

Bharat Electronics Ltd
 (A Government of India Enterprise, Ministry of Defence)
 Outer Ring Road, Nagavara, Bengaluru-560045

APPOINTMENT OF COST AUDITOR FOR FINANCIAL YEAR 2020-21

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**NOTICE INVITING EXPRESSION OF INTEREST (EOI) FOR
EMPANELMENT/APPOINTMENT OF COST AUDITORS FOR THE FINANCIAL YEAR
2020-21**

Bharat Electronics Ltd. invites Expression of Interest (EOI) for Empanelment/ Appointment of cost Auditors for the financial Year 2020-21. The scope of work along with detailed terms & conditions together with Annex-1, Annex-2, Form I, Form II, Form III & Form IV are available at the website www.bel-india.in & www.icmai.in which can be downloaded. The empanelment/selection of the Cost auditor shall be based on qualifying criteria given in EOI document.

Interested firms having requisite experience in Cost Audit may send their application in prescribed format in sealed envelope super scribing "Expression of Interest (EOI) For Empanelment/Appointment of Cost Auditors" so as to reach in the office of Deputy General Manager (Finance), Bharat Electronics Ltd ,Corporate office ,Outer Ring Road ,Nagawara, Bangalore-560045 latest by 06.04.2020.



Tender No. 18260/Cost_Audit/ 2020-21/1

Date 12.03.2020

REQUEST FOR QUOTATION (RFQ)**1) Preamble**

Sealed tenders under TWO – Bid System (Techno-commercial & Price Bid) are invited on behalf of **Bharat Electronics Limited (BEL)** for appointment of Cost Auditor for conducting "Cost Audit" as per the provisions of Companies Act 2013, as per the attached tender documents.

2) Introduction about Bharat Electronics Ltd

The Company is a Public Sector Undertaking, set up at Bangalore in the year 1954 under the Ministry of Defence and has been conferred "Navaratna Status". Bharat Electronics Limited (BEL) has grown into India's foremost Defence Electronics Company. BEL is a multi-product, multi-technology, multi-unit conglomerate with over 350 products in the areas of Military Communications, Radars, Naval Systems, C4I Systems, Weapon Systems, Homeland Security, Telecom and Broadcast Systems, Electronic Warfare, Tank Electronics, Electro-Optic, Professional Electronic Components and Solar Photovoltaic Systems. BEL also provides turnkey system solutions. Civilian products from BEL include Electronic Voting Machines, Tablet PC, Solar Traffic Signals and Access Control Systems.

BEL's customers include the Army, Navy, Air Force, Paramilitary, Coast Guard, Police, Doordarshan, All India Radio, Department of Telecommunications and consumers of professional electronic components.

The Turnover of the company for the Financial Year 2018-9 is ₹ 11,789 Crore.

3) Pre-Qualification Criteria

Firms satisfying the following two criteria are only be eligible for applying against the Request for Quotation:

1. Head office of the firm should be located at Bangalore.
2. The firm should satisfy the eligibility criteria as specified under section 141 of the Companies Act 2013 read with Rule 10 of Companies (Audit and Auditors) Rules, 2014 and section 148 of the Companies Act 2013.

4) Selection Criteria:

Firms of Practicing Cost Accountants registered with the Institute of Cost Accountants of India (ICAI) shall be considered for Short listing /Appointment as Cost Auditors for conducting Cost Audit of Units of the Company

A. The following will be the basis of Points for the selection which will be made on the basis attainment of highest Points(Qualitative Criteria)

Sl.No	Criteria	Minimum Selection Criteria	Evaluation Criteria	Maximum Marks
1	Number of Cost Accountant associated with the Firm for not less than 3 (three) years as on the date of application.	02 Cost Accountants	4 Marks each for each member, who is associated with the firm for more than three years as on the date of application.	20
2	Existence of the Firm as on the date of application.	05 years	5 to 6 = 8 Marks 7 to 9 = 10 Marks 10 to 15= 14 Marks Above 15 =20 Marks	20
3	Turnover of the Firm (average annual of the last three preceding years)	The average annual turnover of the firm during last three years must be at least ₹ 10 lacs. The firm shall submit its Audited Annual Accounts of last three year.	10 to 12 lacs =4 Marks 13 to 15 lacs=6 Marks 16 to 20 lacs= 10 Marks Above 20 lacs= 15 Marks	15
4	Number of Cost Audit assignment of the Public Sector Undertaking (Central/State) during the financial year 2016-17 to 2019-20.	03 Assignment	3 to 5 = 6 Marks 6 to 7 = 10 Marks 8 to 10= 16 Marks 11 to 12 =20 Marks Above 12 = 25 Marks	25
5	Number of qualified /Semi qualified assistant (i.e. passed Final /Intermediate exam conducted by ICAI) in Cost Accountant firm, as on the date of application.	04 assistant	1 marks for each semi qualified assistant. & 2 marks for each qualified assistant.	20
			Total	100

The following documentary evidence duly signed by partner with seal of the firm should be submitted in support of each of the above – mentioned criteria:

1. Partnership Deed, communication from ICAI or other evidence clearly indicating the partners in the firm with their membership number and date from which they are with the firm.
2. Proof of Registration of Firm clearly indicating the Registration date and firm registration number issued by ICAI.
3. The firm shall submit its Audited Annual Accounts of last three year
4. Copy of Appointment / Engagement letter for Cost Audit in the PSU / Company or other evidence clearly indicating engagement of the firm as Cost Auditor in the company is to be provided.
5. Proof of Final/intermediate Pass Certificates / Membership of the Institute for Assistants is to be provided along with date from which they are with the firm.

B) Qualification parameters under Qualitative Criteria

1. A firm should meet the minimum selection criteria specified in each of the sub clauses specified in Qualitative Criteria.
2. In addition to meeting the condition specified above, at serial no 1, the firm should obtain minimum 40 marks out of 100 marks in Qualitative Criteria.
3. If a firm does not meet any of the above two criteria, it will be technically disqualified and its Price Bid will not be opened.

5) Tender details are given below:

Tender No.	18260/Cost_Audit/ 2020-21/1
Description of Work	Appointment as Cost auditor for conducting Cost Audit as per Companies Act, 2013.
Scope of Work	Described under the section "Scope of work" enclosed at Annexure-1.
List of Locations	List of Units are given at Annexure-2



Category	Open Tender-Services
Period of Audit	Initially the period of appointment will be for the financial year 2020-21, which may further be extended to next three years at the same rate and same terms and conditions on the basis of satisfactory performance after review at each year with the approval of competent authority.
Tender Originating Location	"Bangalore"
Date of issue of Tender/Publishing	12 th March, 2020
Closing of Tender	06 th April, 2020. at 11:00 hrs
Place of submission of tender	BEL Corporate Office, Nagavara , Outer Ring Road, Bengaluru-560045.
Person to whom to be submitted	<p>The quote shall be submitted in two separate sealed envelopes (i.e., Techno-commercial Bid and Price Bid separately) and addressed to :</p> <p>Deputy General Manager (Finance), BEL Corporate Office, Nagavara, Outer Ring Road, Bengaluru-560045.</p> <p>The envelopes shall be super scribed with the words "Quote against Tender No 18260 / Cost_Audit / 2020-21/1".</p>
Date & Time of opening of Tender	Techno-commercial Bid: 07 th April, 2020 at 11:00 hours
	Price Bid: 15 th April , 2020 at 11:00 hours
Place of Opening of tender	BEL Corporate Office, Nagavara , Outer Ring Road, Bengaluru-560045.
Bid Validity	120 days from the last date of submission of Price-Bid.



Criteria	<p>1) Techno-commercial bid:- Refer <i>Form I</i></p> <p>2) Price bid :- Refer <i>Form IV</i></p> <p><i>(Also refer pre-qualification criteria)</i></p> <p><u>Documentary proof of the Techno-commercial eligibility criteria should be submitted along with the Bids, failing of which the Bids will be rejected.</u></p>
Declarations to be Submitted	Declaration as per Form II, III shall be submitted along with Techno-commercial bid, failing of which bid will be rejected.
Evaluation of bids	<ol style="list-style-type: none"> 1. Bids of firms who do not satisfy pre-qualification criteria will be rejected. 2. Techno-commercial bid of firms meeting Pre-Qualification criteria will only be evaluated. 3. Price Bid of firms which are technically qualified as per the Techno-commercial will only be opened. 4. The firm whose price quote is lowest will qualify as L1 bidder. However BEL will pay minimum fees of Rs.350000.00 (Three Lakhs Fifty thousand) excluding out of pocket expenses. 5. In case of tie as per point 4 above, a firm with highest technical qualifications marks will be selected. If still there is a tie, a firm with a higher number of Cost Audit assignments shall be selected. In case a tie still persists, BEL management shall choose the firm at its discretion and the decision of BEL shall be final and binding on all the bidders.
Appointment of Cost Auditor's	The appointment of L1 firm as "Cost Auditor" is subject to approval of the Board of Directors each year.
Cost Audit Fee	<p>The Cost Audit fee payable is subject to following:</p> <ol style="list-style-type: none"> i) Downward revision of Fee, if there is substantial reduction in Scope of Work under Companies Act 2013. ii) Approval by the Board of Directors and subsequent ratification by shareholders of the company each year.

Payment Terms	<ul style="list-style-type: none"> i) 90% of Cost Audit Fee to be released on submission of Cost Audit Report, after approval of Annexures to the Cost Audit Report , by the Board of Directors. ii) Balance 10% of Cost Audit Fee along with reimbursement of out of pocket expenses, if any after the Company completes filing of Cost Audit report along with the annexures in XBRL mode with MCA. iii) Out of pocket expenses will be reimbursed based on actuals.
Other Details BEL's website: www.bel-india.com	<ul style="list-style-type: none"> 1. Offers/bids in form of Telex/ Telegraphic / Fax/ Email/ Xerox/ Photo copy or offers/ Bids with scanned signature and Original bids which are not signed manually shall be rejected. 2. The parties who may seek detailed clarifications on the terms & conditions of Tender, shall submit the same in writing to the Deputy General Manager (Finance), BEL Corporate Office, Nagavara, Outer Ring Road, Bangalore -560 045. The queries should reach us on or before 26th March 2020 by email (kshirodhkumarpanda@bel.co.in). Contact Number: 080-25039290, Fax No 080-25039233. Bidders are advised to refer our website: www.bel-india.com , in connection with clarification if any, posted in respect of the RFQ. 3. Bids must be submitted on or before the date and time mentioned in tender details at BEL Corporate Office, Nagavara, Outer Ring Road, Bengaluru-560 045. Those bidders who intend to send their offers by post may send the same under registered post / courier so as to reach the designated place well before closing time and date. However, BEL accepts no responsibility for offers received after the due date and time. 4. Techno-commercial Bids and Price Bid's will be opened on 07th April, 2020 and 15th April, 2020 at 11:00 hrs respectively, at Corporate Office of BEL. In case of an unscheduled holiday being declared in Bangalore on the prescribed closing / opening day of the Bid, the next working day will be treated as the scheduled prescribed day of closing / opening of the Bid.



	<p>5. <u>Disclaimer</u>: BEL reserves its right to accept/reject any/all the Bids or cancel the RFQ at its sole discretion without assigning any reason whatsoever.</p> <p>6. In case any information furnished by the Bidder is found to be incorrect/false later on after opening of bids then their Bid will be rejected and the Bidder may be debarred for next three years.</p>
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For Bharat Electronics Limited

(Kshirodh Kumar Panda)
Deputy General Manager (Finance)

Enclosures:

- 1) Annexure:1 -Scope of Work & General Terms and Conditions
- 2) Annexure:2 - Location of Units
- 3) Form : I - Techno-Commercial Bid
- 4) Form :II- Declarations to be submitted
- 5) Form :III - Declaration regarding eligibility
- 6) Form :IV- Price Bid (Price bid format)



Annexure-1

Scope of Work and General Terms & Conditions**1. Scope of Work**

The scope of work shall be as per the scope of audit stipulated in the Companies Act 2013 and the Companies (Cost Record and Audit) Rules, 2014.

Broadly the Scope of Work shall be as follows:

- i) Conduct Cost audit of the Company and its Nine Units for the financial year 2020-21 in accordance with the provisions of the Companies (Cost Audit Report) Amendment Rules 2016. 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
- ii) Verification and certification of cost proformas maintained by the Company and its Nine Units as per Companies (Cost record & audit) Rules, 2014
- iii) Verification and certification of annexure to the cost audit report in form CRA-3 and annexure as per notification or any other instructions issued by Central Government from time to time or any other section of the Companies Act 2013 for the Company & its Nine Units.
- iv) Cost audit firm so appointed shall commence cost audit and submit necessary reports as per the schedule communicated by Bharat Electronics Ltd, along with reservation or qualification or observations or suggestion, if any in form CRA-3 and annexure as per notification or any other instructions issued by Central Government from time to time or any other section of the Companies Act 2013.

2. General Terms & Conditions

- i) Audit team: The team should consist of qualified assistants led by a senior partner of the firm commensurate with the size of the organization / area of work.
- ii) Submission of Report: Cost audit firm so appointed will start conducting the audit after communication from Corporate Office and will submit the Cost Audit Report to Executive Director – Finance/corporate within stipulated time.
- iii) The Cost Auditor shall attend and make presentation to the Audit Committee Meeting and Board Meeting, if required, on the Cost Audit under review.
- iv) Period of Audit: Initially the period of audit will be for one year i.e. for the year 2020-21 but it may further be extended to 2nd, 3rd and 4th year i.e. 2021-22, 2022-23 and

2023-24 at the same rate and terms and conditions subject to satisfactory performance. However, the above tenure is not to be interpreted as assured and BEL reserves the right not to re-appoint at its sole discretion without assigning any reason thereof.

- v) Maximum tenure of appointment for a cost auditor shall be a continuous period of Four (4) years. After that Cost Auditor shall be considered for re- appointment after the cooling off period as per the Companies Act 2013 or as prescribed by the relevant authorities from time to time.
- vi) The Company reserves the right to accept / reject any or all the offers without assigning any reason whatsoever.
- vii) Overwriting/correction are not permitted.
- viii) Declaration that Cost Audit Firm have not been banned/de-listed/de- barred from business by any PSU/Govt. Department during last 04 (four) years shall be submitted in Form-III.
- ix) Payments shall only be made through Electronic Mode; hence Bank Details need to be submitted at the time of acceptance of the appointment.
- x) Company shall deduct TDS/any other tax/levy as per prevailing rules/rates.
- xi) 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.
- xii) The offer should be submitted strictly as per terms and conditions laid down in the document. The Invitation of offer in the Prescribed Format at Form – I, II & III & IV shall be submitted in physical form to following address: Deputy General Manager - Finance /Corporate.
- xiii) Application documents consisting all the documents placed on website duly sealed and signed are to be submitted as a token of acceptance of all terms and conditions. Envelope must be sealed and super scribed mentioning ***“Invitation of Offers for Expression of Interest for Appointment of Cost Auditor”***. The name and address of the firm must be indicated on the body of the envelope.
- xiv) The Audit Firm shall not assign or sub-let the whole or any portion or portions of the Cost Audit or allow any person to become interested therein in any manner whatsoever without the prior written approval of the Company.
- xv) Submission of tender by the bidder implies that he has read the instructions and all other contract documents and has made himself aware of the scope of the contract.
- xvi) Secrecy: The cost audit team shall work in strict confidence and shall ensure that the cost data, cost statement and cost information and any other information in respect

of the operation of the Company / Its Units is dealt with in strict confidentiality and secrecy.

xvii) Arbitration: Any disputes, difference controversies/ difference of opinions, breach and violation arising from or related to this agreement/contract/work order etc. between the parties shall be resolved by mutual discussion/reconciliation in good faith. If disputes, difference controversies/difference of opinions, breach and violation arising from or related to this agreement/contract/work order etc. cannot be resolved within 30 days of commencement of reconciliations/ discussions then the matter shall be referred to the Sole arbitrator, nominated by CMD, BEL for this purpose and his decision shall be final and binding on both the parties. There will be no objection to any such appointment on the grounds that the Arbitrator is an employee of BEL and no appeal on any order passed by the Arbitrator for this purpose shall be filed in any Court of Law on such ground.

xviii) Debarring Provisions: The Audit Firm will be debarred from getting, in future, the Cost audit of Bharat Electronics Ltd:

- i. If the Firm obtains the appointment on the basis of false information /mis-statement.
- ii. If the Firm does not take up audit in terms of appointment letter.
- iii. If the Firm fails to maintain/honor confidentiality and secrecy of the Company's data, cost statement and cost information.

xix) General information for submission of Tender

Bids to be submitted in two parts as detailed below in two separate covers mentioning Part 1: Technical Bid & Part 2: Price BID.

A. Part 1 :Technical Bid

Following are to be submitted as technical bid

- i. Form I
- ii. Form II
- iii. Form III
- iv. The RFQ document (page no 2 to 21) duly signed by the authorized person of the bidder, as a proof of acceptance of the terms of the RFQ by the bidder
- v. Documentary evidence in support of Form I

B. Part 2 : Price Bid

The Price Bid shall be submitted in Form IV

Annexure-2

LOCATION

A. CORPORATE OFFICE

BENGALURU
Bharat Electronics Limited,
Corporate Office, Outer Ring Road,
Nagavara, Bengaluru – 560045
Karnataka

B. UNITS

I. BENGALURU
BG COMPLEX,
Bharat Electronics Limited,
Jalahalli Post, Bengaluru – 560013
Karnataka.

II. CHENNAI,
Bharat Electronics Limited,
Post Box No.981, Nandambakkam,
Chennai – 600089
Tamil Nadu.

III. GHAZIABAD,
Bharat Electronics Limited,
Site IV, Sahibabad Indl Area
Bharat Nagar Post, Ghaziabad – 201010
Uttar Pradesh.

IV. HYDERABAD,
Bharat Electronics Limited,
Industrial Estate, Nacharam,
Hyderabad - 500076, Telangana.

V. KOTDWARA,
Bharat Electronics Limited,
Dist. Pauri Garhwal,
Kotdwara - 246149, Uttarakhand.

VI. MACHILIPATNAM,



Bharat Electronics Limited,
Post Box No.26, Ravindranath Tagore Road,
Machilipatnam – 521001
Andhra Pradesh.

- VII. NAVI MUMBAI,
Bharat Electronics Limited,
Plot No. L-1, M.I.D.C Industrial Area,
Taloja, Navi Mumbai – 410208
Maharastra.
- VIII. PANCHKULA,
Bharat Electronics Limited,
Plot No.405, Industrial Area, Phase III,
Panchkula – 134113
Haryana.
- IX. PUNE,
Bharat Electronics Limited,
NDA Road, Pashan,Pune – 411021
Maharastra.



FORM I**Techno-Commercial Bid****A. FORMAT FOR SUBMISSION OF APPLICATION**

SI No	Particulars	Details
1	Name of the Cost Auditor / Firm of Cost Auditor (Indicate whether Proprietary Concern or Partnership Firm)	
2	Office Address i) Permanent Address ii) Correspondence Address iii) Telephone No. iv) Fax No. v) Email Address vi) Website	
3	a) Year of Establishment b) Firm Registration No. (In case of Partnership Firm/Sole proprietary Firm) c) Proprietor's Membership No. (In case of members not having Firm Name) d) GST Regn. No. e) Permanent Account No. (PAN) of Firm/Proprietor	



B. Particulars with respect to Selection Criteria

Sl.No.	Particulars	Details
1.	Number of Cost Accountant associated with the Firm for not less than 3 (three) years as on the date of application.	Details of member / each partner
2	Existence of the Firm as on the date of application.	Detailed experience period
3	Turnover of the Firm (average annual of the last three preceding years)	Average Turnover (2016 to 2019) 2016-17: 2017-18 : 2018-19 :
4	Number of Cost Audit assignment of the Public Sector Undertaking (Central/State) during the financial year 2016-17 to 2019-20.	Detailed experience period 2016-17: 2017-18: 2018-19: 2019-20:
5	Number of qualified /Semi qualified assistant (i.e. passed Final /Intermediate exam conducted by ICAI) in Cost Accountant firm, as on the date of application.	Specify details

Declaration:-

I, _____ Partner / Proprietor of the Firm _____, hereby declare that the above information furnished is true & correct to the best of my knowledge and I will abide by the Terms & Conditions set by the company for the appointment of Cost Auditors

On behalf of Cost Audit firm

Signature with seal of the firm

Date:

Place:



Note:-

- 1) Documentary evidences of all the information as stated in Sl. No. 4 (A) refer page 4 & 5 above are to be furnished along with the offer.
- 2) All the pages of offers and documents are to be signed by the partner/owner of the firm along with seal of the firm.



FORM II

Declarations to be submitted

Declaration:-

We hereby certify that:

- a. We do not suffer from any disqualification as specified inter-alia under section 141 of the Companies Act, 2013 read with section 148 of the Companies Act, 2013 .
- b. Our appointment, if made, will be within the limits prescribed under Section 141 (3) (g) read with Section 148 of the Companies Act, 2013
- c. We are an independent firm of the Cost Accountants and are at arm's length relationship with the company.
- d. The partners of the firm are holding Certificate of Practice issued by the Institute of Cost Accountants of India and are in whole time practice.
- e. There is no order or proceedings which are pending against our firm or any of our partner(s) relating to professional matters of conduct before the Institute of Cost Accountants of India or any competent authority or any court.
- f. We are aware that any false information provided herein will make our appointment as Cost Auditor (if appointed) liable for termination.
- g. Data given by the company and any information generated from the data provided shall not be used for any other purpose.

I/We, _____ Partner of the Firm _____, hereby declare that the above information furnished is true & correct to the best of my knowledge and belief.

On behalf of Cost Audit firm

Signature with seal of the firm

Date:

Place:

FORM III

Declaration regarding eligibility (By the Cost Audit Firm)

I/ We, M/s (name of Cost Audit Firm) hereby certify that I/we have not been banned/de-listed/de-barred from business by any PSU/Govt. Department.

On behalf of Cost Audit firm

Signature with seal of the firm

Date:

Place:



FORM IV

Price BidPrice Bid Format

Services/Activity	Audit Fee*	Out of Pocket Expenses**	Total Cost	
			In figure	In words
Appointment as Cost Auditor for the Financial Year 2020-21.				

*The Minimum fees payable by BEL is Rs. 350000.00(Three Lakhs Fifty Thousand) and the Firm shall quote accordingly.

** Out of pocket expenses will be reimbursed based on actuals.

Conditions related to the price format:

1. The price quoted above shall be for complete scope of work inclusive of out of pocket expenses. **The price quoted should be exclusive of GST and other applicable taxes, if any.**
2. The prices must be quoted strictly as per price format in Indian Rupees. All payments will be made against invoice in Indian rupees only.
3. The evaluation of bids will be done on the Total Price as quoted in Price Bid format (i.e. Audit fee plus out of pocket expenses).
4. BEL reserves the right to continue or discontinue the work at any stage and payment will be restricted up to the last activity satisfactorily completed. The decision of BEL with regard to assessment for completion of activities/stages shall be final.
5. The above prices are firm and inclusive of all expenses (but excluding taxes).
6. Bidders shall quote their prices/rates in firm figures and without any qualifications. Each figure stated shall also be repeated in words and in the event of a discrepancy between the amount stated in figures and words, the rates quoted in words shall be deemed to be the correct amount. Tenders containing qualifying expressions such as "free" etc. will not be considered.
7. If there is any discrepancy between total and its break-up, the break-up will be taken as correct amount and the total of break up will be considered for evaluation.

Offer's shall be rejected if,

- (a) Offers which do not confirm unconditional validity of the bid for 120 days from the date of opening of Price Bid; or
- (b) Offers where prices are not firm during the entire duration of the contract and/or with any qualifications; or
- (c) Offers which do not conform to BEL price bid format;

On behalf of Cost Audit firm

Signature with seal of the firm

Date:

Place:

