



इंडियन रेअर अर्थ्स लिमिटेड
Indian Rare Earths Ltd.

(भारत सरकार का उपक्रम – परमाणु ऊर्जा विभाग)
(A Govt. of India Undertaking - Dept. of Atomic Energy)

प्लॉट नं. 1207, वीर सावरकर मार्ग, सिद्धि विनायक मंदिर के पास, प्रभादेवी, मुंबई - 400 028.
Plot No. 1207, Veer Savarkar Marg, Near Siddhi Vinayak Temple, Prabhadevi, Mumbai - 400 028.

Web Site : <http://irel.gov.in>

तार : रेअरअर्थ
Cable: RAREARTH
फोन : 2438 2042
Tel. : 2421 1630
2421 1851
2422 0230
फैक्स :
Fax : 2422 0236

	Enquiry No. : IRE/HO/LT/1028/2016 Dated : 24.05.2016 Due on : 13.06.2016 at 1500 hrs
	Please quote enquiry No. and Due Date on the envelope

Dear Sirs,

Sealed tenders are invited at our above address from reputed parties for Appointment as Cost Auditor for FY-2016-17

PART – A for TECHNICAL CUM COMMERCIAL BID and
PART – B for PRICE BID

Yours truly,
for Indian Rare Earths Ltd.

(V.S.Murthy)
General Manager(Co.ordination)

INDIAN RARE EARTHS LIMITED



TENDER NO. IRE/HO/PT/1028/2016.

Request for proposal (RPF) for appointment as Cost Auditor for FY-2016-17 at Indian Rare Earths Ltd.

Indian Rare Earths Ltd. (IREL), Head Office, Mumbai invites sealed tender in two parts i.e.

PART – A for TECHNICAL CUM COMMERCIAL BID and
PART – B for PRICE BID

for **“Appointment of practicing Cost Accountant / Practicing Cost Accounting firms as Cost Auditor** for the year 2016-17as per the following:

1.	Office of issue	IREL -Mumbai
2.	Tender No	IRE/HO/PT/1028/2016
3.	Last date & Time of receipt of Tender	13.06.2016 upto 14.30hrs
4.	Due date & time of opening of tender	13-06-2016 at 15.00hrs
5.	Validity of Offer	60 days from the date of opening of the price bid.

Interested parties may download the tender document containing all details from websites: <http://irel.gov.in> or <http://tenders.gov.in>. Any corrigendum/extension to above shall be hosted in above websites only.

For Indian Rare Earths Ltd.

General Manager (Co.ordination)

Signature of the bidder

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Signature of the bidder

A.Introduction

Indian Rare Earths Limited, a Mini Ratna-I company is a Govt. of India Undertaking under the Department of Atomic Energy & its Head Office is situated at Prabhadevi, Mumbai (Maharashtra) and is operating beach sand mining and mineral separation plants at Chavara (Kerala), Manavalakurichi (Tamil Nadu) & Orissa Sands Complex (OSCOM), Chatrapur (Odisha), with installed capacity to produce 510,000 tons per annum Ilmenite and also associated minerals such as Rutile, Leucoxene, Zircon, Silimanite, Garnet, etc. IREL also has its chemical unit at Rare Earths Division (RED) Aluva, Kerala which is associated with production of Rare Earth Compounds. Further, IREL has its Corporate Research Centre at Kollam (IRERC), Kerala. IREL has also commissioned a plant at OSCOM for production of Rare Earths Chloride and other associated chemicals from FY-2015-16. Details of the product and Units are available at their websites which are linked to the website of the Company at www.Irel.gov.in.

Cost records and Cost Audit:

Indian Rare Earths Limited is in Non- Regulated sector and its product are covered at para-3-B of serial no.15 & 18 of Companies (Cost Records and Audit) rules 2014 as amended and fit into the prescribed threshold level. As per the Companies (Cost Records and Audit) rules 2014 amended, the companies engaged in production of mineral products included in chapters 26,28 of the Central Excise Tariff Act, 1985 .IREL has statutorily required to appoint cost auditor for 2016-17 to get its cost records audited and submit the cost audit report as per CRA-3 as per above rules.

As per Rule 2(e) the Companies (Cost Records and Audit) Rules, 2014, "cost records" means '*books of account relating to utilization of materials, labour and other items of cost as applicable to the production of goods or provision of services as provided in section 148 of the Act and these Rules*'. There cannot be any exhaustive list of cost accounting records. Any transaction - statistical, quantitative or other details - that has a bearing on the cost of the product/activity is important and form part of the cost accounting records.

Cost records are to be kept on regular basis to make it possible to "*calculate per unit cost of production/operations, cost of sales and margin for each of its products for every financial year on monthly/quarterly/half-yearly/annual basis*".

IREL desires to audit such cost records and details in a structured manner on a regular basis so that all the cost of the products produced would be

Signature of the bidder

Calculated fairly and accurately on regular basis. The benefits of cost on consistent basis will provide data to the management for taking decisions regarding the following:

- a) Determination of selling price and pricing policy.
- b) Determination of cost of production of production for captive consumption.
- c) Determination and controlling of expenditure.
- d) Cost of production of production for captive consumption.
- e) Preparation of cost statements required under cost audit.
- f) Facilitate in preparation of cost statement in compliance with notified cost accounting standard and Companies (cost records and audit) rules 2014 and IREL costing circular as approved by the Board.
- g) Cost statement for cost compensation from government.
- h) Abridged cost statement of all the products manufactured by the company as per cost audit report rules.
- i) Valuation of goods for captive consumption following Generally Accepted Cost Accounting principles and CAS-4 in accordance with above amended rules.

B.PRE-QUALIFICATION (PQ) CRITERIA

Sl.No	Pre qualification criteria	Documents required (Self Attested)	Basis for awarding of points	Max points & Min points
1	Experience in practice (No of years).	Cost Accountant who holds a valid certificate of practice under sub-section (1) of section 6 of the Cost and Works Accountants Act, 1959 and is in whole-time practice. Cost Accountant includes Proprietary	1 Point for Proprietary or Partnership or Limited Liability Partnership Firm's Registration.	5& 3

		or Partnership or Limited Liability Partnership Firms. Copy of Partnership deed or Firm Registration Certificate (FRC) issued by The Institute of Cost Accountants of India (ICAI) and certificate of practice of all the partners of Firm/LLP.		
2	Experience of PSU Audit (Cost)	Copy of appointment order received from clients in this regard along with self certificate towards conducting the same.	2 Point for each completed cost Audit of a PSU .	10& 4
3	Experience related to mines/minerals/ chemical process industry	Copy of appointment order received from clients in this regard along with self certificate towards conducting the same.	1 Point for each completed cost Audit of a Mineral/mines/ chemical process Company .	5&1
4	No. of partners/ Members	Membership number issued by The Institute of Cost Accountants of India (ICAI).	1 Point for each member	5&2
5	Firm must have experience of conducting statutory Cost Audit of Multi Location and Multi Product company having turnover in excess of 100crore.	Copy of order received from clients in this regard.	1 Point for each such client.	5& 2
			Total	30&12

Note:

1. Proprietary or Partnership or Limited Liability Partnership Firms possessing the following pre qualification criteria may submit the documentary evidences in support of the same in a sealed envelope with superscription “ appointment as Cost Auditor ”:

Signature of the bidder

2. Proprietary or Partnership or Limited Liability Partnership Firms not fulfilling the above minimum PQ criteria need not submit bid as their bid shall be liable to be summarily rejected.
3. Clear and complete details in separate sheets, for determination of Points in support of information against Sl.No 1 to 5 above are to be furnished.
4. Proprietary or Partnership or Limited Liability Partnership Firms securing minimum points and at least 60% marks based on above system shall be considered as qualified.
5. In case of a tie in the L1 bid, the Proprietary or Partnership or Limited Liability Partnership firm having highest qualified points will be preferred .
6. 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 authorized person of applicant firm.

Signature of the bidder

C. INFORMATION TO BE GIVEN BY THE BIDDER

- a. Name of the Bidder Firm :
- b. Name of the Partners :
- c. Address of the Firm :
- Telephone No. : Office :
- Mobile :
- FAX :
- E-mail ID :
- d. Registration particulars of the Firm
& Date of Formation :
- e. Name/Designation/Address of the
Authorized Signatory for signing the bid
holding the Power of Attorney(if any) :
- f. Permanent Account Number (PAN) :
- g. Service tax Registration details :
- h. Details of Experience (In brief) :
- i. Details of professional Personnel/working staff :
- j. Detail of Bank Account for payment :

Certified that the information given above is true and if any information is found to be false or misleading the bid /contract shall be liable to be cancelled.

Name :

Signature :

(Capacity in which signed)

D. PREPARATION & SUBMISSION OF BID

- i. It is a two part tender .The bid prepared by the bidder shall comprise the following components:
 - I. Part –A Technical cum Commercial bid,**
Which shall contain (clause A to Q)
 - II. Part-B Price bid,** which shall contain the Price schedule, shall be submitted as per the format (clause R). Price bids which are not submitted as per the enclosed format shall be rejected.
- ii. The bidder shall prepare separate envelopes for **Part-A Technical cum Commercial Bid and Part-B Price bid** with clear marking of the same on the top of each envelope and shall also seal both the envelopes with wax or PVC tape. The two bids will further be sealed in an outer (Main) envelope with wax or PVC tape.
- iii. The bidder shall fill in the particulars given in **clause B** (Information to be given by bidder) and the same along with the copies of self attested relevant documents as mentioned in clause A (Pre-qualification Criteria) in support of the PQ criteria. The Bid form with undertaking, deviation statement, audit Calendar, scope of the work & reporting format duly signed in all pages as a token of acceptance of the bid documents by the Bidder. All the above documents other than price bid will be sealed in one separate envelope with clear marking of **Part-A Technical cum Commercial Bid** on the top of such envelope. If all the pages of the tender is not signed by the bidder, it shall be rejected. The bidder shall fill in the particulars given in clause R (price bid) and the same will be sealed in another separate envelope with clear marking of **Part-B PRICE Bid** on the top of such envelope. The both the envelope shall be sealed in the third envelope (main envelope).
- iv. The sealed main envelope shall:
 - (a)** Be addressed to M/s. IREL on the following address:
GM(Coordination), Indian Rare Earths Ltd., Plot No. 1207, Veer Savarkar Marg, Near Siddhi Vinayak Temple, Prabhadevi, Mumbai - 400 028.
 - (b)** Bear the tender number and due date of opening of the tender.

- v. The sealed main envelope may also be dropped in the Tender Box at M/s. IREL, Plot No. 1207, Veer Savarkar Marg, Near Siddhi Vinayak Temple, Prabhadevi, Mumbai - 400 028.
In case said envelope cannot be inserted in the tender box, the envelope duly sealed may be delivered to the office of GM (Coordination), Mumbai. The responsibility for ensuring that tenders are delivered in time would vest with the bidder.
- vi. M/s. IREL shall not be responsible if the bids are delivered elsewhere. If envelope is not sealed and/or superscribed as mentioned above, M/s. IREL shall not accept the bid.
- vii. Any bid received by M/s. IREL after the prescribed deadline for submission of bids, shall be rejected.

E. BID OPENING AND EVALUATION

M/s. IREL shall open the bids in the presence of bidder/s or his authorized Representatives, who choose to attend at 15:30 Hrs on the due date. The bidders' representatives, who will be present; shall sign in the attendance register, authority letter to this effect shall be submitted by the bidder before they are allowed to participate in bid opening. If the last date stipulated for receipt of bids and/or for their opening happens to be a Holiday / unscheduled closure, it shall be deemed to fall on next working day at the same time.

All the bids shall be evaluated based on the term & conditions of this tender to shortlist the qualified bidders. Bids shall be evaluated in two phases. First, technical cum commercial bid evaluation shall be done. Technically & Commercially qualified bidders shall be appointed as per section 148 of companies act 2013 and Companies (Cost Records and Audit) rules 2014. Only those bidders, who shall qualify the technical cum commercial bid evaluation shall be considered for opening of price bid. The opening of the price bid will be intimated to the respective bidders in due course and will be allowed to participate/attend at the time of price bid opening. **idder**

M/s. IREL shall consider placement of order on the bidder, whose offer shall be the lowest.

F. SCOPE OF WORK

- (i) Scope of work shall include carrying out the cost audit of all units of IREL and submission to the management Abridged cost statements of

all IREL products including captively consumed products and related cost audit report by complying the compliance parameter as per section 148 of companies act 2013 and Companies (Cost Records and Audit) rules 2014. Scope includes checking of maintenance of requisite cost accounting records leading to collection, assignment, apportionment and absorption of correct cost to the relevant cost objects in the organization. As far as reporting is concerned, Abridged Cost Statement for every product identified with the CETA Code is required to be audited. For activities/services for which CETA Code is not applicable, the Abridged Cost Statement shall be audited for each service/activity. IREL's beach sand mineral products are covered under chapter 25 and 26 CETA. High Pure Rare Earth (HPRE) produced at Rare Earth Division (RED), Aluva and Monazite Processing Plant at OSCOM (MOPP) are covered under chapter -28 of CETA. The part of the products manufactured at OSCOM (MOPP) will be captively consumed at (RED), Aluva. IREL is also required to prepare cost statement time to time for price fixation and compensation from Government of India and other contracting parties. The audit of all the aforesaid cost statements required to be audited as and when required by the management before submitted to the external agency.

The broad scope of work would be :

- i. To conduct Cost audit of the Company in accordance with the provision of the Companies (Cost Records and Audit) rules 2014. Cost audit shall be in adherence to the relevant order/clarification issued by Cost Audit Branch, Ministry of Corporate Affairs (MCA), Government of India and the Cost Accounting Standard issued by the Institute of Cost Accountant of India, from time to time.
- ii. To check Books of accounts maintained Unit-wise as per CRA -1 format of Companies (Cost Records and Audit) rules 2014.

- iii. Verification and certificate of cost proforma maintained by the Company Unit-wise as per Cost Records and Audit) rules 2014 .
- iv. Verification and certification of annexure to the cost audit report unit-wise.
- v. The cost audit firms shall ensure submission of cost audit report and annexure to the cost audit report along with their reservation(s) or qualification(s) or observation(s) or suggestion(s) ,if any ,in form CRA-3.
- vi. 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.
- vii. Cost auditor should highlight areas of inefficiencies relating to cost of production and suggest cost reduction advice as per companies act 2013 and companies (Cost records and audit rules)2014.

(ii)REPORTING FORMAT

Cost Auditor shall submit the cost audit report along with its observation or qualification or suggestion ,if any , in Form **CRA-3**.

(III) AUDIT CALENDER

Audit Calendar for carryout the audit shall be prepared by the successful bidder after receipt of order and submit to the management for consideration .Cost audit firm so appointed shall commence cost audit and submit report as per Companies (Cost Records and Audit) rules 2014 by 20th August y 2017 for FY-2016-17 .

G.DELIVERABLES:

The successful bidder has to conduct the audit as per the scope of work as mentioned under clause “F – Scope of work “ and submit the Audit report in the format mentioned under clause “F-ii - Reporting Format as per **Audit calendar** .The complete deliverable shall be completed within the time stipulated under the relevant statute.

H.TRAVELLING,BOARDING AND LODGING AND OUT OF POCKET EXPENSES:

Travelling and out of pocket expenses will be paid as per price quoted by the Sole proprietor/ Firm /LLP in the price schedule . Boarding ,lodging and local conveyance facility shall be provided by the IREL in all the four operating units except at Corporate Office Mumbai.

I.GENERAL TERMS & CONDITIONS OF CONTRACT

i.PAYMENT TERMS:

Payment including out of pocket expenses will be released after submission of the final report and compliance under the statute after deduction of TDS as per rules.The payment shall be made through e-payment as per the Bank detail provided by the cost audit firm.

ii.VALIDITY OF OFFERS/PRICE:

Bidders have to quote the prices strictly as per the Price Bid format(Clause- Q). Prices quoted by the bidders in their bids shall remain firm and valid for the total contract period or till complete execution of the contract. However Statutory Levies/Taxes are applicable on prevailing date of actual render of services on submission of invoice. The offered price should be valid for a period of 60 days from the date of opening of price bid.

iii.PERIOD OF CONTRACT:

The Period of contract shall be for the Financial Year 2016-17. M/s.IREL reserves the right to extend the contract on same terms and conditions for the anotherone Financial Years (2017-18) on satisfaction of performance.

iv.RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS:

M/s.IREL reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids, at any time prior to award of contract without assigning any reason whatsoever and without thereby incurring any liability to the affected bidder or bidders on the grounds for the IREL'saction.

v..RELATED PARTY:

Related parties should not quote for the tender separately. If it is noticed that related parties submitted separate quotation, the same shall be liable to be rejected. Parties are considered to be related if one or more partner is common.

vi. INCOME TAX

Income tax shall be deducted at source as applicable.

viii. SERVICE TAX

Service tax shall be paid only to those bidders who have service tax registration for the said job and billing on IREL has been made in terms of guidelines stipulated in the service tax rules.

J. OTHER TERMS AND CONDITIONS

- i. You shall depute sufficient number of competent staff for audit work at your own cost.
- ii. The audit staff may be advised to observe all safety precautions as applicable to the department in which the work is carried out.
- iii. The Company shall not be responsible for any accident caused to your personnel due to their negligence.
- iv. Every effort shall be made to complete the cost audit work strictly as per the companies act 2013 and Companies (Cost Records and Audit) rules 2014 as amended .
- v. Information made available during the course of audit shall be used only for bonafide work relating to audit of the company and not for any other purpose. The auditors shall not divulge the information made available by the Company or otherwise acquired during the course of audit to any other agency.
- vi. The Company reserve the right to accept /reject any or all the offers without assigning any reason whatsoever therefore.
- vii. The appointment of cost auditor will be as per the section 148 of the companies Act 2013 and Companies(Cost records and audit) Rules ,2014.

K.FORCE MAJEURE:

If at any time during the currency (tenure) of the tender, it is not possible to execute any portion of the work stipulated in the order, due to reasons beyond the control of either IREL or the bidder, on account of emergency declared by government, reasons of go slow, strike or lockout at our / the bidder's office, war, civil commotion, earthquake, fire, storm, flood, acts of God, acts of any government,

sabotage, riot, police action, revolution, unforeseen circumstance or other hindrance beyond one's control, there shall be no liability on the part of the defaulting party for consequential losses.

L. FAILURE AND TERMINATION:

If the bidder fails in the performance of the contract in the manner and within the time fixed or there is likelihood of an anticipatory breach of whole or part of the contract, the Company will have the right to rescind the contract and have it performed through other agencies at the risk and cost of the bidder.

M. ARBITRATION AND LEGAL JURISDICTION

All disputes or differences whatsoever arising between IREL and bidders out of or relating to the construction, meaning and operation or effect of this tender shall be settled by the sole Arbitrator appointed by the Chairman & Managing Director of IREL and the award of such arbitrator shall be final and conclusive and binding. No objection shall be raised on the ground that the arbitrator so appointed is an employee of IREL. The seat of arbitration will be at Mumbai and only the appropriate court coming under the High Court of Mumbai will have jurisdiction to entertain all matters of litigation to the exclusion of all other courts.

N. DEVIATION STATEMENT

Bidders have to submit the deviation statement as per the following format, if there is no deviation with tender conditions "NIL" statement must be submitted by the bidders.

Clause reference as per tender	Terms as per tender	Terms as offered by bidder

If nothing is mentioned by the bidder on the above table then it shall be deemed that there is no deviation from the tender conditions and the bidder agreed to comply with all the terms and conditions of the tender.

O. ETHICS IN TENDERING & OTHER BUSINESS DEALINGS

Indian Rare Earths Limited a Government of India undertaking under the administrative control of Department of Atomic Energy is doing its business as per the rules and regulation of the Public sector undertaking and other statutory agencies. The business is done in an ethical, rational & impartial manner with good corporate governance.

In our endeavor to be more transparent in our dealings and to support our ideology all vendors, customers and Business Partners are requested not to provide any gift and/or inducement to any of our employees for securing/being granted favour in dealings with our company. In assurance of your commitment to the aforesaid, it will be highly appreciated if you fill up, sign and abide by the undertaking as referred in clause P.

Report of any gifts and/or inducements sought by any employee of the company should be immediately reported to any one of the following.

Sri DeependraSingh Chairman & MD Indian Rare Earths Ltd. 1207 VS Marg, Prabhadevi Mumbai - 400 028 Ph: 022 - 24225778	Shri. Sanjay Banga, Chief Vigilance Officer Indian Rare Earths Ltd. 1207 VS Marg, Prabhadevi Mumbai - 400 028 Ph. 022 - 24382042 Email: irelcvo@rediffmail.com
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We assure you that complaints if any made by you on the subject will be kept confidential and fair investigation will be conducted and appropriate action will be taken. Similarly, we expect your commitment to the undertaking and its violation will have consequences as per prevailing rule of the company.

For Indian Rare Earths Limited
 Sd/-
 GM (Coordination), HO

Signature of the bidder

P. UNDERTAKING

Date:

To,
M/s Indian Rare Earths Limited
1207 VS Marg, Prabhadevi
Mumbai - 400 028

I/Weam/are a Vendor/Customer of Indian Rare Earths Limited (now on wards to be referred as Company).
I/We agree and undertake:

1. Not to provide any gift and/or inducement to any employee of the Company in connection with securing/being granted favour(s) in my/ our dealings with the Company and its field units namely OSCOM at Orissa, MK unit at Tamilnadu, Chavara, IRERC and RED unit at Kerala.
2. To immediately report any gift and/or inducement sought by any employee of the company in exchange of the company and/ or its field Units granting favour(s) to me/ us in my/our dealing with the Company and/ or its field units.

We further declare that no bid has been submitted by any related party as defined under point (v) of clause I of the tender.

Signature:

Name:

Capacity in which signed:

Name of the Firm& Address (With Seal):

Signature of the bidder

Q. PRICE BID FORMAT

PRICE SCHEDULE

Cost audit for the year 2016-17

Sl no	Particulars	Amount (Rs)
1	Cost audit fees in respect of all works as specified in clause F (Scope of work ,Reporting format and audit calendar)	
2	Travelling and Out of pocket expenses	
	Sub Total	
3	Service tax	
	Grand Total	

**Signature of the
Authorized person or partner of the firm with seal**

Notes:

1. Service tax shall be paid as prevailing rate at actual and if service tax is not applicable the bidder should mention clearly in the bid document.
2. Tenders are evaluated based on lowest rates quoted.
3. All the prices shall be indicated in both figures & words. In case there is any discrepancy between figures & words, words shall prevail.
4. There should not be any cutting/overwriting, in case of Cutting/overwriting the bid shall be liable to be rejected.
5. The clubbing of price schedule at SL No.1 and SLNo.2 is not allowed. If all the component of price bid is not quoted separately the bid shall be rejected.

