

**NATIONAL FERTILIZERS LIMITED  
(A Government of India Enterprise)**

**CIN No. L74899DLI974GOI007417**

**CORPORATE OFFICE  
A-11, Sector-24, NOIDA-201301 (U.P.)**

**REGISTERED OFFICE  
SCOPE Complex, Core-III, 7, Institutional Area, Lodhi Road,  
New Delhi-110003**

**TENDER NO: -A/NFL/F&A/FICC/COSTAUDITORS/2016-17/01**

**Tender Document for**

**Prequalification and Appointment of Cost Audit Firms for conducting Cost Audit of NFL's Nangal, Bathinda, Panipat and Vijaipur-I & II units and Consolidation of Cost Audit Reports of all the five units for the year 2016-17.**

**Last Date & Time of Receipt of Tender At Venue:  
Corporate Offices,  
A-11, Sector-24, Noida-201301  
03.07.2016 AT 3:00 PM**

**Date and Time of opening of Technical Bid Documents  
04.07.2016 at 11:00 AM**

**Phone: 0120 – 2412294  
0120 - 2412445  
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**Website: [www.nationalfertilizers.com](http://www.nationalfertilizers.com)**

## NOTICE INVITING BID

**NFL Profile:** National Fertilizers Limited was incorporated on 23<sup>rd</sup> August, 1974. The Company has a rated capacity of 35.68 lakh MT of urea. During the year 2015-16 the Company produced 37.99 lakh MT of urea and recorded an annual Gross sales turnover of Rs. 7803 crores. The Company is having five manufacturing units located at Nangal & Bhatinda (Punjab), Panipat (Haryana) and Vijaipur-I & II (Madhya Pradesh) and three Zonal Marketing offices at Chandigarh, Lucknow and Bhopal. Company has its Registered Office at Scope Complex, Lodhi Road, New Delhi and Corporate & Central Marketing Offices at Noida.

Sealed bids are invited by National Fertilizers Limited from Practicing Cost Accountant Firms for conducting Cost Audit of the five manufacturing units at Nangal, Bathinda, Panipat and Vijaipur-I & II 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 for the Financial Year 2016-17 under two stage bidding process.

Prequalified parties would remain on panel for a period of three years.

### 1 (a) Essential documents required to be submitted for validity of Technical Bids:

- i. The firm is required to enclose a copy of its valid PAN Card.
- ii. The firm is required to enclose a copy of its valid Service Tax Registration certificate (ST-2).
- iii. The name of the senior partner who shall issue the Cost Audit Report.

### 1 (b) Eligibility cum selection Criteria for Pre-Qualification: (Technical Bid)

- i. Firms of Practicing Cost Accountants registered with the Institute of Cost Accountants of India (ICAI) shall be considered for Appointment as Cost Auditors for conducting Cost Audit of the Company.
- ii. The firm of Cost Accountant must have atleast one year experience of audit in Fertilizers sector (Urea)
- iii. In addition to the above essential requirement, the following will be the basis of Points for the selection of Cost Auditors:-

Sr. No.	Selection Criteria	Points to be allocated	Maximum Points
1	Experience in practice (No. of years)	1 point for every completed year of Firm's Registration	5
2	No. of Partners in the Firm who are with the Firm for a minimum period of three years as on date of application	1 point for each partner	5
3	Experience of PSU Audit (Cost)	1 point for each completed Cost Audit of a PSU Unit/Company(*)	5
4	Experience of the Firm as Cost Auditor in Fertilizers Sector (Urea)	4 points per year per unit/company(*) of Fertilizers Sector (Urea)	20
5	Experience of the Firm as Cost Auditor in other than Fertilizers Sector (Companies with Annual Turnover of > Rs. 500 crores)	1 points per year per unit/company(*) of other than Fertilizers Sector (Urea)	5
<b>Total</b>			<b>40</b>

(\* ) Cost Audit of multiple units of a company in a year shall be counted as 1 (one).

**Note:-**

i) Clear and complete details and documentary evidence in respect of above (as desired in **Annexure-I**), for determination of Points in support of information against Items 1 to 5 in Sr. No. 1 (b) (iii) above is required to be furnished. Proposals without the required documentary evidence(s) shall be ignored for evaluation.

ii) The Firm securing at least 60% marks based on above system shall be considered as qualified.

iii) Bids should be un-conditional. Conditional bids shall be summarily rejected.

**1 (c)** Format for submission of Technical Bid is enclosed at **Annexure-I**.

**1 (d)** Format for submission of Financial Bid is enclosed at **Annexure-II**.

**2.** Requirements for Bid to be considered valid, Bid Evaluation Process for Financial Bids, Detailed Terms & Conditions, scope of work & time schedule, Travelling, Boarding, Lodging, Local transport expenses of Cost Audit, Arbitration, Jurisdiction and other related clauses that are material to the process of award of Assignment and its execution are mentioned in **Annexure-A**.

**3. Documents required for evaluation of Technical Bids (to be kept in Sealed Cover-1 super scribed as Technical Bid) duly signed with seal:-**

(i) Essential Documents mentioned at 1 (a) on pre-page.

(ii) Documents in support of Eligibility Criteria as Mentioned at 1 (b) on pre-page.

**4. Documents required for evaluation of Financial Bids to be kept in Sealed Cover-2 super scribed as Financial Bid.**

(i) Annexure-II duly signed with seal.

**5.** The Final Report on Cost Audit will be finalized & issued by a senior partner of the firm.

**Last Date and Time for receipt Technical Bid: 03.07.2016 up to 3:00 PM**

**Date and Time of opening of Technical Bid: 04.07.2016 at 11:00 AM**

The tender documents are available at NFL website- **www.nationalfertilizers.com** and can be downloaded from the site.

In case you require any other information, please feel free to contact the undersigned on any working day.

**The two sealed envelopes should be kept under one sealed envelope and must be sent /delivered clearly super-scribing "Application for prequalification and Appointment of Cost Auditor" and Tender No. "A/NFL/F&A/FICC/COSTAUDITORS/2016-17/01"**

Representative of the firm can be present at the time of opening of Technical Bid on bringing a letter of Authority from the Partner of the Firm.

Bids **are to be submitted** on or before **03.07.2016 upto 3.00 PM** by hand/regd. Post/speed post at the following address:

**General Manager (F&A)  
National Fertilizers Limited  
Corporate Office, A-11,  
Sector 24, NOIDA-201301.**

**(Near ESI Hospital)**  
**Email: ypbhola@nfl.co.in**

The bids should be valid up to 31<sup>st</sup> July, 2016.

Encl:

1. Format for submission of Technical Bid (Annexure-I)
2. Format for submission of Financial Bid (Annexure-II)
3. General Terms & Conditions (Annexure-A)

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

**Annexure-I**

**Format for submission of Technical Bid**

1. Name of the Cost Audit Firm:
2. Registration Number of the Cost Audit Firm with Institute of Cost Accountants of India:
3. Date of Registration of the Firm:
4. Particulars of Cost Audit Firm:
  - i) (a) Address of the Firm as registered with ICAI  
(b) Address of the Firm at Delhi  
(if different from 'a')
  - ii) (a) Telephone Number with STD Code  
(b) Mobile No. of the Senior Partner (for Contact Purpose)
  - iii) Fax Number with STD Code
  - iv) Email address of the Firm
  - v) Website of the Firm, if any
  - vi) PAN No. of the Firm
  - vii) Service Tax No. of the Firm

5. Technical Details

1	Experience in practice (No. of years) (Details to be submitted in Annexure)	
2	No. of Partners/Members Name & Address of the Partners with their Membership nos. to be given (Details to be submitted in Annexure)	
3	Experience of PSU Cost Audit (No. of years) (Details to be submitted in Annexure)	
4	Experience related to Fertilizers Sector (urea) manufacturing industry (No. of years) (Details to be submitted in Annexure)	
5	Experience of the Firm as Cost Auditor in other than Fertilizers Sector (Companies with Annual Turnover of > Rs. 500 crores) (No. of years) (Details to be submitted in Annexure)	

6. We hereby confirm the acceptance of all provisions and terms & conditions of the Invitation without any deviation.

Place:

Date:

**Authorized Signatory  
With Official Stamp**

**Financial Bid for Cost Audit of NFL for 2016-17**

1. Name of the Cost Audit Firm:
2. Registration Number of the Cost Audit Firm with Institute of Cost Accountants of India:
3. Date of Registration of the Firm:
4. Particulars of Cost Audit Firm:
  - i) (a) Address of the Firm as registered with ICAI  
(b) Address of the Firm at Delhi  
(if different from 'a')
  - ii) (a) Telephone Number with STD Code  
(b) Mobile No. of the Senior Partner (for Contact Purpose)
  - iii) Fax Number with STD Code
  - iv) Email address of the Firm
  - v) Website of the Firm, if any
  - vi) PAN No. of the Firm
  - vii) Service Tax No. of the Firm

<b>Sr. No.</b>	<b>Unit</b>	<b>Audit Fee Rupees in figures - excluding Service Tax</b>	<b>Total Amount (In words)</b>
1	Vijaipur-I & II		
2	Nangal		
3	Bathinda		
4	Panipat		

Note: - Bidder has to bid for all locations.

**Place:**

**Date:**

**Authorized Signatory  
With Official Stamp**

**1. Requirements for Bid to be considered Valid.**

- a) The bid documents complete in all respects & duly signed with seal by authorized person shall be submitted by the bidder in two sealed separate envelopes as at (a) & (b) below. These two sealed envelopes should be kept under another sealed envelope and must be sent / delivered clearly super scribing:

**“Application for prequalification and Appointment for Cost Audit” and Tender No. “A/NFL/F&A/FICC/COSTAUDITORS/2016-17/01”**

**a) Cover-1 “Technical Bid for prequalification and Appointment of Cost Audit 2016-17”**

**b) Cover-2, “Financial Bid for appointment of Cost Audit 2016-17”**

- c) Incomplete offers would be summarily rejected.
- d) No extension of time shall be permitted for the collection of Tender Documents and/or Tender opening date.
- e) No cutting or overwriting would be allowed in Financial Bid. In such cases, bid would not be considered.
- f) Offers submitted against tender documents only will be considered and the offer shall be in the name of the firm.
- g) While submitting the bid, tenderers are requested to ensure that bids are in compliance with the regulations applicable under various statutes. Any fine, penalty or expenses due to breach arising thereon will be borne by the tenderer; NFL will bear no financial implication on this account.
- h) NFL takes no responsibility for delays, loss or non-receipt of tender documents or any letters sent by post either way and also reserve the right to reject any offer in part or full without assigning any reasons thereof.
- i) NFL shall always be at liberty to reject or accept any offer or offers or part thereof at its sole discretion. The submission of offer shall have no cause of action or claim against NFL for rejection of offer. The firm, whose offer is not accepted shall not be entitled to claim any costs, charges and expenses incidental to or incurred in connection with submission of offer or its consideration by NFL, even though NFL may opt to modify/withdraw the invitation to Tender or does not accept the offer or cancel the tender as a whole.

**2. Evaluation criteria for Financial Bids:**

- a) Bids shall be evaluated unit/office wise in the order of Ranking allotted to each unit/office as mentioned below:

<b><u>Location-(Unit/Office)</u></b>	<b><u>Ranking</u></b>
i) Vijaipur	1
ii) Nangal	2
iii) Bathinda	3
iv) Panipat	4

Bidders shall quote for all units; Company shall endeavor to award assignment to (L-1) bidder for one location only.

In case a bidder happens to be lowest (L-1) in more than one location, evaluation criteria shall be:

- a) The contract shall be awarded to L-1 bidder for the location as per ranking given above.
- b) L-2 bidder of other location(s) shall be asked to match location wise L-1 rates received by NFL & in the event of acceptance by L-2 bidder, the contract for that particular location shall be awarded.
- c) In case respective L-2 bidder does not accept respective L-1 rates of location(s), bidders having status of L-3, L-4 and so on shall be asked to match L-1 price.
- d) In case none of the other bidders agree to match L-1 rate for other location(s), (where the bidder is L-1 in more than one location) L-1 bidder would be awarded such a location.
- e) In case L-1 bidder refuses to take up the assignment after award of work, the firm shall be delisted and procedure as given at Sr. No. b & c above shall be followed to identify the successful bidder.

2.2 The bids should be unconditional. Conditional bids would be summarily rejected.

2.3 NFL retains the right to negotiate with all or any of the bidders.

2.4 Financial Bids shall be opened only after due scrutiny of Technical Bids is completed. The day for opening of Financial Bids shall be intimated separately.

2.5 Evaluation of bids shall be done on the basis of rates quoted in the price bid separately. However, Expenses towards boarding/lodging and TA/DA etc. shall not be considered while evaluating financial bid.

2.6 If some discrepancies are found between the rates given in words & figures the rate as quoted in words shall be adopted.

2.7 Should there be a tie in the quotations received from different bidders, NFL retains the right to choose the Firm as it deems fit.

2.8 Currencies for bid and payment shall be in Indian Rupees only.

### **3. Scope of Work and Time Schedule**

- a) To conduct Cost audit of the five manufacturing units at Nangal, Bathinda, Panipat and Vijaipur-I & II 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.
- b) 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.
- c) Verification and certification of cost proformas maintained by the Company as per Companies (Cost Records and Audit) Rules, 2014.
- d) Verification and certification of annexures to the cost audit report.
- e) Cost audit firm so appointed shall commence cost audit and submit report by 31<sup>st</sup> July of every year as per Companies (Cost Records and Audit) Rules, 2014 and 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.

- f) The cost audit firm shall ensure submission of cost audit report and annexures to the cost audit report along with their reservation(s) or qualification(s) or observation(s) or suggestion(s), if any.

#### **4. Detailed Terms & Conditions**

- a) For Cost Audit of Vijaipur-I & II units, assignments shall be given to one firm only and parties are requested to give single quote for Vijaipur-I & II units. However, Firm has to issue separate Cost Audit Report for both the plants.
- b) Cost Auditor Firm based in Delhi that was incorporated earliest among the bidders shall be appointed as Lead Cost Auditor and shall be assigned the work of consolidation of Cost Audit Report of the company as a whole. The fee for the same shall be Rs. 15000/- in addition to the Cost Audit fees. However, firm once appointed as Lead Cost Auditor will not be appointed as Lead Cost Auditor for next 3 years.
- c) Pre-qualified parties would remain on panel for a period of 3 years.
- d) Financial bid should be for Cost Audit for the year 2016-17 only.
- e) In Financial Bid, only professional fee excluding Service Tax for conducting Cost Audit are to be quoted.
- f) Should there be a tie in the quotations received from different bidders; preference would be given to the Firm that was incorporated earliest among the bidders.
- g) NFL retains the right to negotiate with all or any of the bidders.
- h) 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 authorized signatory of the applicant firm(s) with the firm's seal.
- i) The proposal should be submitted strictly as per the terms & conditions laid down in the document.

#### **5. Travelling, Boarding, Lodging, Local Transport Expenses**

##### **\*For Non- Local Firms:**

- a) To-and-fro fare limited to 2nd AC will be reimbursed to the staff/partner against documentary proof for the journey for conducting Cost Audit. This amount will be restricted to AC 2 tier from Delhi to manufacturing units or actual, whichever is less.
- b) Lodging shall be provided in NFL Guest House free of charge. The partner of the firm shall be entitled for VIP accommodation. The boarding charges in the NFL guest house shall be reimbursed to the Audit staff, limited to Rs.200/- per Auditor per day and Rs.350/-for the partner per day, or actual whichever is less.
- c) Local transport at the touring station- to-and-fro Railway Station/Bus Stand and Company's Guest House to place of work will be provided by the company free of

charge. However, in respect of local transport charges at the originating destination, the reimbursement shall be limited to auto charges @ Rs.200/- to Audit staff Rs.700/- for partner by taxi, or actual whichever is less.

**\*\*For Local Firms:**

- a) Local transport - to-and-fro Place of Stay to place of work the reimbursement, shall be limited to Rs.200/- per Auditor per day as Auto charges and Rs.700/- for partner as Taxi charges or actual which-ever is less.

**\*Non- Local Firms:** Office of the bidding firm not stationed at the location/city of Audit.

**\*\* Local Firms:** Office of the bidding firm stationed at the location/city of Audit. (In case of Noida office firms stationed in NCR will be taken as Local Firms)

## **6. Action against the Tenderer**

Failure to act according to tender conditions, non-fulfillment of any or whole of the contract may entail de-listing of the firm in addition to taking other appropriate action against the Firm.

If a tenderer resorts to any frivolous, malicious or baseless complaints/allegations with an intent to hamper or delay the tendering process or resorts to canvassing/rigging/influencing the tendering process, NFL reserves the right to debar such tenderer from participation in the present/future tenders up to a period of 2 years.

## **7. Arbitration:**

Except where otherwise provided in the contract, all matters, questions, disputes or difference whatsoever, which shall at any time arise between the parties hereto, touching the construction, meaning, operation or effect of the contract, or out of the matters relating to the contract or breach thereof, or the respective rights or liabilities of the parties, whether during or after completion of works or whether before or after termination shall after written notice by either party to the contract be referred to the arbitration of Director Finance, National Fertilizers Limited or his/her nominee.

The Arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment there-of and the rules made there under.

The firm hereby agrees that it shall have no objection if the arbitrator so appointed is an employee of NFL and had to deal with the matter to which the contract relates and that in the course of his duties as such he has expressed his views on all or any of the matter in dispute or differences.

Further, it is agreed by and between the parties that in case a reference is made to the Arbitrator or the Arbitral Tribunal for the purpose of resolving the disputes/differences arising out of the contract by and between the parties hereto, the Arbitrator or the Arbitral Tribunal shall not award interest on the awarded amount more than the rate SBI PLR/Base Rate applicable to NFL on the date of award of contract.

## **8. Jurisdiction**

In respect of all tender conditions, the decision of NFL shall be final and binding. The venue of the Arbitration shall be Delhi & Delhi courts will have Jurisdiction.

## **6. General**

Bidder/Tenderer shall mean the firm who submits the tender and enters into contract with NFL and shall include their executors, administrators and successors and permitted assignees.