

SELECTION AND EMPANELMENT OF COST AUDITOR

The Commissioner of Sugar,
Maharashtra State,
Sakhar Sankul, Shivaji Nagar,
Pune- 411005 (Maharashtra)

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SELECTION AND EMPANELMENT OF COST AUDITOR

1. Introduction:

Cost Audit of all Co-operative Sugar Factories have been made mandatory vide Government of Maharashtra Order No. SGY2011/C.R.359/14-S dated 8th December 2011. Expression of Interest (EoI) is invited from the interested Cost Accountant/Firm of Cost Accountants for Cost Audit for empanelment. The objectives of the Cost Audit are to scientifically ascertain the Cost of Production and Cost of Sales, improve the performance and efficiency, suggest means and measures for Cost Reduction and Cost Control for Co-operative Sugar factories in Maharashtra.

2. Eligibility Criteria for the Empanelment as Cost Auditor

- a) Firm should be registered with The Institute of Cost Accountants of India as a cost Accountant's Firm.
- b) Cost Accountant/ All Partners of the Firm of Cost Accountants should have a valid full time Certificate of Practice issued by The Institute of Cost Accountants of India
- c) Possess Experience of at least 5 years of working in the field of Cost Audit out of which at least 2 years' experience should be of Cost Audit in Sugar Industry.
- d) Cost Accountant/Firm Should have Registered office and necessary infrastructure in Maharashtra State.
- e) Firm/Cost Accountant Should not have any disqualification for the purpose of Audit.

Expression of Interest (Eol) for Cost Audit:

The Cost Accountants or the Firms of Cost Accountants should submit their Expression of Interest for Cost Audit in the format prescribed below.

Application Format

To,
The Commissioner of Sugar,
Maharashtra State,
Sakhar Sankul, Shivaji Nagar,
Pune – 411005 (Maharashtra)

Subject: Submission of Expression of Interest for Empanelment with
Commissioner of Sugar for Conduct of Cost Audit.

Dear Sir,

This has reference to your advertisement inviting Expression of Interest for Cost Audit, We are pleased to submit herewith our Eol.

SI No.	Particulars	
1	Name of Cost Accountant/Name of Firm of Cost Accountants & Names of Partners. Provide Membership Number/s. In case of Firm Please also provide Registration no of the firm.	
2	Registered Head Office Address – Telephone No, E-mail ID and FAX No.	
3	PAN No of Cost Accountant/ Firm of Cost Accountants	
4	Service Tax Registration No	
5	Year of establishment	
6	Name of Sugar Factories and Years for which Cost Audit is Carried Out	
7	Name of Company in Process industry and years for Which Cost Audit is Carried Out	
8	Name of Qualified Cost Accountants in the Firm, along with Membership Number/Year of Final Exam Passing	
9	Number of semi qualified Cost Accountants in the Firm (Intermediate Passed) along with student registration No.	

VERIFICATION –

I/We _____, whole time practicing Cost Accountant/ Partner of the firm of M/s. _____ Cost Accountants/Firm of Cost Accountant, do hereby declare that above mentioned information is true and correct to the best of my knowledge and belief.

I also agree to the terms and conditions as mentioned in the Notice for EOI including the maximum audit fees prescribed by The Commissioner of Sugar, GOM, Pune.

Signature of the Cost Accountant
Membership No/ Firm Registration No
Seal of the firm

Note:

- i. Documentary evidences should be provided for verification of the information provided in Serial No 1 to 9 above.
- ii. All documents submitted must be duly authenticated by Proprietor/Partner of the firm.

Self-Assessment of Marking:

Sr. No	Norms	Ref of Eoi	Marks allotted	Marks secured	Office use
1	Proprietor Firm /No. of Partners	Sr.No 1	20		
2	Establishment of Firm	Sr.No 5	10		
3	Firm experience in Cost Audit of Sugar Sector	Sr.No 6	20		
4	Firm experience in Cost Audit of Process Industry (Other than Sugar)	Sr.No 7	20		
5	Qualified Cost Accountants	Sr.No 8	15		
6	Semi Qualified assistants (Intermediate Passed)	Sr.No 9	15		
			100		

Signature of the Cost Accountant
Membership No/ Firm Registration No
Seal of the firm

Criteria for Ranking of Firms:

The following will be the basis of marks for the empanelment.

Categorisation in Class "A" Class "B" and Class "C" will be done on the basis of Marks secured by the firm.

Sr. No	Norms	Basis of Marks	Maximum Marks
1	Proprietor Firm /No. of Partners	4 marks per Partner	20
2	Establishment of Firm	2 marks per year	10
3	Firm experience in Cost Audit of Sugar Sector	1 mark per Audit (Subject to maximum 5 marks per Company/ Sugar Factory)	20
4	Firm experience in Cost Audit of Process Industry (Other than Sugar)	1 mark per Audit (Subject to maximum 5 marks per Company/ Sugar Factory)	20
5	Qualified Cost Accountants	3 marks for each qualified Assistant	15
6	Semi Qualified assistants (Intermediate Passed)	3 marks for each Semi qualified assistant	15
		Total	100

3. Scope and Format of Cost Audit in Co-operative Sugar Factories**A) Cost Accounting Records**

i)The Sugar Factory should compile the Cost Accounting Records as per Cost Accounting Records (Sugar Industry) Rules 2011 and Cost Accounting Records (Electricity Industry) Rules 2011.

ii)The Cost Accounting Records should be in compliance with The Cost Accounting Standards and Generally Accepted Cost Accounting Principles issued by The Institute of Cost Accountants of India from time to time.

iii)The Cost Auditor should examine and verify the correctness of Cost records maintained by the Co-operative Sugar Factories.

iv)Assessing the compliance by the sugar factory with the Cost Accounting Records as per Cost Accounting Records (Sugar Industry) Rules 2011 and Cost Accounting Records (Electricity Industry) Rules 2011, as applicable to the organisation under audit.

B) Cost Audit Report

The Cost Audit Report should be compiled on the basis of GOI, MCA Notification Dated 31.12.2014 in the form CRA-3.

C) Submission to Sugar Commissioner

The Cost Proforma Compiled as per Cost Accounting Records (Sugar Industry) Rules 2011 and Cost Accounting Records (Electricity Industry) Rules 2011.

The Cost Audit Report & Annexure to Cost Audit Report as per the Format Prescribed under GOI, MCA Notification Dated 31.12.2014 in the form CRA-3.

3. TERMS AND CONDITIONS:

I. **Submission of Report:** Cost auditor/Firm so Empaneled will submit the report to The Commissioner of Sugar Along with a Copy to Sugar Factory.

II. **Audit Fees:** The schedule of fees will be as follows for:

a) Table of Maximum Audit Fees:

Sr.No	Component	Capacity				
		Up to 1250 TCD	1251 to 2500 TCD	2501 to 3500 TCD	3501 to 5000 TCD	Above 5000 TCD
1	Sugar					
	Fees	1,25,000	2,25,000	2,75,000	3,25,000	3,75,000
2	Distillery	Up to 15 KLPD	16 to 30 KLPD	31 to 45 KLPD	46 to 60 KLPD	Above 60 KLPD
	Fees	40,000	50,000	75,000	90,000	1,00,000
3	Co-Generation	Up to 10 MW	Above 10 upto 20 MW	Above 21 upto 30 MW	Above 31 upto 40 MW	Above 40 MW
	Fees	40,000	50,000	65,000	75,000	1,00,000

b) The Cost Auditor will be paid travelling and out of pocket expenses at actual or limited to maximum 5% of Cost Audit fees.

c) Lodging & Boarding at Karkhana location is to be provided / reimbursed by the respective Karkhana.

d) Service Tax/GST shall be paid as extra as applicable on furnishing the registration number with the appropriate authority.

IV. Other Terms & Conditions:

The appointment of auditors is subject to the following declarations by the Cost Auditors:

a) The Audit Firm must not sub-contract the work;

b) The audit 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.

c) No partner of the Auditors is related to Managing Director/whole time Director or part time Director of Sugar Factory.

d) Neither the firm nor its partner or Associates should have any interest in the business of Sugar Factory;

- e) The Audit Firm will be debarred from getting, in future, the Cost audit 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.
 - iv. If the Firm violates any of the stipulations under clause (a) to (e).
- f) Commissioner of Sugar 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 without assigning any reason.
- g) Ceiling of Number of Audits will be limited to per Practicing Cost Accountant or per Partner based on the applications received.
- h) Fees should be mutually decided by Sugar Factory management and Cost Auditor considering the "CAP" assigned based on Capacity.
- i) Based on the marks received the Proprietor Ship/ Firm is considered as Class "A", Class "B" and Class "C".
- j) The Sugar factories will give weightage to the class of Auditor depending upon the size of the Sugar factory in terms of TCD.
- k) Appointment of the cost auditor for the year up-to 2015-16 can be made from existing panel formed for the year 2012-13 to 2014-15 till the time new panel for the term 2015-16 to 2017-18 is notified. Appointment of cost auditor subsequent to notification of the new panel should be only from new panel irrespective of the year of the cost audit.
- l) EoI should be submitted to the Commissioner of Sugar, Maharashtra State, Sakhar Sankul, Shivaji Nagar, Pune 411005 by hand/ Courier / Speed Post/ Registered post along with a Demand Draft of Rs. 10000 by individual and Rs 20000 by firm of any Nationalised Bank in favour of Commissioner of Sugar, Maharashtra State, Pune. Applications should be submitted in sealed cover superscribed with "Expression of Interest for Cost Audit/Energy Audit" (as applicable). Commissioner of Sugar will not be responsible for delayed submission for whatsoever reason.