

The Odisha Mining Corporation limited

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WEBSITE: www.omcltd.in

NOTICE INVITING EXPRESSION OF INTEREST FOR APPOINTMENT /EMPANELMENT OF COST ACCOUNTANT FIRMS FOR COST AUDIT, ASSISTING IN PREPARATION OF COST ACCOUNTING RECORDS, COST REVIEW AND OTHER COST RELATED ASSIGNMENTS IN THE ODISHA MINING CORPORATION LIMITED FOR THE FINANCIAL YEAR 2019-20 AND 2020-21.

M/s The Odisha Mining Corporation Limited invites expression of Interest for appointment/empanelment of Cost Audit Firms located in the State of Odisha for Cost Audit, assisting in Periodical Cost Review and other Cost related assignments for the Financial Years 2019-20 and 2020-21.

Format for offer by the Cost Accountant Firms (Annexure-I) and Scope of Work, Selection Criteria, Terms & Conditions, Audit Fee etc (Annexure-II) are available at OMC website mentioned above. The same can be downloaded from the website **www.omcltd.in**

Cost Accountant Firms may send their offer in the prescribed format along with annexures so as to reach to Addl. General Manager (Finance), OMC Ltd., OMC House, Bhubaneswar-751001 latest by **01.06.2019** within 4.00 PM.

Documentary evidences of all the information are to be furnished along with the offer and all the pages of the terms & conditions and documents submitted are to be duly signed and affixed with the seal of the firm.

Sd/-

Addl. General Manager (Finance)

ANNEXURE-I

APPLICATION FORMAT FOR EMPANELMENT AS COST AUDITOR IN OMC Ltd.

1. Name of the Audit Firm:

2. Address:

- i. Permanent Address
- ii. Correspondence Address
- iii. Telephone Number
- iv. Fax Number
- v. Email Address

Sl. No.	Particulars	Document Page No.
1	No. of Years of establishment of Firms(s) since date of Registration	
2	Numbers of partners in the firm. (Attested Copies of Associate/Fellow membership of each Partner along-with their membership no. should be enclosed).	
3	Number of qualified assistants (Cost/ Chartered Accountant) in the Firm. He/she should be a member of his/her respective Institute.	
4	Number of semi qualified assistants (Inter Cost/ Chartered Accountant) in the firm.	
5	Details of the experience of Conducting Statutory Cost Audit in Central/State PSUs.	
6	Details of the experience of Conducting Statutory Cost Audit for other than Central/State PSUs.	
7	Details of the experience of conducting Cost Audit in Mining Sector in Central/State/ other than Central/State PSUs.	
8	Turnover of the firm (Average annual Turnover in the last three years) (To be supported by copy of last three years audited/certified Annual Accounts)	
9	Details of the registered office / branch office within State of Odisha.	

Note:

1. Documentary evidence of all the information as stated above is to be furnished along with the offer.
2. All the pages of the terms & conditions and documents submitted are to be signed with the seal of the firm.

Signature with seal of the firm

CERTIFICATE

I/We _____, partner/s of the firm certify that:

- a. The information mentioned above is true and correct,
- b. Required documentary evidences duly signed & sealed are enclosed,
- c. If appointed as Cost Auditor/ assigned any other Cost related job in OMC Ltd.,
 - My 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,
 - Our firm will not accept any other audit job in OMC or any other subsidiary of OMC.
 - We will issue Certificate / Report independently.

SIGNATURE WITH SEAL.

**LIST OF DOCUMENTS DULY SEALED & SIGNED BY PARTNER OF THE APPLICANT FIRM
REQUIRED TO BE SUBMITTED WITH APPLICATION:**

- a. Copy of the certificate regarding the constitution of the firm and latest Certificate issued by the Institute for SI.No.01 of Annex-I.
- b. Copy of Membership Certificates indicating Fellowship / Associate-ship and Copy of Certificate of Practice of each Partner issued by the Institute for SI.No.02, of Annex-I.
- c. Copy of Membership Certificates of each Qualified Assistant issued by the concerned Institute for SI.No.03, of Annex-I.
- d. Copy of Passing Certificates of each Semi Qualified Assistant issued by the concerned Institute for SI.No.04, of Annex-I.
- e. Copy of Appointment Letters in respect of jobs already executed for SI.No.05, 06 and .07 of Annex-I.
- f. Copy of Turnover of firm for financial years 2016-17 to 2018-19 (Provisional) As per SI.No.08 of Annex-I.

Annexure -II

SELECTION AND APPOINTMENT OF COST AUDITOR

1. **Introduction:** The Odisha Mining Corporation Limited (OMC) was incorporated under the Companies Act, 1956 on 16th May 1956 as a joint venture company of Govt. of Odisha and Govt. of India to explore and harness the mineral wealth of the state of Odisha and make value addition. Subsequently on 17th November 1961, OMC became a wholly state owned corporation of Govt. of Odisha. OMC is the highest profit-making undertaking of the Government of Odisha and having status of a Gold category state PSU. It sustains industrialization of the state by providing Iron Ore , Chrome Ore and Bauxite Ore to a large number of Industries.

2. **Scope of Work:** OMC is looking for engagement of eligible Cost Accountant Firms for carrying out the following jobs: -

(I) Cost Audit Fees

(a) Cost audit to be conducted in accordance with order no G.S.R 01 (E) dated 31st Dec 2014 & G.S.R 695 (E) dated 14th July 2016 in line with Sub-Sections (1) and (2) of Section 469 and Section 148 of the Companies' Act, 2013 (18 of 2013) as issued by Govt. of India, Ministry of Corporate Affairs and in adherence to the relevant orders/clarification as issued from time to time 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.

(b) Business Area-wise / Mines wise consolidated Cost sheets are to be audited.

(c) The Cost Auditor shall file Annual Cost Audit Report in XBRL mode for which separate charges as decided by the Company shall be paid.

(d) All formats as required by statute are to be certified.

(e) Ensure proper periodical maintenance of cost Accounting records in due compliance to the statutory requirements.

(f) Ensure proper periodical cost allocation & preparation of cost estimates.

(g) Ensure proper identification of costs as variable, semi variable, fixed etc.

(h) Periodical reconciliation of cost records & financial records.

(II) Other assignments: As may be decided mutually from time to time.

3. Evaluation of Pre-qualification Proposal –

3.1 Eligibility Criteria

The firm must possess the following eligibility criteria and to this effect must produce supportive documents for the following along with the other documents/information as specified below. Technical bids of only those bidders who qualify in the pre-qualification criteria given below will be considered for opening.

SI no.	Eligibility Criteria	Documents to be furnished along with the pre-qualification proposal
1.	The firm must be registered with Institute of Cost Accountants of India having certificate of practice for more than 10 years.	Copy of Certificate for practice / Registration certificate of CMA Firm Constitution.
2.	The firm should have its head office in Odisha and HO / Branch office in Bhubaneswar / Cuttack	Copy of document as a proof that the office is at Bhubaneswar / Cuttack as on 1 st April 2019
3.	The average annual turnover of last three financial years of the firm i.e. 2016-17,2017-18 & 2018-19 should not be less than Rs. 10 Lakhs. (Rupees Ten Lakhs)	Copies of audited / certified Balance Sheet / Profit Loss Statement for the concerned period. In case audited Accounts For FY-2018-19 is not available provisional Accounts duly Certified by their auditors.
4.	The eligible firm should have at least 2 nos. of Fellow CMA members within the team of professionals in the firm. The eligible firm should have at least 3 Partners with minimum 8 Nos of Staff.	Copy of Fellow Membership Certificate of the Partners should be furnished & Constitution Certificate of firm mentioning no of partners should be submitted. The staff strength of Firm with qualification & experience should be mentioned.
5.	The Firm should have GST Registration Number and PAN .	Copy of GST Registration Number and PAN.

Non-submission of any one of the above documents along with pre-qualification proposal, leads to outright rejection of the proposal.

3.2 (a) Selection Criteria:

The following will be the basis of marks for the selection /empanelment. Selection/empanelment will be done based on attainment of highest marks obtained:

Sl. No	Norms	Basis of Marks	Maximum Marks	Document to be submitted	
1	Number of Years of establishment of Firms (S) since date of Registration	Up to 10 years 10 marks and 1 mark per year for each 1 year or part thereof beyond 10 years	15	Firm constitution certificate from concerned institute as on 01.04.2019	
2	Number of partners in the firm *	2 marks for each Associate member and 3 marks for each Fellow member	15	Firm constitution certificate from concerned institute as on 01.04.2019	
3	Number of qualified assistants (cost/chartered accountant) in the firm. He / She should be a member of his/her respective institute.	2 marks for each qualified Assistant	8	Certificate from the concerned Institute and CV of the concerned staff	
4	Number of semi-qualified assistants (inter cost/chartered accountants) in the firm	1 mark for each semi- qualified Assistant.	5	CV along with Intermediate Certificate of the concerned staff	
5	The firm having the experience of conducting statutory cost audit.	Central/State PSU	i) 3 marks for each year cost audit in mining sector PSU.	15	Copies of Mandate/letter of engagement and certificate of completion issued by the organization
			ii) 1 mark for each year cost audit in other than mining sector.	10	
		Other than Central/ State PSU	i) 2 marks for each year cost audit in mining sector.	6	
			ii) 1 mark for each year cost audit in other than mining sector.	6	
6	Turnover of the firm (Average annual in the last three years, Rs .in Lac) (Min Rs 10 Lacs)	10-15 Lakhs=5 Marks >15-20 Lakhs=10 Marks >20 Lakhs=15Marks For additional increase beyond 20 Lakhs, 1 mark per each 2 Lakhs.	20	Copies of audited / certified Balance Sheets and P&L Accounts for the financial years 2016-17 ,2017-18 & 2018-19(Provisional).	
TOTAL			100		

*He /She should be a partner in the firm for a minimum period of one year as on date of application.

Note:

- i. Documentary evidence in support of each of the above mentioned criteria is required to be submitted.
- ii. A firm must secure at least 60% of marks out of 100 in Technical bid to qualify for formal discussion with the management for selection of audit firms. However, securing 60% marks do not confer any right of the firm to get selected for the assignment. The management reserves the right to invite the firm for an interface with the Committee securing above 60 marks or may

scale down further depending upon the requirements. 80% weightment shall be given for scores in the technical proposal and 20% scores for interface with the Committee.

(b) Empanelment:

- i. The panel for successful Audit Firm will be made in descending order based on score secured. The shortlisted firms will be called for interaction with the selection committee.
- ii. In case of failure/denial of Cost Auditor to be the Cost Auditor of OMC, next audit firm with 2nd highest marks with No. 2 rank will be selected as the Cost Auditor and so on.
- iii. In case of a tie, the following sequence shall be adopted for selection:
 - **First sequence:** Cost accountants/ firms of Cost Accountants with longer experience shall be given preference based on the year of Registration / Establishment.
 - **Second Sequence:** Firm with a higher number of Fellow and/or Associate Members of the Institute of Cost Accountants as partners shall be given preference.

(c) Audit team:

The team should consist of adequate number of qualified /semi qualified Assistants (Cost/Chartered Accountant) led by a senior partner of the Firm in Commensurate with the size of the organization/ area of work.

4. TERMS AND CONDITIONS:

I. Submission of Report:

The appointment of the empanelled Cost Accounting firms shall be initially for one year which may be extended for further One year based on the satisfactory performance. Cost Accounting firm so appointed will start the given assignment immediately and will submit report within stipulated time frame to **Addl. General Manager (Finance), OMC Corporate Office, Bhubaneswar.**

II. Audit Fees:

The fees for Audit will be Rs.1,75,000/- (Rupees One lac seventy-five thousand) per year. TDS as applicable shall be deducted.

1. The fees is exclusive of applicable GST.
2. Conveyance / Transportation to Corporate Office are to be borne by the Audit Firms. Conveyance / Transportation to Regional Offices / Mines shall be provided by OMC. Free Guest house accommodation/ Lodging and boarding for outstation work will be provided as per the availability on priority basis. However local conveyance at regional office to visit the Mine office shall be provided by the concerned Regional Offices.
3. The fees for any assignments relating to costing will be mutually decided as and when assignments are given by the Management.

III. Disqualification:

OMC may at its sole discretion and at any time during the evaluation of the Proposal disqualify any Participating firm if it has:

1. Made misleading or false representations in the forms, statements and attachments submitted in proof of the eligibility requirements
2. Withdrawal of Proposal by the Participating firm after the Proposal Due Date will lead to black listing and debarring the firm in all the future assignments.

3. Declared the firm as ineligible by GoI / State Govt of Odisha or the concerned PSUs for corrupt, fraudulent practices or has been blacklisted.
4. A firm's proposal may be liable for rejection, if it is determined that the firm has engaged in corrupt, fraudulent or unfair trade practices.
5. Firm proposes any alteration in the work specified or any conditions or corrections made in this EOI.
6. Any eraser made in the EOI is unauthenticated or any page or a page is/are removed or replaced.
7. Firm shall submit the EOI which should satisfy each and every condition laid down in the notice and EOI documents, failing which the EOI will be liable for rejection.
8. Firm's EOI containing counter conditions shall be liable for rejection out rightly without assigning any reason for the same.
9. Stipulates the bid validity period less than what is stated in the form or tender.
10. Stipulates its own conditions.
11. Does not fill in and sign the EOI form as well as annexure, specifications etc.
12. Does not submit the EOI before the stipulated time line to the inviting authority
13. Does not attach the required documents along with the EOI.
14. Canvassing in any manner to influence the Authority will be liable for rejection.

IV. Other Terms & Conditions:

The appointment of auditors is subject to the following declarations:

- 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. A Certificate towards maintaining confidentiality to be provided by the Cost Auditor before commencement of Audit;
- c) If any partner of the cost Auditors is related to Managing Director/whole time Director or part-time Director of company within the meaning of section 2(77) of the companies Act, 2013
- d) Neither the firm nor its partner or Associates has any interest in the business of Company;
- e) The auditor will be required to issue certificate of Independence;
- f) While a Cost Auditor shall have prime responsibility to ensure that he/she does not violate the limits specified under section u/s 139(2) of the companies Act.2013; The auditor/ firm shall be free from any disqualification under Sec. 141(3) of the Companies ACT, 2013
- g) Where a Cost Accountant is a Partner/Owner of more than one firm, in such case, only one firm shall be allowed to take part in the tender process either in OMC or any of its subsidiaries. If it is

found that the Firm having common partner makes application in the EOI initiated by OMC and its Subsidiaries, such application will stand cancelled.

- h) The partners holding certificate of practice issued by Institute of Cost Accountants of India are in whole time practice.
- i) The Audit Firm will be debarred from getting, in future, the Cost audit in OMC and its Subsidiaries 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 (i).
 - v) If during the periodical reviews the performance of the firm is found to be not satisfactory.
- j) Overwriting/correction/erase and use of white ink should be avoided. However, if any Overwriting/correction/erase is inevitable, that should be authenticated with the applicant's signature.
- k) The Cost auditor shall undertake that data given to the Auditor by OMC and any information generated from the data provided shall not be used by the Auditor for any other purpose.
- l) The offer should be submitted strictly as per the terms & conditions laid down in the document. Application documents duly sealed and signed are to be submitted as a token of acceptance of all terms and conditions. All envelopes must be sealed and super scribed with the Notice No. & date mentioning '**Appointment/Empanelment of Cost Audit Firm**'. **The name and address of the firm must be indicated on the body of the envelope.**
- m) Application may be submitted by the firm in person or may be sent by post to **Addl. General Manager (Fin), The Odisha Mining Corporation Ltd, OMC House Bhubanewar-751001**. However, OMC does not take any responsibility for loss of application in transit. Application sent, through Telegram, Telex, Fax or E-mail will not be considered.
- n) Applications received after the due date and time shall be ignored. Any application received late due to any reason whatsoever will not be the responsibility of OMC.
- o) In case of any dispute, Managing Director, The Odisha Mining Corporation shall be the sole arbitrator.
- p) **Disclaimer:** OMC 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.
