



**Himachal Pradesh Power Corporation Limited**  
(A State Government Undertaking)  
Regd. Office: Himfed Building, BCS, New Shimla.  
Ph. No: 0177-2671589 Website: [www.hppcl.in](http://www.hppcl.in)  
(CIN: U40101HP2006SGC030591)

**EXPRESSION OF INTEREST (EOI) FOR APPOINTMENT/ EMPANELMENT OF**  
**CHARTERED ACCOUNTANT FIRMS FOR CONDUCTING INTERNAL AUDIT FOR**  
**THE FINANCIAL YEAR 2025-26**

Himachal Pradesh Power Corporation Limited (HPPCL) invites Expression of Interest from CA Firms eligible under Section 138 of the Companies' Act 2013 for empanelment to appoint as Internal Auditors for the Financial Year 2025-26. For further details, please visit HPPCL Website: [www.hppcl.in](http://www.hppcl.in).

Interested and eligible CA firms may submit their applications as per Annexure – “B” in prescribed format in separate envelopes super scribing “**APPOINTMENT/ EMPANELMENT OF CHARTERED ACCOUNTANT FIRMS FOR CONDUCTING INTERNAL AUDIT FOR THE FINANCIAL YEAR 2025-26**”, to the undersigned, latest by 24<sup>th</sup> May, ..... 2025, by 01:00 P.M. and shall be opened on same date i.e. on 24<sup>th</sup> May, ..... 2025 at 3:00 P.M. in the chamber of D.G.M.(F&A)-II, HPPCL, BCS, New Shimla-9. Management reserves the right to cancel the EOI at any time, without assigning any reasons. Further, the representative must carry the authorization letter from the participating firm at the time of opening of application on their letter head please.

**Important Note: -**

- Application received after the due date and time, for any reasons whatsoever, shall not be entertained.
- Firm has to deposit EMD/ Bid security amounting to Rs.7,500 /- (Rupees Seven Thousand Five Hundred only) along with the application form in the shape of Bank Demand Draft in favour of “Himachal Pradesh Power Corporation Limited, Shimla”. Please note that any application received without EMD, will be outrightly rejected.

*V. V. V.*

**Director (Finance)**

## **Internal Audit Terms and Conditions for the F.Y. 2025-26**

### **Introduction:**

Himachal Pradesh Power Corporation Limited (HPPCL) was incorporated in December, 2006 under the Companies Act 1956, with the objective to plan, promote and organize the development of power generation on behalf of Government of Himachal Pradesh (GoHP). GoHP has allotted 15 Hydro power projects and 29 Solar Power Projects with aggregate installed capacity of 4411 MW and 549 MW respectively for development under state sector to Himachal Pradesh Power Corporation Ltd. (HPPCL). Out of these, 276 MW of Hydro Power Projects and 42 MW of Solar Power Projects are in successful operation and work is in progress on Hydro Power Projects aggregating to 859 MW and on Solar Power Projects aggregating to 33 MW.

HPPCL is actively in process of identifying suitable locations for setting up of aggregate 500MW of Solar Capacity by March 2026. HPPCL is also working on implementation of Green Hydrogen Project (on pilot basis) of 1MW capacity and two no's of Compressed Bio Gas Plant of 2 ton per day capacity and Geo Thermal energy.

### **SCOPE OF INTERNAL AUDIT:**

For achieving an excellence in accounting principles in compliance of the accepted Accounting Standards and physical targets linked to the budgetary allocations, the Management of a Company needs to watch and exercise effective control over the financial as well as non- financial functioning of the company. The system of Internal Audit is the best tool for the purpose. The Management of HPPCL is aware of certain weaknesses in the working of the company. Therefore, the following areas have been identified to cover in the scope of Internal Audit.

#### **A) Budget:**

##### **1) Review of budget formation procedure.**

- i. Check whether guidelines for preparation of Budget are followed and approved budget is on record.
- ii. Whether budgetary allocations for the financial year are progressively scaled over consecutive months.
- iii. Whether specific physical targets have been allotted and aligned with the financial targets set by the management.
- iv. To verify the availability of resources and their utilization on a prescribed timeline.
- v. To help in drawing the guidelines and procedures for budget preparation with specific linkage/ reference to physical/ execution targets.

## **2) Review of Budget Utilization and reasons for under/over utilization.**

- i. To verify submission of report on utilization of financial budgets and achievement of physical targets on suitable formats for Review of budget utilization.
- ii. To verify and comment that the periodical bills as per physical targets have been received from the executing vendors and have been paid and duly accounted for in the budget and advance if any, is adjusted.
- iii. To verify reallocation of budgets financial/ physical targets during the currency of the budgetary period.
- iv. To verify the rationality/ indispensability in submitting re-appropriation budgetary proposals.
- v. To comment on observance of time line for submission of such proposals and guide the units to carry out such exercises well within the financial year so that approvals are obtained well in time to ensure putting through the entries before 31<sup>st</sup> March of the financial year. Laxities in submitting such proposals should be specially commented upon to ensure timely annual closing and conducting of Income Tax, GST, Cost and Statutory Audits etc.

## **B) Land Acquisition and R&R Policies:**

- i. Review of land acquisition process, reasons for delay in land acquisition and disbursement of compensation awards.
- ii. Review of follow up of Land acquisition Regular First Appeal (RFA) Cases.
- iii. Monitoring of enhancement cases and their logical follow-up at various civil / revenue court.
- iv. Review of land dispute settlement procedures, status of mutations & possession of the acquired land.
- v. Review of R&R Policies and adherence thereof by projects (HEPs).
- vi. To verify status of target achievements and its social impact at ground, PAFs & PAAs level etc.

## **C) EMP, CAT Plan & Forest payments:**

- i. To verify and comment on adherence to Govt. Policies in vogue related to EMP, CAT Plan and LADF.
- ii. To verify and comment on the status of payment of installments as per schedule under the various corporate social welfare schemes.
- iii. To comment on the status of utilization of funds by Govt. agencies on PAFs & PAAs etc. by verifying their books of expenditure.

**D) Contract: Review of tendering and awarding process:**

- i. Review of awarding of tenders in respect of Civil, Electro Mechanical, Infrastructure works and IT related works, Procurement of routine items by Estate Cell etc. including variation orders/amendments /extensions thereto and accounting for the expenditure thereof. To take into account the following areas also:
  - a. Pre-award and post award procedures of the contract and linkage of their execution to budgetary allocation,
  - b. Availing of facilities of any exemption allowed to power companies as per Government of India notifications issued from time to time.
  - c. All the contract agreements awarded/executed during the FY, under audit to be verified for adherence to execution time lines and thereby timely completion and also to comment upon their status of execution.
- ii. Review of terms & conditions of agreements with special emphasis on adherence of time line for completion/execution and linkage with the monthly/quarterly /half yearly / yearly budgetary allocation,
- iii. To examine and comment on the reasonableness of deviations/extensions in works and their quantum.
- iv. Review of procurement procedures and authorizations (DoFP) with reference to routine / low value purchases.
- v. Review of procedure of work awards to professionals and advocates.
- vi. Review of Time over run and Cost overrun in projects.

**E) F&A:**

- I. Review of court cases related to all Tax matters, EPF etc.
- II. Review of FC procedures & its compliance.
- III. Compliance to statutory requirements & payment of dues related to Income Tax, GST etc.

**F) Statutory compliances and internal controls:**

To verify compliance of Companies Act 2013 with reference to Accounting Standards, as applicable and guidance Notes issued by Institute of Chartered Accountants of India from time to time. Advising on statutory requirements of the Companies Act 2013, Accounting Standards and other various Taxation Laws. To report any other matters coming to notice during verification in order to strengthen internal control system and for improving MIS.

**G) Work accounting:**

- i. To scrutinize/ verify the payment to contractors with reference to contract and comment on timely recovery of the related advances and statutory deductions.
- ii. To identify and report the errors in books of accounts and its rectification entries be done during Audit.
- iii. To check and comment on adjustment for returns, strategies, damages, unserviceable stores/material at sites.
- iv. To check timely filing of statutory tax returns and make specific comments on delay and leviability of fines for delay/short deposits etc.
- v. To review the system for issue of Project Authority Certificates (PAC), if any.
- vi. To examine irregularities with specific reference to financial concurrence, release of payments, updating of accounting records, authorization as per DOFP.

**(H) Insurance other claims lodged by the company:**

- i. To verify timely and correct (with all the requisite documents) lodgment of the insurance claims with insurance company follow up for settlement,
- ii. Claims lodged against the company: To verify that the claims passed by the company have the approval of the competent authority.
- iii. Review the adequacy the insurance cover for the various risks involved.

**(I) Checking of FMRs (Financial Management Records):**

Checking of the Financial Management Reports prepared by Corporate Office and Project Offices and confirming that the same have been made on a realistic basis, based on books of Accounts and submitted timely.

**(J) Nomination/Single tender:**

To examine and comment on the contracts awarded on single tender/nomination basis.

**(K) Capital work-in-progress & capitalization:**

**The following observations/verifications will be restricted to the projects which were commissioned during the year under audit only during the current financial year.**

- i. Work in progress should be verified with reference to Interim Payment Certificate (IPC) and certification of progress issued by the EIC, quantum of work in progress recorded should be compared with the awards/contracts and subsequent variations.
- ii. To verify and comment on the capitalization of assets and accounting of capital expenditure and its further distribution on specific assets as per accounting policy of the company for capitalization.
- iii. The above said areas will also include expenses on additions/ alterations/renovations/repairs in Electrical/ Civil/ Mechanical installations etc.

**(L) Vouching:**

- (i) To verify the transaction and narration recorded in the voucher and to ensure inter-alia that bookings have been made in the correct head of account.
- (ii) To ensure that no manual voucher is prepared and all the vouchers are posted in the related profit centre in SAP through FI Module with proper narration.
- (iii) To check and report that no direct entry is posted in SAP and must ensure that all the payments be routed through Vendor Accounts by adopting proper Accounting procedure.

**(M) Fixed Assets:**

- (i) To verify that proper records of assets of the company are maintained as per requirements of Companies (Auditors' Report) Order, 2016, issued by the Ministry of Corporate Affairs in terms of sub-section (11) of Section 143 of the Companies Act, 2013.
- (ii) Review the system regarding accounting, custodianship and safeguarding of monetary and non-monetary assets of the enterprise and to see that the assets of the company are reasonably and adequately protected against loss. Also check that the transfer / sale of each asset are immediately and properly accounted for. Also check the applicable depreciation rates and calculation of depreciation as per methodology adopted.

**(N) Physical Verification of Assets:**

The physical verification report along with list of Scrap items may be properly checked by the Auditors as per format supplied by Corporate Office.

**(O) Store transactions and valuation thereof:**

To verify the vouchers pertaining to store receipts, issues and the valuation thereof. The coverage shall include purchases of stores and scrap disposal on test basis. The internal auditor while verifying these transactions shall evaluate internal control procedures operative within the enterprise for efficient materials management.

**(P) Verification of secured / unsecured advances and securities given / received on behalf of the company:**

- (i) Documents / agreements relating to secured & unsecured advances to parties / Govt. Bodies shall be verified.
- (ii) The scope includes verifications of securities deposited by the company with different authorities / parties. The internal auditor shall check and examine the purpose and the duration of such deposits and whether the deposit certificates are in safe custody for presentation at the time of claiming refund. Security deposit received from the parties shall also be verified to ensure that the company beyond prescribed period does not retain these.

**(Q) Income Recognition:**

- a) To verify that income recognition is being made in conformity to Accounting Policy /procedure and the transactions are recorded accordingly.
- b) Energy audit: Audit of power generation of all projects of HPPCL on the following points:
  - Audit of energy generation, Charges, net energy sold, and reconciliation of income thereof.
  - Audit of energy consumption, costs, and specific energy consumption,
  - Suggested energy conservation measures, energy savings, benefits, cost economics/ analysis, monitoring and evaluation.
  - RTM purchases etc.

**(R) Additional Matters:-**

- Checking of accounting for the funds received and expenditure incurred against the financing by Multi/ Bilateral funding agencies such as World Bank, AFD etc.
- All important documents including term deposit receipts, tax returns, bank guarantees, cheque books etc. are kept under safe custody,
- There is a proper mechanism that the bank guarantees are extended well before the expiry dates.
- Helping in rectification of errors and omissions observed in the course of audit.
- Guiding in location of difference in Bank Reconciliation and proper control over banking transactions.
- Review and guidance in the finalization of accounts.
- Online scrutiny of TDS deductions from payments made to contractors/suppliers and consultants.
- To review that all the liabilities and provisions have been accounted for.
- Proper accounting of expenditure and incomes accruing to the enterprise and adherence to matching principle.
- Review the system for intangible assets assessment and impairment of assets.
- To verify that all moneys received are accounted for.
- To review and monitor PFC loan, KCCBL and HPSCBL cash credit limits.
- **Consultancy Services:** Review the terms and conditions of all consultancy contracts and report the debtors' position in case the same are overdue.

**(S) REPORTING REQUIREMENT:** Internal Audit Reports should be divided into four separate parts, namely:

**PART- I IMPORTANT OBSERVATIONS, OBJECTIONS AND RESERVATIONS:**

This part should contain the auditor's comments on all such irregularities or occurrences which auditors want to bring to the notice of management, along-with their financial implications, if any. This part should also bring out deviations (non - compliances) by units from (with) policies, systems and procedures prescribed by HPPCL. Any non-compliance with the matters/areas specified in the Guidelines/ policy of HPPCL should also be identified here. The observations should be arranged in self-contained paras, preferably with suitable titles.

**PART – II COMPLIANCE REPORT:**

Auditors to Report on compliance of internal audit observations outstanding as at the end of the previous year (that is, as contained in the Report of the preceding year), pending settlement, is included and details of corrective actions taken on those observations are furnished in the current year's audit report.

**PART – III REPORT ON CONTRACTS / P.Os PLACED ON SINGLE TENDER BASIS:**

Internal auditors will report separately on Contracts / Work Orders (W.Os)/Purchase Orders (P.Os) placed on Single Tender basis, ascertaining the follow-up, of procedure etc.

**PART – IV DETAILED REPORT:**

This part shall comprise auditor's detailed observations regarding areas specified in the Scope of the audit. However, non-compliance with the matters / areas specified in the Audit Scope which are identified in Part I of the report, should also be invariably detailed in Part IV. While, Contracts /W.Os. / P.Os placed on Single Tender basis should be reported in Part – III of the report, auditors should report their findings on all Contracts/W.Os. / P.Os placed on other than Single Tender basis in this Part (i.e. Part IV). Further, a point - wise report on the scope of audit is to be submitted a/w a certificate that the internal audit has been done as per scope of work.

Further, the auditors should give specific observations along with factual data (details of transaction etc.) instead of general statement in their audit report.



**(T) Fee structure for Internal Audit:**

<b>Sr. No.</b>	<b>Projects/Units</b>	<b>Amount in rupees</b>
1.	For projects under construction & operation stage (STKHEP, SKHEP, Sainj HEP, Integrated Kashang HEP(Stage- I,II & III), Chanju III- 5 nos.)	45,000/-+taxes as applicable (Each Project)
2.	For projects under Investigation or pre- Construction stage (RDP, Thana Plaun- 2 nos.)	15,000/-+taxes as applicable (Each Project)
3.	Corporate Office, Shimla	45,000/- + taxes as applicable
4.	Design Wing, Sunder Nagar	15,000/- + taxes as applicable
5.	Solar Power Projects/Renewable Energy under Construction and Generation stage.	45,000/-+taxes as applicable (Lump Sum per year)

**Schedule of payment:**

**The payment to Audit Firms shall be released as under:**

1. 40% of the Audit Fee shall be paid after submission of audit Reports and its compliance thereof for the 1<sup>st</sup> half-yearly audit and 60% of the Audit fee shall be paid after submission of audit Reports and its compliance thereof for the full F.Y. 2025-26 of all the Units/Projects.
2. Out of pocket expenses i.e. TA/DA etc. shall be reimbursed to the partners of the CA firm, under HPPCL/H.P. Govt. rules at the rates at par with the entitlement of DGM level executive (E-7) and to its audit assistants at the rates at par with Finance Officer level executive (E-2) of the Corporation. The Audit firms are to submit fee invoices including TA/DA claims, alongwith stay certificates, signed by Head of Finance/Head of the Projects of the unit/project and any other supporting documents required to process such bills. Boarding/lodging to the audit team during conduct of audit will be provided in HPPCL Transit Camps subject to its availability. In case of full occupancy of transit camp, the audit firm has to make its own arrangements and will be reimbursed as per entitlement as defined above. It is further clarified that the audit firm will make their own arrangements for transport/conveyance for any movement during the course of Audit. HPPCL will not arrange/ provide any vehicle for audit purpose.

**(U) World Bank Related Reporting Requirements:-**

The Internal Audit Firm shall submit the Unit/Project-wise **Separate Internal Audit Reports as per prescribed format as given under World Bank Funded H.P Power Sector Development Program of Annexure-I.**The World Bank guidelines/procedure w.r.t report shall be submitted as detailed hereunder:-

**Supplemental Scope/ Focus of Internal Audit:-**

1. Agreed procurement procedures and arrangements have been followed for works, goods and services. For this purpose, the auditor will select a sample of procurement cases under the Project and check procurement documents and assets created so as to ascertain the robustness of procurement system in the accordance with the check list suggested in Annexure- B(i).
2. Procurement document includes a para stating that the “This tender is covered under World Bank “Guidelines on Preventing and Combating Fraud and Corruption in Program for Results Financing dated February 1, 2012, and revised on July 10, 2015 (<https://ppfdocuments.azureedge.net/3682.pdf>). Requirements under these guidelines include but are not limited to (a) the borrower’s obligation on informing the World Bank about all Fraud & Corruption related allegations and investigations, (b) the World Bank’s right to conduct administrative inquiries, and (c) Ineligibility of debarred firms for contract awards. The latest list of the Bank’s debarred firms is available <https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>.”
3. Value of none of the single contract exceeds the threshold of – for Works: US\$ 75 mn, for Goods, Information Technology, or Non-consulting Services: US\$ 50 mn and for Consulting Services: US\$ 20 mn.
4. Procurement related complaints, if any have been addressed and recorded in the file as per the agreed ‘Complaint Redressal Mechanism’.
5. Expenditure on contracts, including procurement of goods and services, are supported by necessary documents and payments are duly approved as per the applicable delegation of powers and the project expenditure has been duly recorded in the IT system.
6. World Bank and counterpart funds have been used in accordance with the conditions of the relevant legal documents and only for the purposes for which the financing was provided and qualify as Program Expenditure.
7. Adequate contract records have been maintained including Contract Bonds, Contract Register, Guarantee Register and original Guarantee Bonds.
8. Physical verification of assets and other inventories would be taken up as deemed necessary by the auditor, on a sample basis.
9. Assessment of overall compliance with the legal agreements and the Program Operational Manual.
10. Identify any issues in project management related to financial management and procurement.

- Executive Summary**

Observation	Implications (financial, control issue, systemic/ process weakness etc.)	Corrective Action's Recommended	Auditee's Response/ Agreed Action	Person responsible/ Target Date

- Specific report on any fraud, illegal act or mis-appropriation and significant non-compliance.
- Status of compliance to previous audit reports (separately for each audit report)

Period Ended \_\_/\_\_/20\_\_

Date of audit report \_\_/\_\_/20\_\_

Auditee	Observation	Implications (financial, control issue, systemic/ process, weakness etc.)	Corrective Action/s Recommended	Person responsible/ Target Date	Current Status (Fully/ Partially complied or not complied)	Final recommendation of the Auditor

Further, World Bank has also submitted checklist for review of Procurement System in HPPCL for which the comments & findings of Auditors are also required.

**Checklist for review of Procurement system for 10% sample procurement only (World Bank related program)**

Aspects	Comments and Findings
Procurement Documentation(Filing)	
Advertising for Prequalification(PQ)	
Price of PQ Application	
Times allowed for submitting PQ application	
Evaluation of PQ applications	
Level of Participating in PQ	
Invitations for bids(for packages with PQ)	
Advertising for Invitation of bids (for Packages without PQ)	
Price of bid document	
Time allowed for submission of bids	
Response to queries received before bid submission	
Bid opening (Public) & minutes of bid opening	
Bid security records	
Bid evaluation process and report, verify existence of bids	
Name of bidders	
Level of participation in bidding (no. of bid documents sold, numbers of bids received)	
If lower bidder rejected, the reasons	
Name of Contractor	
Contract document (quality, essential clause)	
Financial Negotiations (if carried out)	
Disclosure of contact award information	
Time taken in bid evaluation	
Advance payment guarantee details and records	
Performance security details and records	
Protests and other matters	
Contractual completion date	
Any indicator of splitting of purchase	
Actual completion date	
Liquidity damages details and enforcement for delays	
Timeliness of payments	
Other matters	
Compliance with agreed provisions–Yes or No (Explain)	
Specific observations on Procedure, Technical specification, Missing information, Pre-bid conference, Question/Complaints, Delays, Participation, Bid Evaluation, Asset Verification etc.	

**(V) Selection criteria/Evaluation:**

The selection of the internal auditor shall be as per criteria indicated in **Annexure-‘A’**. The firm securing maximum marks will be selected. In case of tie in overall evaluation as per selection criteria to select highest ranked firm, preference will be given as per the following order:-

- (a) Firm having more experience in Internal Audit/ Statutory Audit assignments of Govt. Companies (Central/ State) shall be given 1st preference.
- (b) In case there is a tie in first condition at Sr. No. (a), then the Firm having more experience in conducting internal, statutory audit of Power Sector Companies will be given preference.
- (c) Further, if the firm again ties after considering point no (b) above, the firm having comparatively more experience of working in SAP software shall be given preference.

**(W) OTHER TERMS & CONDITIONS:**

- (a) **Bid security:** Each firm has to **deposit EMD/ Bid security amounting Rs.7,500 /-** (Seven Thousand Five Hundred only) along with the application form in the shape of Bank Demand Draft in favour of Himachal Pradesh Power Corporation Limited. **If the firm does not submit the EMD with application form, then the applications will be outrightly rejected.**
- (b) **Performance Security:** Each firm has to deposit **Performance Security in the shape of a Bank Demand Draft amounting to Rs.15,000/-** (Fifteen Thousand only). The performance security will be released to the auditor(s) after completion of 3 months of the submission of satisfactory Final Internal Audit Report.
- (c) The tenure for appointments shall be initially for one year. The period of appointments can further be extended for another one year based on the satisfactory performance of Auditors. The tenure of appointments shall be at the sole discretion of the Company. The maximum tenure of appointments for internal auditors shall be a continuous period of two (2) years. After that Internal Auditors shall be considered for re-appointment after the cooling period of two years.  
**Firms who have already served in the capacity of Internal Auditor of the Company for the F.Y 2024-25 shall only be considered for appointment as Internal Auditors after serving the cooling period of two (02) years i.e. up to 2026-27.**
- (d) The report should be supplemented by a statement indicating:

A statement indicating the audit personnel deployed with their designation and the period of deployment.

- (e) Further, internal auditor is expected to have good working knowledge of **“Standard on Internal Audit”**

**(SIA) issued by ICAI** from time to time and should invariably apply such standard while conducting internal audit and concluding his comments.

The firms shall be required to maintain highest standard of professional competence and ethics. A thorough professional approach towards work, concisely written Audit Report with concrete suggestions, clear and unambiguous approach towards issues of concern and practical solutions to the issues is highly desirable.

- (f) The report should also contain references to areas where no adverse observations have been noted. In respect of other areas, **specific suggestions for improvement**, if any, may also be highlighted for each area.
- (g) The results of audit should be discussed with Head of Project followed by Director (Finance) in each phase and important observations should be brought to their notice so that timely corrective actions may be taken. The report should be prepared after duly taking into account the additional information that may be provided / obtained at such discussions.
- (h) The firm shall not disclose the data i.e. physical, documented management systems etc. to any third party including their internal department. For this a Non-disclosure agreement will be signed.
- (i) The firm will be required to comply with the instructions if any issued by the HPPCL.
- (j) Firm to whom the work awarded shall not sub contract the work to any other parties either in part or full.
- (k) The firm shall not be entitled to claim any additional amount for any reason whatsoever for the above Internal Audit.
- (l) In case of any dispute, the decision of HPPCL Management shall be final and binding on the firm.
- (m) The terms and conditions enumerated in this document can be modified at any time by HPPCL at its sole discretion.
- (n) **Disclaimer:** HPPCL reserves the right to cancel the audit assignment at any stage without assigning any reason, without thereby incurring any liability to the Firm concerned or any obligation to inform the Firm concerned of the grounds, for the Corporation's action.
- (o) **Jurisdiction of courts:** Any dispute arising out of or in respect of the contract will be subject to the jurisdiction of High Court of H.P. Shimla only.

**(X) The Time Frame of Audit:**

The tenure of appointments shall be at the sole discretion of the Company. The tenure for appointments shall be initially for one year. The period of appointment can further be extended for another period of one year based on the satisfactory performance of Auditors.

The Internal Audit shall be conducted **on half-yearly basis** as per the schedule given hereunder:

<b>Period of Audit</b>	<b>Last date for completion of Audit</b>	<b>Last date for submission of Audit reports</b>
1 <sup>st</sup> April to 30 <sup>th</sup> September of the F.Y. under Audit	20 <sup>th</sup> October of the F.Y. under Audit	31 <sup>st</sup> October of the F.Y. under Audit
1 <sup>st</sup> October to 31 <sup>st</sup> March of the F.Y. under Audit	15 <sup>th</sup> June of the next F.Y. (2026-27)	25 <sup>th</sup> June of the next F.Y. (2026-27) along with compliance report of previous audit done.

The Internal Audit will be conducted on a half-yearly basis by the two highest –ranked independent firms and reports will also be submitted on a half-yearly basis. Further, HPPCL also reserves the right to award audit of any unit/ project at its own discretion.

Each firm will be assigned specific projects/units as under:-

<b>Sr.No</b>	<b>Firm</b>	<b>Assigned Projects /Units</b>
<b>1.</b>	<b>1<sup>st</sup> Ranked Firm</b>	Kashang HEP Stage I, II & III, Chanju III HEP, Shongtong HEP & Solar Power Projects/Renewable Energy.
<b>2.</b>	<b>2<sup>nd</sup> Ranked Firm</b>	Sainj HEP, Sawra-Kuddu, HEP, Design wing Sundernagar, Corporate Office, Renukaji HEP, Thana Plaun HEP

## **Code of ethics for Auditors:**

1. The Internal Auditors should keep themselves away from illegal practice / dishonest arrangements.
2. The Internal Auditors shall have an obligation to work objectively and diligently while performing his/her duties.
3. The Internal Auditors shall not accept any gifts or hospitality from any employee, contractor, supplier or business associate of HPPCL.
4. None of the staff of Internal Audit Team would direct or supervise the activities of any department of HPPCL, except where such activities are a part of the internal audit process.
5. The audit team should consist of at least one technically knowledgeable professional in power industry and headed every time by a Chartered Accountant (who may be a partner) and consist of adequate number of qualified/semi-qualified audit assistants of the firm.
6. The Audit firm should not sub-contract the work. In case it is subsequently found at any stage of the appointment process / post appointment that outsourcing has been resorted to, the appointment will be liable for cancellation with immediate effect.
7. The designated 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.
8. No partner of the Auditors is related to C.M.D. / whole time Director or part time or Independent Director of the company within the meaning of Sub-Section (76) & (77) of Section 2 of the Companies Act, 2013.
9. Neither the firm nor its partner or associates have any interest in the business of the company.
10. The partners holding certificate of Practice issued by the Institute of Chartered Accountant of India / Institute of Cost Accountants of India are in whole time practice.
11. The Internal auditor shall ensure that data given to the Auditor by company and any information generated from the data provided shall not be used by the Auditor for any other purpose.
12. The Auditor / Audit Firm will be debarred from getting the Internal Audit in future in HPPCL Ltd. and its subsidiaries 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 respect in terms of appointment letter.
  - (iv) Conditions as per provisions of Companies Act, 2013.
  - (v) If the Firm violates any of the stipulations from 1 to 12.
13. HPPCL reserves the right to accept or reject any or all responses and to request additional submissions or clarifications from one or more Applicant(s) at any stage or to cancel the process entirely without assigning any reason.



**Eligibility Criteria:**

- 1 The CA firm should have minimum Five Partners.
- 2 The CA Firm should have minimum Rs.50 Lakhs Average Annual Turnover in the last three financial years.
- 3 The CA Firm should have minimum experience of 5 years of audit in SAP environment.
- 4 The CA firm should have minimum experience of at least 10 Assignments in conducting Internal, Statutory Audit of PSUs/ Govt. Companies (Central/State) in the last 10 financial years.
- 5 The CA firm should have minimum experience of 2 years for conducting audit (Internal, Statutory) of Power Sector Companies.
- 6 The CA firms who do not possess any of the above will be considered as disqualified.

**“Appointment of Internal Auditors for the F.Y.2025-26”**

**Annexure-“B”**

**The following information to be furnished by interesting CA firms on their Letter Head:-**

1. Name of the Firm.
2. Year of Establishment of CA Firms, Registration No. and place of Registered office/Branch Office along with supportings from ICAI website.
3. Copy of PAN Card.
4. Copy of GST Registration.
5. Address of the Head Office as well as Branch Offices (if any) with supporting from ICAI website.
6. Contact No. of the CA firm.
7. Details of partners along with their Membership No's, and experience in years (supportings from ICAI website).
8. Details of total staff strength of the firm i.e. No. of Assistants- Qualified/ Semi-qualified as per ICAI website.
9. Certified copies of Turnover of the firm as per Selection Criteria (Annexure-C) along with supporting documents.
10. Details of having experience of working in SAP along with its certification from that respective organization(s).
11. Details of assignments of Internal, Statutory Audit of PSUs/ Govt. Companies (Central/ State) undertaken by the firm in the last 10 years. (Certification from concerned PSUs/ Govt. Companies is mandatory).
12. Details of experience in conducting Internal , Statutory Audit of Power Sector Companies.

**Declaration:**

1. We confirm that the information furnished herein is correct and fair in all respects and we have the necessary documentary proof to substantiate the same. It is further confirmed that in case any of the contents contained herein are found to be incorrect, Himachal Pradesh Power Corporation Ltd. is free to initiate any appropriate action against us.
2. We further declare that there have been no adverse comments/ qualification on our performance from the Management/Audit Committee.

**Partner (Signature)**

**Name & Membership No. Date:**

**Annexure – “C”**

**SELECTION CRITERIA (MARKS ALLOCATION) FOR SELECTION OF INTERNAL AUDITORS FOR THE FY 2025-26 WILL BE AS FOLLOWS:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Minimum requirement</b>	<b>Evaluation Criteria</b>	<b>Maximum marks allotted</b>
1.	Year of Establishment of the CA Firms.	10 Years	<ul style="list-style-type: none"> <li>Upto 10 years-<b>5 Marks</b></li> <li>10-20 years-<b>8 Marks</b></li> <li>20 years and above-<b>10 Marks</b></li> </ul>	10
2.	No. of Partners in the Firms.	5 Partners	<ul style="list-style-type: none"> <li>Upto 5 partners-<b>5 Marks</b></li> <li>5-10 partners-<b>8 Marks</b></li> <li>More than 10 partners-<b>10 Marks</b></li> </ul>	10
3.	No. of Qualified Assistants (QA) employed with the firm	2 no. of QA	<ul style="list-style-type: none"> <li>2 no. of QA-<b>5 Marks</b></li> <li>2-10 no. of QA -<b>8 Marks</b></li> <li>More than 10 no. of QA-<b>10 Marks</b></li> </ul>	10
4.	No. of Semi-qualified Assistants (SQA) employed with the firm.	2 no. of SQA	<ul style="list-style-type: none"> <li>2 no. of SQA-<b>5 Marks</b></li> <li>2-10 no. of SQA -<b>8 Marks</b></li> <li>More than 10 no. of SQA-<b>10 Marks</b></li> </ul>	10
5.	Turnover of the firm (Minimum average Annual Turnover in the Last three financial years shall be Rs.50 Lakhs).	50 Lakhs	<ul style="list-style-type: none"> <li>Upto Rs. 50 Lakhs – <b>5 Marks</b></li> <li>Rs. 50Lakhs-75Lakhs -<b>6 Marks</b></li> <li>Rs.75lakhs-1 crore -<b>8 Marks</b></li> <li>More than Rs. 1 crore- <b>10 Marks</b></li> </ul>	10
6.	Experience of Audit in SAP software.	5 years	<ul style="list-style-type: none"> <li>Upto 5 years-<b>5 Marks</b></li> <li>5-10 years-<b>8 Marks</b></li> <li>More than 10 years-<b>10 marks</b></li> </ul>	10
7.	Experience of Internal, Statutory Audit assignments of PSUs/ Govt. Companies (Central/ State) in the last 10 financial years.	10 Assignments	<ul style="list-style-type: none"> <li>Upto 10 Assignments-<b>10 Marks</b></li> <li>10-20 Assignments-<b>15 Marks</b></li> <li>More than 20 Assignments-<b>20 Marks</b></li> </ul>	20
8.	Experience in conducting of Internal, Statutory Audit of Power Sector Companies.	2 years	<ul style="list-style-type: none"> <li>Upto 2 years-<b>5 Marks</b></li> <li>2-10 years-<b>8 Marks</b></li> <li>More than 10 years-<b>10 Marks</b></li> </ul>	10
9.	Place of Registered Office/ Branch office of Chartered Accountant firm.	--	Within H.P. = <b>10 Marks</b> Outside H.P.= <b>05 Marks</b>	10
	<b>Total Marks</b>			<b>100</b>