



Maharashtra State Electricity Distribution Co. Ltd.

(A Govt. of Maharashtra Undertaking)

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

**Registered Office**

**Prakashgad, Plot No. G-9, Prof. A.K. Marg, Bandra (East), Mumbai-400051**

*(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 MSEDCL FOR THE FINANCIAL YEAR 2024-25  
TO 2028-29**

Maharashtra State Electricity Distribution Company Limited (MSEDCL), a wholly owned Government of Maharashtra Undertaking, invites Expression of Interest (EoI) (Application) from reputed Cost Auditors having registered office in the state of Maharashtra for Empanelment as Cost Auditors for performing Cost Audit for the financial year 2024-25 to 2028-29 for its Power Distribution 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 on the MSEDCL website [www.mahadiscom.in](http://www.mahadiscom.in).

The same can be downloaded from MSEDCL website - [www.mahadiscom.in](http://www.mahadiscom.in) from 02.07.2024. Any updates to the EoI documents will be posted on the MSEDCL 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 MSEDCL for FY 2024-25 to FY 2028-29" through post/courier/by hand so as to reach the following address on or before 17.30 hours on 23.07.2024:

The Chief General Manager (CA), MSEDCL,  
1<sup>st</sup> Floor, Corporate Account Section,  
Plot No. G-9, Anant Kanekar Marg,  
PRAKASHGAD, Bandra (E),  
Mumbai-400051.

MSEDCL 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 applications received after the final date of submission are likely to be rejected and no correspondence in this regard will be entertained by MSEDCL.

## **II) INTRODUCTION OF MSEDCL**

1. Maharashtra State Electricity Distribution Company Limited is one of the largest public sector company engaged in the business of electricity distribution. It has come into existence w.e.f. 6<sup>th</sup> June 2005, consequent upon the unbundling of the erstwhile Maharashtra State Electricity Board (MSEB) as per the Electricity Act, 2003. MSEDCL is the Distribution Licensee for the State of Maharashtra except for Greater Mumbai and certain suburban areas. MSEDCL's distribution network is divided into 4 Regional Director Offices, 16 Zones, 46 O&M Circles, and 157 Divisions catering services to approximately 2.96 crores consumers in the Financial Year 2023-24.

MSEDCL's sources of power include thermal, hydro, gas and non-conventional sources like solar, wind, bagasse etc. Thermal power constitutes the major share which it gets from MSPGL projects and Central Sector projects. It operates a vast network comprising of 33 KV, 22 KV and 11 KV lines, sub-stations and distribution transformers spread all over Maharashtra .

2. Maharashtra State Electricity Distribution Company Limited (MSEDCL), a wholly owned Government of Maharashtra Undertaking, invites Expression of Interest (EoI) (Application) from reputed Cost Auditors having registered office in the state of Maharashtra for Empanelment of Cost Auditors for performing Cost Audit for the financial year 2024-25 to 2028-29.
3. The appointment of Cost Auditors from empaneled list shall as per the selection criteria mentioned in Annexure II, as decided by the management.
4. If your firm is interested in being considered for the above EoI, you may submit your Application to MSEDCL in **Annexure-III**.

The terms and conditions with regard to the submission of Application, scope of work, evaluation/selection process are detailed below:

5. **Scope of Work:** The scope of work is as detailed in **Annexure I**.
6. **Selection Criteria:** The Selection Criteria are detailed in **Annexure II**.

### **III) Eligibility and General Terms and Conditions:**

The cost auditors /firm of cost auditors fulfilling the following criteria shall be eligible to submit their offers for empanelment of cost auditors. The offer shall be furnished in the format prescribed in Annexure III attached herewith.

1. The firm of Cost Auditors / Cost Auditors must have minimum five years of continuous experience as on 1<sup>st</sup> April 2024 in conducting the Cost Audit.
2. The firm must be registered and its **principal place of business must be located in the State of Maharashtra.**
3. The panel for successful Cost Audit firms will be made in descending order on the basis of marks obtained considering the qualifying criteria.
4. Cost Audit firms will be empaneled in the order of their ranking i.e. total marks scored by the firm out of 80 marks. The said panel will be operative for the F.Y. 2024-25 to 2028-29.
5. The Cost Audit for each year will be jointly carried out by two firms of Cost Auditors and Cost Audit fee will be shared equally. The Circles for which the Cost Audit is to be carried out are scattered though out the Maharashtra State.

### **IV) Cost Audit Fees:**

The Cost Audit fee will be Rs. 9 lakh per annum inclusive of travelling and out of pocket expenses but excluding GST or any other applicable tax at the time of payment for the F.Y. 2024-25. The Cost Audit fee will be reviewed in future if required.

### **V) Other terms and conditions**

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

1. The EoI should be unconditional. Conditional EoI shall be out-rightly rejected.
2. Only selected firms will be intimated about their selection in due course.
3. The audit team will ensure that the information in respect of MSEDCL's Cost Records is dealt in strict confidentiality and secrecy.
4. 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.
5. Neither the firm nor its partner or Associates should have any interest in the business of Company.
6. 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)
7. 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.
8. 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/ Auditor empanelled for physical verification of inventory for MSEDCL for the relevant financial year.

9. 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 MSEDCL.
10. The partners / proprietor should hold certificate of practice issued by The Institute of Cost Accountants of India and should be in whole-time practice.
11. The Cost Audit firm should submit the registration certificate of the firm.
12. The Cost Audit firm will be debarred from getting, in future, the Cost audit assignment in MSEDCL 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.
  - c. If the Firm does not submit the audit report, complete in all respect in terms of appointment.
  - d. If the Firm violates any of the stipulations under clauses of Terms and Conditions.
13. The Cost Auditor shall undertake that data given to the Auditor by MSEDCL and any information generated from the data provided shall not be used by the Auditor for any other purpose.
14. The Audit Firm must not sub-contract the work
15. 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.
16. Application must be submitted at office of “The Chief General Manager (CA), 1<sup>st</sup> Floor, Corporate Accounts Section, Prakashgad, MSEDCL, Plot No. G-9, A.K. Marg, 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.
17. Disclaimer: MSEDCL 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.
18. Each Cost Audit firm should submit Self Evaluation form as per Annexure-V

## **VI) Instructions relating to submission of Application**

1. The application must contain the name, designation 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. Envelope shall be opened on 24.07.2024.
6. The company reserves the sole right to accept or reject any or all the Applications thus received without assigning any reasons thereof.
7. Clarification of Applications: During evaluation of application, 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 days' notice to rectify/furnish such documents, failing which the Application shall be rejected.
8. 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.
9. 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

### **VII) Scope of work:**

- i) The Cost Audit of Corporate Office, 46 O&M circles & 157 divisions will be carried out jointly by two cost auditors. The O&M circles will be distributed equally among the cost auditors.
- ii) Examination and verification of the correctness of cost records maintained at O&M circles and divisions.
- iii) Verification of correctness of Annexure to the cost audit report as prescribed by the Government.
- iv) Cost audit work as per prescribed procedure and preparation of cost audit report as per Companies (Cost Records and Audit) Rules, 2014.
- v) Reconciliation of profit as per costing and financial accounting records.
- vi) Suggestions for improvement (requisite modification and/or additions) to the present accounting system to facilitate proper cost analysis and cost record maintenance in future.
- vii) Soft copy and three hard copies of circle-wise Cost Records and consolidated Annexure to the Cost Audit Report & Cost Audit Report shall be submitted to the Chief General Manager (Corporate Accounts).
- viii) Preparation of Cost Audit Report in XBRL format within stipulated time as required by the Rules, Notifications / Circulars issued by MCA from time to time. One soft copy and three hard copies each shall also be submitted to the Chief General Manager (Corporate Accounts), MSEDCL.



## Annexure II

### VIII) Criteria for selection of Cost Auditors for empanelment

1. The firm of Practicing Cost Accountants should be registered with the Institute of Cost Accountants of India (ICMAI).
2. The firm must be registered and located in the State of Maharashtra.

The offers received will be evaluated as under:-

Sr. No.	Norms	Maximum Marks
i)	<b>Experience in conducting Cost Audit:</b> 2 marks for each year exceeding five years subject to maximum 20 marks (for example, if the firm is having 9 years' experience in conducting Cost Audit, 8 marks will be awarded.)	10
ii)	<b>Number of partners:</b> 5 marks for each partner who is fellow member and 4 marks for each partner who is associate member subject to maximum 15 marks.	20
iii)	<b>Number of qualified assistants</b> (Cost/Chartered Accountants) in the firm. They shall be members of their respective institutes. 3 marks for each qualified assistant subject to maximum 15 marks.	15
iv)	<b>Number of semi qualified assistant</b> (Intermediate Cost / Chartered Accountant) in the firm. 2 marks for each semi qualified assistant subject to maximum 10 marks.	10
v)	<b>The Firm having experience in conducting statutory cost audit of Central / State PSU'S engaged in Distribution of Electricity.</b> 5 marks for each year subject to maximum 20 marks	10
vi)	<b>The Firm having experience in conducting statutory cost audit of Central / State PSU's in Service Industry other than mentioned in 5 above.</b> 3 marks for each year subject to maximum 20 marks.	15
<b>Total Marks</b>		<b>80</b>

3. Where a Cost Accountant is a partner/owner of more than one firm, such partner/owner will be considered for only one firm of his choice. His marks will be considered for the firm for which choice is given and the other firms will get zero mark as partner.
4. In case of tie in marks, a firm with longer experience in conducting cost of audit of Central /State PSU's engaged in Distribution of Electricity will be preferred. If still there is a tie, a firm with longer experience in conducting cost audit of Central / State PSU's in other Service Industry will be considered. If again there is a tie, a firm with longer experience in conducting Cost Audit will be considered.

5. The ranking of Cost Auditors for empanelment will be decided on the basis of marks obtained in selection criteria. The firm obtaining highest marks will be assigned 1<sup>st</sup> rank and the firm obtaining second highest marks will be assigned 2<sup>nd</sup> rank and so on.
6. The procedure for appointment of Cost Auditor after empanelment is illustrated as below:-

Year	First Joint Cost Auditor	Second Joint Cost Auditor
1 <sup>st</sup> Year	1 <sup>st</sup> rank Firm	2 <sup>nd</sup> rank Firm
2 <sup>nd</sup> Year	1 <sup>st</sup> rank Firm	3 <sup>rd</sup> rank Firm
3 <sup>rd</sup> Year	2 <sup>nd</sup> rank Firm	4 <sup>th</sup> rank Firm
4 <sup>th</sup> Year	3 <sup>rd</sup> rank Firm	5 <sup>th</sup> rank Firm
5 <sup>th</sup> Year	4 <sup>th</sup> rank Firm	6 <sup>th</sup> rank Firm

7. The appointment / reappointment will be subject to the performance of cost Auditors.
8. The firm of cost auditors who have conducted cost audit of the company for two financial years will stand last in the list of empanelment irrespective of its marks.
9. If the firm of Cost Audit selected for appointment is not willing to accept the offer of appointment because of any reason then the next rank of Cost Auditor will be considered for appointment.

**Chief General Manager (CA)**

**Annexure III**

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

1	Name of the Cost Auditor / Firm of Cost Auditor (Indicate whether Proprietary Concern or Partnership Firm)	
2	Office Address:  i) Principal Place of Business ii) Permanent Address iii) Correspondence Address iv) Telephone No. v) Fax No. vi) Email Address vii) Website	
3	a) Firm Registration No. (in case of Partnership Firm/Sole proprietary Firm) b) Proprietor's Membership No.(in case of members not having Firm Name) c) GST Regn. No. d) Permanent Account No. (PAN) of Firm/Proprietor	
4	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 distribution 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.	
5	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. iii) Choice of the firm for which such partner be considered for assignment of marks as indicated at Sr.No. 3 of the 'criteria of selection of cost auditors for empanelment'.	
6	Whether Cost Audit of MSEDCL has been conducted earlier. If yes, the financial years for which the cost audit has been conducted shall be given.	

7. 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

8. Details of Qualified Assistants

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

9. Details of Semi Qualified Assistants

Sr.No.	Name of the Assistant	Qualification	Date of joining the firm as Qualified Assistant	No. of years in the firm

All the pages of offers and documents are to be signed by the partner/owner of the firm alongwith seal of the firm.

Declaration:-

I, \_\_\_\_\_ partner / owner of the Firm \_\_\_\_\_, hereby declare that the above information furnished is 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 and seal of the Firm**

**Annexure-IV**

**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 MSEDCL;
4. We are an independent firm of Cost Accountants and are at arm's length relationship with MSEDCL;
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.
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**

**List of Documents to be submitted along with Application**

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)	

**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**

Date: \_\_\_\_\_

Place: \_\_\_\_\_

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.