



RASHTRIYA CHEMICALS & FERTILIZERS LIMITED

(A Government of India Undertaking)

Corporate Finance Department,

Priyadarshini, Eastern Express Highway, Sion, Mumbai – 400 022,

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NOTICE INVITING TENDER

Ref: RCF/CF/Cost Auditors/2017-18

May 12, 2017

Prequalification, Empanelment and Appointment of Cost Auditor for conducting Cost Audit of RCF

Tenders are invited from Cost Accountants / Firms, for prequalification, empanelment and appointment as Cost Auditors for a period of four years i.e. (2017-18 to 2020-21) to conduct cost audit of the company.

Company proposes to empanel Two Cost auditors, of which one Cost auditor would carry out the audit and their appointment shall be on yearly on rotation basis i. e only one Cost Auditor for a particular Financial Year. To be clear the Cost Auditor appointed for 2017-18 will be given an appointment for 2019-20 and Cost Auditor appointed for 2018-19 will have an appointment for 2020-21.

The tender documents are available at RCF website- www.rcfltd.com and can be downloaded from the site.

For the purpose of better co-ordination and smooth function Cost Accountants/ Firms having established offices in and around Mumbai shall be preferred to appoint as Cost Accountants as the headquarter of RCF is in Mumbai. However, Cost Accountants / Firms full filling Prequalification Criteria (PQC) and not having established office shall be considered only if they under take the cost audit without claiming any additional payment over and above agreed fees. (Additional Payment means and includes T.A. / D.A., Lodging & Boarding, Local Transportation, other incidental expenses and out of pocket expenses.)

One sealed envelope containing prequalification documents mentioned at Annexure –I and clearly super scribing “Application for prequalification and Appointment of Cost Auditor” and Tender No. RCF/CF/Cost Auditors/2017-18 must be sent /delivered on the address mentioned here below.

Tenderer shall take necessary care to reach their bids on before schedule date and time. RCF shall not be responsible for postal delay, loss of tender during transit. No correspondence in this regard will be entertained.

Last Date and Time For:

Submission of the Tender

26/05/2017 up to 2:00 PM

Opening of Bid

26/05/2017 at 5:00 PM

Tender to be Submitted To: --

Chief Finance Manager (Corporate Finance)

RCF Ltd., Room No. 744, 7th Floor, PRIYADARSHINI

BUILDING,

EASTERN EXPRESS HIGHWAY,

SION, MUMBAI – 400 022

Thanking you,

Yours Sincerely,

(S. Shivakumar)

Chief Finance Manager (CF)

Background Document

A. INTRODUCTION OF THE COMPANY

RCF is one of the leading manufacturers of Fertilizers and Industrial Chemicals in India. The manufacturing facilities are located at Trombay near Mumbai and Thal in Raigad District of Maharashtra. RCF Produces Urea and Complex Fertilizers in the composition 15:15:15 and 20:20:0. Suphala, a 15:15:15 fertilizer is one of the well-known brands of RCF. The major industrial chemicals produced by RCF include Methanol, Methylamines, Sulphuric Acid, ABC, etc.

B. Maintenance of Cost Records and Cost Audit in RCF Limited.

RCF is currently covered under Companies (Cost Record and Audit) Rules, 2014 & Companies (Cost Record and Audit) Amendment Rules, 2014 issued by Central Govt under sub-section (1) and (2) of section 469 and section 148 of the Companies Act 2013.

Product and Services to be covered under the audit and the scope of cost audit shall be as per the relevant section/orders/clarifications/notifications issued from time to time by the Central Govt.

C. Number of Cost Auditors proposed to be appointed

The Company intends to empanel Two Cost Accountant (individual) or a firm of Cost Accountants as Cost auditors for period of Four years i.e. Financial Year 2017-18, 2018-19, 2019-20 and 2020-21 at the same rates, terms & conditions where the cost audit assignment would be rotated amongst them for the said periods.

However RCF reserves the right to terminate the contract of appointment in the event of non-satisfactory performance by the said party by giving one months' notice in writing without assigning any reason thereof.

D. Scope of Work

1. Cost audit in accordance to the provisions of the Companies (Cost Audit Report) Amendment Rules, 2014 in respect of designated locations/ work centers of the Company. Cost audit shall also be in adherence to the relevant orders/clarification/ notifications, 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.
2. Submission/e-filing of Cost Audit Report along with Annexure to the company/MCA, Government of India, within the scheduled date and in the manner as specified / prescribed by MCA.
3. Cost audit firms / Cost Accountants so appointed shall commence cost audit and submit Cost Audit Report for the Company as a whole within the time schedule communicated by the Company.
4. Presentation of the findings of cost audit and suggestion for improvement if any to Audit Committee/Board.
5. Cost Auditor so appointed shall convert the Audit report along with the annexures in XBRL mode for e-filing if required.
6. Compliance with any other instructions / notifications / circulars issued in respect of cost audit under applicable Companies Act/other laws.

E. Information to bidders

It is for the information of the bidders that, for Cost Audit of 2017-18,2018-19, and 2019-20 the audit fee payable is Rs.2,00,000/- plus applicable taxes (**Rupees Two Lakh only**) in **Indian Rupees** .

The filing of Cost Audit Report in XBRL shall be in the RCF's scope.

No any additional payment over and above this fee shall be paid. (Additional Payment means and includes T.A. / D.A., Lodging & Boarding, Local Transportation, other incidental expenses and out of pocket expenses.).

Company's guest house at Mumbai would be made available to Cost Auditor only on chargeable basis at Company's approved rates during the course of the Cost Audit assignment.

NOTICE INVITING BID

Sealed bids are invited by M/s Rashtriya Chemicals & Fertilizers Limited from Practicing Cost Accountants (Individuals & Firms) for conducting Cost Audit of the Company 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 2017-18,2018-19,2019-20 & 2020-21 under **Single Stage** bidding process.

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

- i. The individual / firm are required to enclose a copy of its valid PAN Card.
- ii. The individual / firm are required to enclose a copy of its valid Service Tax Registration certificate (ST-2).
- iii. The name of the Cost Accountant / Partner of the firm who shall issue the Cost Audit report.

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

- i. Individuals / 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. **Copy of valid registration certificate must be attached with other documents as mentioned at 1(a) above.**
- ii. **The Cost Accountant / firm of Cost Accountant must have atleast one year experience of audit in Fertilizer sector.**
- iii. Since the Company's factories are located in Maharashtra and its Corporate Office being located at Mumbai, For the purpose of better co-ordination and smooth function Cost Accountants/ Firms having established offices in and round Mumbai shall be preferred to appoint as Cost Accountants as the headquarter of RCF is in Mumbai. However, Cost Accountants / Firms full filling Prequalification Criteria (PQC) does not have established office shall be considered only if they under take the cost audit with-out claiming any additional payment over and above agreed fees. (Additional Payment means and includes T.A. / D.A., Lodging & Boarding, Local Transportation, other incidental expenses and out of pocket expenses.)
- iv. The Cost Accountant / Firm should not have been disqualified / black listed on any ground in previous years 5 years. Declaration on letter head in this regard may be submitted along with other documents. (Annexure III)

- v. In addition to the above essential requirement, the following will be the basis of Points for the selection of Cost Auditors:-

Sr. No.	Parameter	Evaluation criteria	Points to be allocated	Maximum Points
1	Experience in practice (No. of years)	No. of year experience in cost audit practice	1 point for every completed year	5
2	Experience of PSU Audit (Cost)	Number of Companies audited during the years (2011-12 to 2015-16)	1 point per PSU Unit/Company *. Subject to Maximum of 2 points per financial year would be given.	5
3	Experience of the Individual/ Firm as Cost Auditor in Fertilizer Sector	Number of Companies audited during the years (2011-12 to 2015-16)	3 points per fertilizer unit/company subject to maximum 6 points each year* Further in case of same company being repeated in the subsequent years maximum 2 points per year would be given	20
4	Experience of the Individual/ Firm as Cost Auditor in Chemicals/ Oil& Gas Sector	Number of Companies audited during the years (2011-12 to 2015-16)	2 points per unit/company* of Chemicals/ Oil& Gas Sector subject to maximum of 4 points each year Further in case of same company being repeated in the subsequent years maximum 1 point per year would be given	15
5	Experience of the Individual /Firm as Cost Auditor in other than Fertilizer/Chemicals/Oil gas Sector (Companies with Annual Turnover of > Rs. 500 crores)	Number of Companies audited during the years (2011-12 to 2015-16)	1 point per unit/company * subject to maximum of 3 points each year	5
Total				50

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

Note:-

- i) Clear and complete details and documentary evidence if any 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) (v) above is required to be furnished.

- ii) The Cost Accountant / Firm securing at least 60% marks based on above system shall be considered as pre-qualified for commercial evaluation.
- iii) Should there be a tie in the quotations received from different bidders.
 - a) Since the Company is deciding to empanel two Cost Accountants/firms as Cost Auditors rotating every year ,in the event if more than 2 Cost Accountants obtains equal marks as per above criteria the Cost Accountant/firm having more experience in cost audit of Fertilizer Industry will be preferred .
 - b) In the event all bidders to the tender obtain equal marks and possess the same number of years' experience of cost audit in Fertilizer Industry, the empanelment of 2 Cost Auditors will be made based on the Cost Accountant having commenced practice / Firm that was incorporated, earliest among the bidders
- iv) The technically evaluated cost accountant/firm meeting the above referred criteria would be empanelled as technically qualified for the Financial Year 2017-18, 2018-19, 2019-20 & 2020-21for cost audit assignments.

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

1 (d) Acceptance of Fees – **Annexure -II**

1 (e) Self declaration form –**Annexure –III**.

1 (f) Check list – **Annexure –IV**.

2. **Submission of Bids**

The bidders are expected to submit their offers in “**Technical / Non-Price Bid**” - Format as per **Annexure – I**. The same will be placed in the envelope super scribed as Technical / Non-Price Bid mentioning Tender subject, reference number and date. The Bid document should be duly signed, stamped and sealed in all pages and should be submitted along with the relevant documents and annexures. The envelope shall be duly super scribed Tender subject, reference number and date.

The Bid shall be signed by the Bidder or a person or persons duly authorized by bidder. **Authorization letter** shall be enclosed as the case may be.

- 3. The Bid shall contain no erasures or overwriting except as necessary to correct errors made by the Bidder, in which case, such corrections shall be initialed and stamped by the person or persons signing the Bid in original.
- 4. Only those bidders who qualify for the Technical part (upon satisfying the Pre-qualification/evaluation criteria) would be eligible for empanelment and appointment as cost auditor for four Financial Years (2017-18 2018-19, 2019-20 & 2020-21).
- 5. After opening of Technical Bids no clarifications will be sought /accepted from the bidders. **Further bidder shall note that no pre-qualification documents will be accepted after opening of Technical Bid.** It is, therefore, requested that the bidders must ensure that their bid has all the required information and that there is no ambiguity of any kind in their offer. The evaluation would be done on the basis of the information / data provided by the bidders in the Technical bid document.
- 6. Unsolicited bids shall not be entertained and liable to reject outright.
- 7. **Incomplete bids, late received bills are likely to be rejected and no correspondence in this regard will be entertained by RCF.**

8. RCF reserves the right to accept or reject any tender including the lowest one, in part or full, without assigning any reason whatsoever.
9. Bids must be kept valid for a minimum period of 90 days from the date of opening of the bid.
10. 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; RCF will bear no financial implication on this account.
11. RCF 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.
12. RCF 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 RCF 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 RCF, even though RCF may opt to modify/withdraw the invitation to Tender or does not accept the offer or cancel the tender as a whole.
13. **Withdrawal of Bid:** Bids can be withdrawn / add-ons can be submitted before opening of technical bids. No tender shall be allowed to withdraw his tender or submit add-ons after opening of the technical bids.
14. **Currency for Bid:** Cost Audit Fees as mentioned at “E” above will be paid in **Indian Rupees** only. No part payment or advance payment shall be made.
15. **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, RCF reserves the right to debar such tenderer from participation in the present/future tenders up to a period of 2 years.

16. 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, Rashtriya Chemicals & Fertilizers Limited or his/her nominee.

17. 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.
18. The firm hereby agrees that it shall have no objection if the arbitrator so appointed is

an employee of RCF 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.

19. 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 RCF on the date of award of contract.

20. Jurisdiction

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

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

22. Amendment to Request for Proposal

At any time prior to the deadline for submission of proposals, RCF, for any reason, whether on its own initiative or with reference to the clarification requested by a prospective bidder, may modify, change, incorporate or delete any condition in the Request for Proposal by amendment, which will be notified on the official website of the Company i.e. <http://www.rcfltd.com/> and such amendment shall be binding on the bidders. RCF may, at its discretion, extend the deadline for the submission of proposals which will be notified on the official website of the Company.

23. Bidding Document

Bidders are advised to study the Request for Proposal carefully. Submission of bid shall be deemed to have been done after careful study and examination of the Request for Proposal with full understanding of its implications. Failure to furnish all information required by the bidding documents or submission of a bid not in accordance with the bidding documents in every respect may result in rejection of the bid. The response to this Request for Proposal should be full and complete in all respects. Incomplete or partial bids shall be rejected.

All the communication including this Request for Proposal and the bid documents shall be signed on each page by the authorized representative of the bidder

Any clarification required regarding the Request for Proposal may be obtained from the office of “Corporate Finance,7th Floor, Rashtriya Chemicals and Fertilizers Limited, Priyadarshini, Eastern express highway road, Sion, Mumbai-22” before submission of the Proposal.

Sr. No.	Name of Official	Designation	Phone No.	Email id
1	Shri. S.S. Kawade	Chief General Manager (CF)	022 25523131	sskawade@rcfltd.com
2	Shri. Shivakumar	Chief Manger (CF)	022 25523048	sskumar@rcfltd.com

LAST DATE FOR SEEKING CLARIFICATION OVER PHONE OR IN PERSON SHALL BE 22ND MAY 2017

(TO BE GIVEN ON THE COST ACCOUNTANT /AUDIT FIRM'S LETTER HEAD)

Format for submission of Technical Bid

Sr. No.	Particulars	Details to be filled by bidder
1	VENDOR CODE	Applicable only in case if already registered with RCF.
2	Name of the Cost Accountant / Firm	
3	Registration Number of the Cost Accountant / Firm with the Institute of Cost Accountants of India.*	
4	Date of Registration of the Cost Accountant / Firm	DD/MM/YYYY
5	Other Details of Cost Accountant / Firm	
(i)	(a) Address of the Cost Accountant/ Firm as registered with ICAI	
	(b) Address of the Cost Accountant / Firm for communication	
(ii)	(a) Telephone No with STD code (b) Mobile No of the Senior Partner (for Contact Purpose)	
(iii)	Email address of the Cost Accountant / Firm	
(v)	PAN No of the Cost Accountant / Firm *	
(vi)	Service Tax Registration No.*	
(vii)	Name of the contact Person & His Contact details	

Technical Details

- 1) Experience in practice : No of years:
- 2) Experience of PSU Audit (2011-12 to 2015-16) No. of Companies:

Sr. No.	Year of Audit	Name of Company	Work Order Copy /Letter of Appointment Attached Ref. Page No.

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

- 3) Experience in Fertilizer Cost Audit

Sr. No.	Year of Audit	Name of Company	Work Order Copy /Letter of Appointment Attached Ref. Page No.

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

4) Experience as Cost Auditor in Chemicals / Oil & Gas Sector

Sr. No.	Year of Audit	Name of Company	Work Order Copy / Letter of Appointment Attached Ref. Page No.

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

5) Experience as Cost Auditor in other than fertilizers /Chemicals/Oil Gas sector (Companies with Annual Turnover above Rs.500 Crore)

Sr. No.	Year of Audit	Name of Company	Work Order Copy / Letter of Appointment Attached Ref. Page No.

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

Kindly note that the No of Work order copies to be attached as per points mentioned / allocated above at 1(b)-(v).

We here by confirm the acceptance of all provisions and terms & Conditions of the invitation without any deviation.

**Signature & Name of Partner / Authorized Person
with seal of the Firm / Cost Accountant**

Date: _____

Place: _____

(TO BE GIVEN ON THE COST ACCOUNTANT /AUDIT FIRM'S LETTER HEAD)

ACCEPTANCE OF FEES

I/We here by agree to accept the fees Rs.2,00,000/-**(Rupees Two Lakh only)** plus applicable taxes in Indian Rupees.

Further I /we here by accept that no any additional payment (additional payments means and includes T.A. / D.A., Lodging & Boarding, Local Transportation, Other incidental expenses and out of pocket expenses) shall be claimed by me / us.

I/we are aware of that; the Company's guest house at Mumbai would be made available to Cost Auditor only on chargeable basis at Company's approved rates during the course of the Cost Audit assignment.

**Signature & Name of Partner / Authorized Person
with seal of the Firm / Cost Accountant**

Date: _____

Place: _____

(TO BE GIVEN ON THE COST ACCOUNTANT /AUDIT FIRM'S LETTER HEAD)

SELF DECLARATION FORM

I Shri/Smt..... partner/proprietor of.....(name of firm)
hereby declare and certify the following:

1. Our appointment as Cost Auditors for the Audit of Cost Records maintained by Rashtriya Chemicals and Fertilizers Limited for the year ended 31st March 2018, 31st March 2019, 31st March 2020 & 31st March 2021 will be in accordance and within the limits specified under section 141(3) (g) of the Companies Act, 2013 and as amended from time to time.
2. Our appointment as Cost Auditors for the year ended 31st March 2018, 31st March 2019, 31st March 2020 & 31st March 2021, will be free from any disqualification as specified in Subsection (3) of Section 141 of the Companies Act, 2013 and as amended from time to time.
3. No partner of our Audit Firm is related to Managing Director/whole time Director or part time Director of the Company within the meaning of section 2 (77) of the Companies Act, 2013;
4. Neither our firm nor our partners or associates have any interest in the business of Rashtriya Chemicals and Fertilizers Limited;
5. We are an independent firm of Cost Accountants and are at arm's length relationship with Rashtriya Chemicals and Fertilizers Limited;
6. The Audit Jobs will not be sub-contracted by us to some other Audit Firm;
7. It is hereby declared that a certificate towards maintaining confidentiality of cost data, cost statement and cost information in respect of the operation of the location/ work center / Company shall be provided on receipt of appointment letter and before commencement of Audit;
8. We are not holding any assignment as Statutory Auditor or Internal Auditor of Rashtriya Chemicals and Fertilizers Limited.
9. We shall abide by any other compliances/declaration, if any, required under Companies Act, 2013.
10. I/ We hereby agreed to accept the fees offered by RCF and will not claim any other amount whatsoever in nature over and above the fees.
11. I/We hereby further agreed to and abide myself / ourselves that by virtue of this appointment as Cost Auditor I/ We or our staff will not be entitle to claim any employment in the RCF.

**Signature & Name of Partner / Authorised Person
with seal of the Firm / Cost Accountant**

Date: _____

Place: _____

CHECK LIST

Sr.No.	Documents	Status
1	Copy of PAN card attached	YES / NO
2	Copy of Service Tax Registration Certificate attached	YES / NO
3	Copy of valid Registration Certificate attached	YES / NO
4	Copies of work orders as per Technical Details attached	YES / NO
5	Duly signed Annexure –I attached	YES / NO
6	Duly signed Annexure-II attached	YES / NO
7	Duly signed Annexure –III attached	YES / NO
8	All pages of NIT documents signed	YES / NO
9	Envelope containing Signed NIT and other Documents Super –scribe “Application for prequalification and Appointment of Cost Auditor” and Tender No RCF/CF/Cost Auditors/2017-18	YES / NO

Please ensure that all the pages shall be numbered and reference of the same may be given where ever necessary.

No document relating to pre-qualification will be accepted after opening of Tender. Bidder is requested to submit all the documents with tender only. No correspondence in this regards will be entertained.
