

Notice Inviting Tender
For Appointment of Cost Auditor of
Assam Petro-Chemicals Limited for the Financial Year 2017-2018

By
Assam Petro-Chemicals Limited
(A Govt. of Assam Undertaking)

Registered Office
4th Floor, Orion Place, G.S. Road,
Bhangagarh, Guwahati, Assam
Phone:0361-2461470 / 2461471 / 2461594

Head Office
Namrup, P.O. Parbatpur
Dibrugarh, Assam – 786623
Phone:0374-2500331 / 212 / 518

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ASSAM PETRO-CHEMICALS LIMITED

APPOINTMENT OF COST AUDITOR FOR FINANCIAL YEAR 2017-18

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Important Information

| Sl. No. | Event | Information to the Consultants |
|---------|---------------------------|--|
| 1 | Date of Release | 22 -02-2017 |
| 2 | Last Date of submission | 15 -03-2017 upto 03:00 PM |
| 3 | Date of Opening | 15 -03-2017 at 03:30 PM |
| 4 | NIT Document | The details can be downloaded free of cost from the websites www.assampetrochemicals.co.in |
| 5 | Address for communication | Namrup, P.O. Parbatpur 786623 Dibrugarh, Assam – 786623 Phone:0374-2500331 / 212 / 518 |
| 6 | Contact Person | Deputy General Manager (F&A) Phone:0374-2500331 / 212 / 518 (Extn.-403) E-mail-gupta.ak@ assampetrochemicals.co.in |

INVITATION OF PROPOSAL FOR APPOINTMENT OF COST AUDITOR(S) FOR FINANCIAL YEAR 2017-2018

1. Introduction :

Assam Petro-chemicals Limited (APL) was conceived for productive utilization of natural gas, which was being flared up in the Upper Assam oil fields. Only a small quantum of natural gas was then used in fertilizer industry and power generation. To prevent this colossal wastage, the company was set up by Government of Assam with joint participation of Assam Industrial Development Corporation Ltd (AIDC) and the public. Incorporated in 1971, the company was a pioneer in the field as it was the first to manufacture petrochemicals in India using natural gas as feedstock. It started with a small Methanol plant alongwith Formalin and a few Urea Formaldehyde resins as downstream projects, with technology supplied by Mitsubishi Gas Chemicals Co. Inc, Japan. Commercial production began in the year 1976. To augment its capacities to meet increasing demand for its products, a bigger Methanol plant with 100TPD capacity was commissioned in 1989 with technology supplied by ICI, UK and a 100 TPD Formaldehyde Plant in 1998 with technology from Derivados Forestales of Nederland which has then been revamped to 125 TPD in the year 2012.

The company (APL) intends to appoint a Cost Accountant Firm for conducting cost audit for the Financial Year 2017-2018. The Firms are therefore requested to send their Proposal as per the NIT.

2. Scope of Work:

The broad scope of work would be:

- 2.1 To conduct Cost audit of the Company in accordance with the provisions of the Companies (Cost Records and Audit) Rules 2014. Cost audit shall be in adherence to the relevant orders/clarification issued by Cost Audit Branch, Ministry of Corporate Affairs, Govt. of India and the Cost Accounting Standards issued by the Institute of Cost Accountants of India, from time to time.
- 2.2 Cost audit team should consist of adequate number of qualified/semi-qualified assistants (Cost Accountants) led by a senior partner of the Firm so as to be commensurate with cost audit work requirements.
- 2.3 Verification and certification of cost proformas maintained by the Company as per Companies (Cost Records and Audit) Rules, 2014.
- 2.4 Verification and certification of annexure to the cost audit report.
- 2.5 Cost audit firm so appointed shall commence cost audit and submit report as per Companies (Cost Records and Audit) Rules, 2014 by 31st July 2018.
- 2.6 The cost audit firm shall ensure to submit cost audit report and annexure to the cost audit report along with its reservation or qualification or observations or suggestion, if any, in form CRA – 3.

3. Selection Criteria:

- 3.1 Firms of Practicing Cost Accountants registered with the Institute of Cost & Management Accountants of India (ICAI) having its office(s) in Assam shall be considered for Appointment as Cost Auditor for conducting Cost Audit of the Company.

- 3.2 The following will be the basis of Points for the selection and selection will be made on the basis of attainment of highest Points.

| Sl. No. | Selection Criteria | Basis of awarding of points | Maximum Points |
|---------|---|--|----------------|
| 1 | Experience in practice (No: of years) | 1 point for every year of Firm's Registration. | 5 |
| 2 | Experience of PSU Audit (Cost) | 1 Point for each completed Cost Audit of a PSU Unit/Company. | 5 |
| 3 | Experience related to Manufacturing /Process / Petro-chemicals Industry | 2 Point for a completed Cost Audit of Manufacturing /Process / Petro-chemicals Industry. | 10 |
| 4 | No. of Partners / Members positioned at Assam | 1 Point for each Partner. | 5 |
| 5 | Majors clients (i.e., Companies with Annual Turnover > Rs. 100 Crores) | 1 Point for each such Client | 5 |
| | | TOTAL | 30 |

Note:

1. Clear and complete details in separate sheets, for determination of Points with supporting documents of information against Item Sl. No. 1 to 5 above are to be furnished.
2. The Firm securing at least 50% marks based on above system shall be considered as qualified.

4. Pre-requisites for considering rankings:

- 4.1 Documentary evidence(s) in support of Criteria at 3.2 (1 to 5) mentioned in the above table and para-4.2 below is required to be submitted. Proposals without the required documentary evidence(s) shall be ignored for evaluation.
- 4.2 In case of a tie, the following sequence shall be adopted for selection:
 - a) Firm with longer experience will be preferred based on the year of establishment.
 - b) Firm with a higher number of Fellow and or Associate Members of the Institute of Cost Accountants as partners will be considered.

5. Terms and Conditions:

- 5.1 The tenure of appointment shall be at the sole discretion of the Company. The tenure may be renewed every year for a maximum of three years at the sole discretion of the Company. However, it is expressly stated here that the said tenure is not to be construed as assured and the Company reserves the right not to reappointment at its sole discretion without assigning any reason therefore.
- 5.2 The Company reserves the right to accept / reject any or all the offers without assigning any reason whatsoever therefore.
- 5.3 Overwriting/correction/erase and/or use of white ink should be avoided in the Offer. However, if any overwriting/correction/erase is inevitable, the same should be authenticated with the signature & seal of authorised person of applicant firm.
- 5.4 Documentary evidence(s) in respect of all the information above by the applicant firm(s) must be furnished along with the proposal.

- 5.5 All the pages of the proposal document shall have to be signed by the applicant firm(s) with the firm's seal and documents submitted along-with the offer shall also have to be authenticated by the authorised signatory of the applicant firm(s) with the firm's seal.
- 5.6 The proposal should be submitted strictly as per the terms & conditions laid down in the document.

The Offer in the Prescribed Format at Annexure – I & II as Technical Bid and Financial Bid is to be submitted in physical form at following address:

Deputy General Manager (F&A)
Assam Petro-Chemicals Limited
Namrup, P.O. Parbatpur
Dist.- Dibrugarh, Assam – 786623
Phone:0374-2500331 / 212 / 518 (Extn.-403)
E-mail- gupta.ak@ assampetrochemicals.co.in

The sealed offer for appointment of Cost Auditor should be submitted separately for technical and financial bid in the office of above mentioned address. The Technical bid envelope must be sealed and super – scribed with “**Offer for Appointment of Cost Auditor –Technical Bid**” and the Financial bid envelope must be sealed and super – scribed with “**Offer for Appointment of Cost Auditor – Financial Bid**” . The Name & Address of the Applicant firm must also be mentioned on the body of both envelopes. The financial bid will be opened only of the firm who has qualified in technical bid. Offers submitted in any other form shall not be considered.

- 5.7 The Company 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 at its sole discretion without assigning any reason whatsoever.
- 5.8 The Firms are required to submit their GSTIN if applicable in their offers.
- 5.9 Proposals received after the last date shall not be considered.
- 5.10 The Cost Auditor’s remuneration was fixed at Rs. 18,000/- (Rupees eighteen thousand) only (excluding travelling & out of pocket expenses) for the financial year 2016-2017.
- 5.11 Food and lodging will be provided by the Company for the Namrup Campus only.

6. Compliances / Declarations /Certificates by firm(s) on appointment:

The cost audit firm(s) shall have to comply with and furnish declarations and certificates as required under Statutory/Company rules, upon appointment as cost auditor(s), as under:

- 6.1 The Cost Audit Firm shall not sub-contract the cost audit work,
- 6.2 The cost audit team will work in strict confidence and will ensure that the cost data, cost statement and cost information and any other information in respect of the operation of the location / work centre/ Company is dealt with in strict confidence and secrecy.
- 6.3 No partner of the cost audit firm should be related to either Managing Director or any Whole Time Directors or Part Time Directors of the Company within the meaning of the Companies Act, 2013,
- 6.4 Neither the cost audit firm nor its partner(s) nor associates should have any interest in the business of the Company,
- 6.5 The cost auditor(s) will be required to issue & submit certificate of Independence and arms length relationship.
- 6.6 Cost audit firm(s) shall have prime responsibility to ensure that the maximum number of audit limits specified under Companies Act, 2013 are not violated.

- 6.7 The cost audit firm(s) shall be free from any disqualification under The Companies Act, 2013. In addition to this, the cost audit firm(s) must not be holding any assignment as Statutory Auditor(s) or Internal Auditor(s) of the Company.

7. Debarring Provisions:

The Audit Firm will be debarred from getting, the Cost audit of APL:

- 7.1 If the Firm obtains the appointment on the basis of false information / mis-statement.
- 7.2 If the Firm does not take up audit in terms of appointment letter.
- 7.3 If the Firm fails to maintain/honour confidentiality and secrecy of the Company's data, cost statement and cost information.
- 7.4 If the Firm fails to comply with any of condition laid down in clause 7 above.

8. Cost Audit Fees:

The Cost audit fee for the year 2017-2018 may be quoted by eligible firm and the work shall be awarded to the firm who quoted lowest fee. Fee Quote should be in separate sealed envelope and super – scribed with Appointment of Cost Auditor – Financial Bid. The Name & Address of the applicant firm must also be mentioned on the body of the envelope.

The proposal should include price all-inclusive lump sum amount (including TA/DA and other out of pocket expenses, etc.) in Indian Rupees only, for the entire scope of work covered under the Terms of Reference on a firm price basis (with no escalation provision for whatever reason) valid till the complete execution of the assignment.

(Preferably to be given on the Audit Firm's Letter Head)

**Annexure – II
FINANCIAL BID**

1. Name and Address of the Applicant Firm _____

2. Professional Fee in figure and words _____
for the Financial Year 2017-18

3. (Fee is exclusive/inclusive Service Tax) _____

Total _____

Please tick mark the exclusive/inclusive service tax portion while quoting your professional fee.

Signature of the Applicant with Stamp

Membership Number.