies of membership certificate and professional qualification viz DISA/CISA/ISA etc must be enclosed).

3) Number of Qualified Assistants who is an ACA/ACMA and is working with the firm for a minimum period of one year as on the date of EOI (Photocopies of membership certificate must be enclosed).

4) Number of Semi-Qualified Assistants (Inter Cost/Inter Chartered –IPCC-both group) and is working with the firm for a minimum period of one year as on the date of EOI (Photocopies of relevant certificate or mark sheet must be enclosed).

5) Audit Experience in Coal India and its Subsidiaries for Statutory/Internal Audit(System/Transaction)/Perpetual Inventory audit/Coal Sale or Road Sale audit/Physical Verification of Stores & spares & fixed assets) (Photocopies of Appointment letters containing page with name of the audit firm / letter No. & Date and signature of appointing authority and the job allotted). (Note:-No marks will be given for the audit experience for the FY2014-15) .

6)Audit Experience in other PSU, Govt (Central/State) for Statutory/Internal Audit (System/Transaction)/Perpetual Inventory audit/Coal Sale or Road Sale audit/Physical Verification of Stores & spares & fixed assets).Audit Experience of the firm in conducting Statutory/Internal Audit in Scheduled Bank.(Photocopies of Appointment letters containing page with name of the audit firm / letter No. & Date and signature of appointing authority and the job allotted). (Note:- No marks will be given for the audit experience for the FY2014-15).

7)Declaration that the audit firms is having Regd/Branch office within the state for a minimum period of 1 year on the date of Expression of Interest, in which company headquarter is situated or having its mining operation.

8) 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.

9) A certificate confirming that the details/information furnished with the Expression of Interest (EOI) are true and correct.

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

11) All the pages of the expression of interest (EOI) should be numbered.

The willing **Partnership Audit Firms/Limited Liability Partnership Firm(LLP)** 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 F/Y 2014-15"** through Registered /Speed post postal service or courier service only, so as to reach Chief of Internal Audit, Northern Coalfields Limited**,** P.O.-Singrauli Colliery, Dist.-Singrauli (MP), Pin: 486 889 latest by 29th Sept'2014 upto 4PM. Any Postal/Courier delay will not be entertained. Further details are available in NCL website: http:// www.ncl.gov.in or http://www.tenders.gov.in & 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.

Selection Criteria for engaging auditor for Miscellaneous Audit in Northern Coalfields Limited for the FY2014-15

Slno	Criteria	Basis of Marks	Max marks	Marks obtained
1	**Years of establishment of the Firm/LLP since the date of registration**	**1.5marks/year(fraction of the year to be ignored)**	**15**	
2	**Number of Partners in the Firm/LLP who is with the firm for a minimum period of 1year on the date of Expression of Interest(EOI)**	**3mark for each partner who is ACA/ACMA,4marks for each partner who is FCA/FCMA,5marks for each partner who is FCA/FCMA with DISA/CISA/ISA**	**30**	
3	**Number of qualified assistants who is an ACA/ACMA in the Firm/LLP and is working with the firm for a minimum period of 1year on the date of Expression of Interest(EOI)**	**1.5marks for every qualified assistant**	**10**	
4	**Number of semi-qualified assistants(Inter Cost/Inter Chartered-IPCC-both group) and are working with the Firm for a minimum period of 1year on the date of Expression of Interest(EOI)**	**0.75marks per semi-qualified assistant**	**5**	
5	**i)Experience of firm in CIL and its Subsidiaries for Statutory/Internal Audit(System/Transaction)/Perpetual Inventory Audit/Coal Sale or Road Sale audit/Physical Verification of stores & spares & fixed assets)**	**2 marks per year of audit**	**10**	
	ii) Experience of firm in conducting Statutory/Internal Audit(System/Transaction)/Perpetual Inventory Audit/Coal Sale or Road Sale audit/Physical Verification of stores & spares & fixed assets) in other PSU/Govt(Central/State). Experience of the firm in conducting Statutory/Internal audit in Scheduled Bank.	**2 marks per year of audit**	**10**	
6	**Audit firms having Registered office/Branch office within the state for a minimum period of 1year on the date of Expression of Interest (EOI), in which Headquarters of Northern Coalfields Limited is situated or having its mining operation.**		**20**	
		Total	**100**	

Note 1) Documentary evidences should be enclosed with the expression of interest (EOI) like the copy of 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). Photocopies of membership certificates & and professional qualification viz DISA/CISA/ISA etc in respect of Partners, Photocopies of membership certificates in respect of Qualified Assistants. Details of semi-qualified assistants with photocopies of marksheets/certificates in support of Inter Cost/Inter Chartered-IPCC-both group. Photocopies of appointment letters containing name of the audit firm/LLP with letter no & date and signature of appointing authority and the job allotted.
(2)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.
(3)Declaration regarding that the partners, qualified assistants and semi-qualified assistants are working with the firm for a minimum period of 1(one) year on the date of expression of interest and the registered/branch offices are within the state, in which headquarters of Northern Coalfields Limited is situated or having its mining operation for a minimum period of 1year on the date of expression of interest(EOI).
(4) No marks will be given for the audit experience for the FY2014-15.
(5) 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 those firms having seniority in the date of establishment. in case, the date of establishment is same, priority will be given to firms having maximum partners.

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'2015, 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 January' 2015.

v) Item wise discrepancies if any, between book balance as on 01st January'2015 and derived Physical balance as on 01st January'2015 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 2014-15 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 31.03.2015 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/dispatch 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

i) The audit team should consists of 4 persons at a time duly constituted with (i) 1 No. Chartered/Cost Accountant, with three years post qualification experience (ii) and 3 Nos. semi-qualified (Inter Chartered/Inter Cost passed only).(iii) The Partner should visit the HQ/Project/Unit at the time of starting the work and also at the time of finalising the report.

ii) The Audit Firm should indicate well in advance before sending their team regarding the compliance of the composition of audit team, indicating the name, qualification and status of the persons, with documentary evidence, to Chief of Internal Audit and CGM/GM of the Project concerned and after clearance or the advice from Chief of Internal Audit, team should be sent to the Project. AFM of the Area will obtain the statement of the Audit Team(before start of Audit), duly signed by the Partner/Team Leader and send one copy duly countersigned by AFM to Chief of Internal Audit and ensure the compliance as stated above.

iii) Wherever the constitution of the team is found initially or during the course of audit not as per our stipulation, the audit team will not be entertained at all for conducting the audit; moreover the appointment order issued will be liable to be cancelled and no reimbursement of TA and payment of fee will be made and this fact will also be noted in our records for future reference so that in the subsequent years the application of the audit firm will not be entertained in our company for any audit work.

iv) 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.

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 @ Rs4.50(Rs Four and fifty paise only) 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) 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.

Service tax

Service tax extra as per law shall be reimbursable on production of documentary evidence in support of payment.

Journey Expenses:-

To and fro 1st Class/AC 2 Tier/AC 3 Tier fare of the audit team from the nearest Railway Station of their office to that of the unit allotted will be reimbursed once on actual journey basis during the audit period. Partner, who is required to visit the project twice, once at the time of starting the audit and second for finalisation of report, shall also be reimbursed to and fro 1st class/AC 2 Tier/AC 3 Tier fare on actual journey basis. Journey from the Registered Office/Branch office of the audit firm to the nearest Rly. Station/Bus station will be reimbursed on actual journey basis.

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.

Requirement of Audit Firms for Miscellaneous Audit for FY2014-15.

1) For Physical Verification of Stores&Spares&Fixed Assets and Reconciliation of Fixed Assets.**---10 Audit Firms**.
2) For Road Sale Audit—**2 Audit Firms**.
Total Requirement of Audit Firms—12 Audit Firms (Twelve audit firms only)