

**Appointment of Cost Auditor
For
Financial Year 2014-15**



**Mangalore Refinery and Petrochemicals Limited
Mangalore**

Appointment of Cost Auditor for financial year 2014-15

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Invitation of Offer for Appointment of Cost Auditor for financial year 2014-15

I. Introduction :

Mangalore Refinery and Petrochemicals Limited (MRPL), hereinafter referred to as Company) is a Schedule–A 'Mini Ratna' Public Sector Undertaking and a subsidiary of Oil and Natural Gas Corporation Ltd (ONGC) under Ministry of Petroleum and Natural Gas, Government of India. MRPL is located at Mangalore in Karnataka State. MRPL is one of the major petroleum refineries in India. It contributes around 7% of country's refining capacity.

2. Cost Records and Cost Audit:

Maintenance of cost records was made mandatory in petroleum industry from financial year 2003-04 onwards by Ministry of Corporate Affairs (Cost Audit Branch), Govt of India by notification of Cost Accounting Records (Petroleum Industry) Rules, 2002 and Cost Audit became applicable from financial year 2006-07 onwards.

3. Cost Auditor proposed to be appointed:

The Company intends to appoint a firm of Cost Accountants for conducting cost audit for the financial year 2014-15 at its refinery located at Mangalore in the State of Karnataka.

4. Scope of Work:

The broad scope of work would be:

- 4.1 To conduct cost audit of the Company in accordance with the applicable provisions of the Companies (Cost Audit Report) Rules. Cost audit shall be in adherence to the relevant orders/clarifications, 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.
- 4.2 Cost audit team should consist of adequate number of qualified/semi-qualified assistants (cost/chartered accountants) led by a senior partner of the firm so as to commensurate with cost audit work requirements.
- 4.3 Verification and certification of cost proformas maintained by the Company as per Cost Accounting Records (Petroleum Industry) Rules.
- 4.4 Verification and certification of annexures to the cost audit report.
- 4.5 Submission of Performance Appraisal Report (PAR) to the Company. The PAR shall be prepared & submitted after prior discussions with the management as per provisions of guidance note issued by the Institute of Cost Accountants of India on the subject.
- 4.6 Cost audit firm so appointed shall commence cost audit and submit report to the Company [as per provisions of Companies Act, 2013 and general circulars issued by MCA, Govt of India from time to time].
- 4.7 The cost auditor shall ensure e-filing of cost audit report and annexures to the cost audit report, to MCA, GoI, in XBRL form or in the manner prescribed by the Govt from time to time, within the scheduled date prescribed by MCA - GoI for filing, after the Board of Directors of the Company approves the cost audit report.

5. Selection Criteria:

- 5.1 Firms of Cost Accountants registered with the Institute of Cost Accountants of India (ICAI) shall be considered for appointment as Cost Auditor for conducting cost audit of the Company. Firm(s) having its office(s) in southern region shall be given preference.

5.2 The following will be the basis of marks for the selection and selection will be made on the basis of attainment of highest marks.

Sl. No.	Parameter	Criteria	Basis of Marks	Point(s) per Criteria	Maximum marks
I	Firm's Experience	Year of establishment of Firm since date of its registration with the Institute (ICAI) Copy of letter issued by the Institute to be provided with technical offer	No of Years since Firm's registration	2 Marks per year	20
II	Employee Strength	Number of partners in the Firm (the partners must hold certificate of practice issued by The Institute of Cost Accountants of India and should be in whole time practice) Copy of valid CoP for all partners to be provided with technical offer	Each Partner (specify Fellow or Associate)	3 Marks per Partner	18
III		Number of qualified assistants (cost/ chartered accountant) in the firm. The assistants should be members of their respective Institute List of such assistants and copies of letter of the Institute allotting membership numbers to be provided with technical offer	Each Qualified Assistant (specify Fellow or Associate)	2 Marks per Assistant	10
IV		Number of semi-qualified assistants (who have completed intermediate of cost/ chartered accountancy course) in the firm (such qualification to be certified by the firm) List of such assistants self certified by the applicant firm to be provided with technical offer	Each Semi-Qualified Assistant	1 Mark per Semi-Qualified Assistant	5
V	Cost Audit Experience	Experience in Conducting Cost Audit, as per cost audit record/report rules, in Central / State PSUs / Private Sector Companies (Copy of appointment letter(s) issued by the Companies to be provided with technical offer)			
V-a		Cost audit in Public Sector Petroleum Companies (Experience of conducting cost audit in Downstream Oil Sector Companies only shall be considered)	No of companies audited (name of the company, financial year audited)	3 Marks per Company	15
V-b		Cost audit in Private/Joint Sector Petroleum Companies whose turnover is equal to or more than 500 crores Turnover to be self certified by applicant firm (Experience of conducting cost audit in Downstream Oil Sector Companies only shall be considered)	No of companies audited (name of the company, financial year audited, turnover >=500 crores)	2 Marks per Company	8
V-c		Cost audit in Public Sector Companies other than Petroleum Sector whose turnover is equal to or more than Rs 500 crores Turnover to be self certified by applicant firm	No of companies audited (name of the company, financial year audited, turnover >=500 crores)	2 Marks per Company	8
V-d		Cost audit in other than Petroleum Sector Private/Joint Sector Companies whose turnover is equal to or more than Rs 500 crores Turnover to be self certified by applicant firm	No of companies audited (name of the company, financial year audited, turnover >=500 crores)	1 Mark per Company	6
VI		Exposure in ERP Environment Companies audited under ERP to be self certified by applicant firm List of companies and the financial year audited to be provided with Technical Offer			

VI-a	Proficiency in System	For Cost Audit	No of companies audited (name of the company, financial year audited)	2 Marks per Company	8
VI-b		For other than Cost Audit	For each year other than cost audit (name of the company, nature of assignment, financial year)	1 Mark per Year	2
			Total		100

Clear and complete details are to be mentioned by applicant firm(s) against each of the individual items (I to VI-b) above in technical offer for determination of marks.

6. In addition to the documentary evidence referred in para 5.2 above, the applicant firm shall also have to submit the following certificate(s) / undertakings with the Technical Offer.

6.1 That if appointed the cost auditors, they shall not sub-contract the cost audit work.

6.2 That 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 That neither the cost audit firm nor its partner(s) or associates have any interest in the business of the Company.

6.4 The certificate of independence, no relationship with the directors of company, free from disqualification and not crossing the limits etc under various sections of the Companies Act, 2013.

7. Technical Qualification / Rejection

7.1 Documentary evidence(s) in support of Technical Offer (format-A), certificates/undertakings as referred in para 6 above and all the pages of this (MRPL) proposal document including the documentary evidence(s) shall have to be signed (each page to be self certified) by the applicant firm(s) with the firm's seal and are required to be submitted as part of Technical Offer.

Technical Offers without fulfilling the above requirements / incomplete technical offers and or offers received in open envelope shall not be considered and rejected without any reference to the applicant firm(s).

7.2 Cost accountant firm(s) securing 80 marks & above based on the technical offer (format-A), only shall technically qualify for consideration. The price offers of only such technically qualifying firms shall be opened for consideration.

7.3 In case of a tie, the following sequence shall be adopted for selection:

- a) Firm with longer experience will be preferred based on the date/year of its establishment (registration with The Institute of Cost Accountants of India).
- b) Firm with higher number of Fellow and/or Associate Members of The Institute of Cost Accountants of India as partners will be considered.
- c) Firm with higher number of qualified assistants (cost/chartered accountant) will be considered.

8. Terms and Conditions:

- 8.1 The tenure of appointment shall be in line with the provisions of Companies Act, 2013. The tenure may be renewed every year at the discretion of the Company.
- 8.2 Cost accountant firm who has served as Cost Auditor of the Company in the past can also apply if four years have elapsed from the last year of assignment held in the Company.
- 8.3 The Company reserves the right to accept / reject any or all the offers without assigning any reason whatsoever.
- 8.4 Travel & other expenditure shall be extra and shall be regulated as per Company's policies/Rules.
- 8.5 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.
- 8.6 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.

9. Submission of Offers

Technical Offer: Technical offer in format-A forming part of this proposal document is to be submitted with clear and complete details and duly supported by documentary evidence(s). Annexure-I and II both forming part of this proposal document are also required to be submitted, duly filled in with requisite details, as part of the technical offer.

Price Offer: Price offer is to be submitted in format-B forming part of this proposal document, in clear terms.

Both technical and price offer should be kept in two separate sealed envelopes clearly super scribing as "Technical offer for appointment of cost auditor for FY 2014-15" and "Price offer for appointment of cost auditor for FY 2014-15" respectively and both these sealed envelopes should be put in third envelope which should be sealed, super scribed as "Offer for appointment of cost auditor for FY 2014-15" and submitted to the following address. The envelopes containing offer(s) should bear the applicant firm's name and address.

Office of Group General Manager (Finance)
Mangalore Refinery and Petrochemicals Limited
Post - Kuthethoor, Via - Katipalla,
Mangalore – 575030
Dist – Dakshina Kannada (Karnataka)

The last date for receipt of the offers at MRPL premises is 25th July 2014. Offers received after this date shall not be considered.

10. Debarring Provisions:

The Audit Firm will be debarred from getting, in future, the Cost audit of MRPL, if :

- 10.1 The Firm obtains the appointment on the basis of false information / misleading statement.
- 10.2 The Firm does not take up the audit in terms of appointment letter.
- 10.3 The Firm fails to maintain/honour confidentiality and secrecy of the Company's cost data, cost statements and other cost related information and fails to comply with any of the conditions of this proposal document.

Format-A Technical Offer

For appointment of cost auditor for FY 2014-15

Sr No	Parameter	Selection Criteria	Basis of Marks	Marks per Criteria	Maximum Marks
1	2	3	4	5	6
I	Firm's Experience	Year of establishment of Firm since date of its registration with the Institute (ICAI) Copy of letter issued by the Institute to be provided with technical offer	No of Years since Firm's registration	2 Marks per year	20
II	Employee Strength	Number of partners in the Firm (the partners must hold certificate of practice issued by The Institute of Cost Accountants of India and should be in whole time practice) Copy of valid COP for all partners to be provided with technical offer	Each Partner (specify Fellow or Associate)	3 Marks per Partner	18
III		Number of qualified assistants (cost/ chartered accountant) in the firm. The assistants should be members of their respective Institute List of such assistants and copies of letter of the Institute allotting membership numbers to be provided with technical offer	Each Qualified Assistant (specify Fellow or Associate)	2 Marks per Assistant	10
IV		Number of semi-qualified assistants (who have completed intermediate of cost/ chartered accountancy course) in the firm (such qualification to be certified by the firm) List of such assistants self certified by the applicant firm(s) to be provided with technical offer	Each Semi-Qualified Assistant	1 Mark per Semi-Qualified Assistant	5
V	Cost Audit Experience	Experience in Conducting Cost Audit, as per cost audit record/report rules, in Central / State PSUs / Private/Joint Sector Companies (Copy of appointment letter(s) issued by the Companies to be submitted with technical offer)			
V-a		Cost audit in Public Sector Petroleum Company (Experience of conducting cost audit in Downstream Oil Sector Companies only shall be considered for evaluation)	No of companies audited (name of the company, financial year audited)	3 Marks per Company	15
V-b		Cost audit in Private Sector Petroleum Company whose turnover is equal to or more than 500 crores Turnover to be self certified by applicant firm (Experience of conducting cost audit in Downstream Oil Sector Companies only shall be considered for evaluation)	No of companies audited (name of the company, financial year audited, turnover >=500 crores)	2 Marks per Company	8

V-c		Cost audit in other than Petroleum sector PSUs whose turnover is equal to or more than Rs 500 crores Turnover to be self certified by applicant firm	No of companies audited (name of the company, financial year audited, turnover >=500 crores)	2 Marks per Company	8
V-d		Cost audit in other than Petroleum sector -Private Sector Company whose turnover is equal to or more than Rs 500 crores Turnover to be self certified by applicant firm	No of companies audited (name of the company, financial year audited, turnover >=500 crores)	1 Mark per Company	6
VI	Proficiency in System	Exposure in ERP Environment Companies audited under ERP to be self certified by applicant firm			
VI-a		For Cost Audit	No of companies audited (name of the company, financial year audited)	2 Marks per Company	8
VI-b		For other than Cost Audit	For each year other than cost audit (name of the company, nature of assignment, financial year)	1 Mark per Year	2
			Total		100

Documentary evidence (copy/document duly self certified) with clear reference of relevant para/column of above table (on the documentary evidence) to be submitted by applicant firm(s).

Signature with seal of the applicant firm

Place:

Date:

Format-B Price Offer

For appointment of cost auditor for FY 2014-15

Sr No	Particulars	Fee in Rupees
1	Professional fees for conducting cost audit of MRPL for financial year 2014-15 in accordance with the scope of work defined in para-4 and other terms & conditions of the proposal document.	
2	Service tax shall be extra as applicable	Extra as applicable

Fees in words: Rs _____ only

Signature with seal of the applicant firm

Place:

Date:

Group General Manager (Finance),
Mangalore Refinery and Petrochemicals Limited,
PO: Kuthethoor,
Via: Katipalla,
Mangalore – 575030
Karnataka.

Sub: Authorization for payments through Electronic Fund Transfer system/RTGS/NEFT

We hereby authorize Mangalore Refinery and Petrochemicals Limited (MRPL) to disburse all our payments through electronic fund transfer system/RTGS/NEFT. The details for facilitating the payments are given below:-

Sr No	Particulars	
1	Name of the Beneficiary	
2	Name of the Bank	
3	Name of the Bank's Branch	
4	Full Address of the Branch	
5	Bank Account Number	
6	Type of the Bank Account (savings/current)	
7	IFSC Code of the Bank	

I/We hereby, declare that particulars given above are correct and complete and if the transaction is delayed or credit is not affected due to incorrect information, I/We will not hold Mangalore Refinery and Petrochemicals Limited, responsible.

Note: Please enclose one cancelled cheque for e-payment

Authorised Signatory
Seal with Date

BANK CERTIFICATION

It is certified that above mentioned beneficiary is holding A/c No. _____ with our branch and the bank particulars mentioned above are correct.

Authorized Signatory
Seal with Date