



## **TENDER FOR COST AUDIT**

### **TENDER NO: BNPM/Cost Audit/311/2018-19 DATED 13<sup>th</sup> July 2018**

Bank Note Paper Mill India Private Limited (BNPM) invites participation from reputed and experienced firm of Cost Accountants for Cost audit of the Cost Accounting Records of the company for the FY 2018-19 renewable thereafter for another two years subject to satisfactory performance.

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Interested partnership firm/LLP meeting the eligibility criteria and accepting the general terms and conditions may submit their sealed tender as per the instruction below.

The due date and time for submission of bid is 11:30 hrs on 31<sup>st</sup> July 2018.

For and on behalf of

Bank Note Paper Mill India Private Limited

Sd/-

(A K Mandal)

Chief General Manager



**Background of the Company**

Bank Note Paper Mill India Private Limited is a Special Purpose Vehicle (SPV) jointly promoted by Government of India through Security Printing and Minting Corporation of India Limited (SPMCIL) and Reserve Bank of India through Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) incorporated under the Companies Act, 1956 having its registered corporate office at Entry gate no 01, Administrative Building, Paper Mill Compound, Note Mudran Nagar, Mysore – 570003 and its factory of operation in the same campus. The main objects of the company is:

- i. To carry on the business of developing, designing, manufacturing, producing, supplying in India and abroad of currency paper and bank note paper and all allied activities.
- ii. To acquire the whole or part of any undertaking or undertakings with assets and liabilities of any manufacturing unit, company or concern engaged of bank note paper and currency paper.

The company has since completed and commissioned the project of setting up of a State of the Art Bank Note Paper Mill for manufacturing Cylinder mould vat made Water marked Bank Note Paper (CWBN paper) falling under CETA heading of 4802 with rated capacity of 12,000 TPA consisting of two lines of 6,000TPA each. The company has commenced its commercial production since April 2016. Having regard to the nature of operations, the company comes within the preview of continuous process industry.

The authorised capital of the company is Rs.1000 crore and the paid up capital of the company is Rs.800 crore. The total turnover from operation as on 31.03.2018 was Rs 950/- Crore and the net Profit of the company was Rs.236/- Crore.

The company intends to appoint Cost Auditor for audit of the Cost Accounting Records prepared under section 148 (1) of the Companies Act, 2013. The applications are invited from the firms of Cost Accountant, having requisite experience in Cost Audit of central & State PSUs.



**Eligibility Criteria**

**A. Firm eligibility criteria:**

1. The bidder shall be a firm of Cost Accountants either partnership firm or LLP registered with "The Institute Of Cost Accountants Of India".
2. The firm should be in continuous practice of doing cost audit of Companies for a period of 5 years ending on 31st March, 2018.
3. The firm should have at least 10 years of existence.
4. The firm/LLP should have at least 2 full time FCMA partners in practice as per the documents of The Institute Of Cost Accountants Of India.
5. The firm should have conducted at least 3 Cost audits of any manufacturing industry/process industry where cost audit is applicable.
6. The firm must have head office either in Mysore or in Bangalore.
7. The firm should not have been blacklisted/debarred anytime during last 3 years ending 31st March 2018 from participation in a tender floated by any central/state PSU including Security Printing and Minting Corporation of India Limited, New Delhi and Bharatiya Reserve Bank Note Mudran Private Limited, Bangalore or any state/central government department/institutes or any autonomous body funded and/or controlled by any state/central government.
8. The auditor/ firm shall be free from any disqualification under Sub-section (3) of Section 141 of the Companies Act, 2013.
9. The firm/partner associated should not been penalized for any disciplinary proceedings and no disciplinary proceedings should be pending against them as on the date of application.

It is essential that, all the above criteria prescribed are fulfilled in order to be eligible for appointment as Cost Auditor.

The eligibility criteria shall have to be met at the time of evaluation and the firm shall continue to meet the criteria throughout the currency of the agreement.

Firm/ Partners should disclose relationship, if any, to any director/KMP of the company.



**General Terms and Conditions**

1. Assignment of cost audit is intended to be awarded initially for one year and renewable for another two years subject to satisfactory performance.
2. Appointment of the cost auditor shall be subject to the recommendation by audit committee and approval by the board & ratified by the AGM.
3. Cost audit firms 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. Audit shall be conducted at Registered & Corporate Office situated in Mysore.
5. The audit firm must not sub-contract the work.
6. The audit team will work in strict confidentiality and will ensure that the cost data, cost statement and cost information in respect of the operation of the location / work centre / Company is dealt with in strict confidence and secrecy. A Certificate towards maintaining confidentiality is to be provided by the Cost Auditor on receipt of appointment letter and before commencement of Audit.
7. The auditor/ firm shall have primary responsibility to ensure that the limits specified under Section 141 (3) (g) of the Companies Act, 2013 are not violated.
8. Cost audit firms so appointed shall commence cost audit and submit report as the companies (Cost Records & Audit) Rules, 2014 by 15<sup>th</sup> August, 2019.
9. The appointment of the Auditor will stand cancelled forthwith without any prejudice to all available legal or any other remedy / recourse to the company in the following cases:
  - 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/honour confidentiality and secrecy of the Company's cost data, cost statement and cost information.
  - iv. If the Firm fails to comply with any of the conditions given eligibility criteria, terms and conditions.



**Scope of work Cost Audit**

**Scope of Work:**

1. To conduct Cost Audit of the company in accordance with the provisions of the companies (Cost Records and Audit) Rules, 2014 (including any enactments or amendments made as may be applicable from time to time).
2. Submission/e-filing of Cost Audit Report along with Annexures to the company/MCA, Government of India, within the scheduled date and in the manner as specified / prescribed by MCA.
3. Verification & Certification of annexures to the Cost Audit Reports.
4. Verification & certification of cost proformas maintained by the company as per the companies (Cost Records and Audit) Rules, 2014.
5. Cost Audit firm so appointed shall convert the Audit report along with the annexures in XBRL mode for e-filing, if required.



In any of the above cases, action will be taken as per the best judgment by the company.

10. Minimum audit fees of Rs 50,000/- + GST is fixed for the proposed engagement for each year. The participation below the minimum audit fees will not be considered.
11. Payment of audit fees shall be against bill and submission of report. GST shall be paid extra at actuals.

TDS as applicable shall be effected from the audit fee.

Out of pocket expenses / conveyance/accommodation etc. shall be included in the audit fees as quoted in price bid. No reimbursement of out of pocket expenses is envisaged.



## **Section 6**

### **Instruction for submission of bid**

Duly completed bid shall be submitted in a sealed envelope as under:

Techno commercial bid should be submitted in a sealed envelope – 1 (super scribing "Techno commercial bid") consisting of:

- Bid forwarding letter (Annexure I)
- Brief profile of LLP/partnership firm (Annexure II); and
- Documents to establish conformity with eligibility criteria

Price bid shall be in the format as prescribed in section 7 only. Price bid should be submitted in a sealed envelope – 2 (super scribing "Price Bid")

Both envelop 1 and 2 shall be put in sealed envelope 3. The sealed envelope 3 should be super- scribed "Tender – Cost Auditor". The name and address of the bidder shall be clearly mentioned on the sealed envelope 3.

The sealed envelope 3 should be received by us on or before 11:30 Hrs of 31<sup>st</sup> July 2018 and should be addressed to:

The Chief General Manager  
Bank Note Paper Mill India Private Limited  
Bank Note Paper Mill India Private Limited  
Administrative Building, Entry Gate1,  
Paper Mill Compound,  
Note Mudran Nagar,  
Mysuru-570003  
Telephone No: 0821-2401111/167/125/161  
Email Id:

[akmandal@bnpmindia.com](mailto:akmandal@bnpmindia.com)/[chinnarao@bnpmindia.com](mailto:chinnarao@bnpmindia.com)/[ranjeeth@bnpmindia.com](mailto:ranjeeth@bnpmindia.com)



**Evaluation process**

- a) Tender (Part A – Techno Commercial) will be evaluated on the basis of commercial and eligibility details furnished in Part A and the financial part (Part-B) of the techno-commercially qualified bidders only will be considered for evaluation. Bidders are requested to quote as per the format given strictly.
- b) The ranking of the bidder on evaluation of price bid shall be determined as under:
- i. The bidder quoting the lowest all-inclusive price for the first year as also the overall total fees for the 3 years should be the overall L1 bidder and the winner. Overall lowest bidder not quoting the lowest price for the first year will not qualify to be the L1 bidder & winner.
  - ii. In case the result is not found as at (i) above, the bidder quoting the overall lowest fees for the 3 years will be called for negotiation to match the lowest price for the first year. If he matches he will be declared as the L1 bidder & winner.
  - iii. In case the outcome is not found either as at (i) or (ii) of the above, the bidder quoting the lowest price for the 1<sup>st</sup> year but not the overall L1 bidder when compared with total fees for the 3 years will qualify to be called for negotiation to match the total lowest price. If he matches he will be declared as the L1 bidder & winner.
- c) If there is a tie among the eligible applicants: Local firm based in Mysore shall be preferred. In case, there is a tie between two Mysore based firms, the senior most firm (seniority of the firm in terms of registration) will be preferred. Based on the best judgment, management will finalize the firm for award of the assignment. The decision of the organisation shall be final and shall not be open to challenge.
- d) Mere meeting the qualification and / or submission of application will not confer any right for selection. Acceptance / rejection of any application will be at the sole discretion of the Management.





**Section 7**

**Price bid format**

Professional fee for the Cost Audit

(Amount in Rs.)

<b>Particulars</b>	<b>For the year 2018-19</b>	<b>For the year 2019-20</b>	<b>For the year 2020-21</b>
Professional fees for cost audit			
Out of pocket expenses/conveyance/ travelling/accommodation etc			
Total professional fee per year (in words) including out of pocket expenses etc., as above			

**Note:**

1. The prices shall be excluding GST. Applicable GST shall be paid extra at actuals.
2. The total professional fees inclusive of out of pocket expenses etc., shall be considered for price bid evaluation and determination of lowest bid. Please refer the evaluation process – Section 5
3. Price bid with conditions shall not be considered/may be rejected.

For \_\_\_\_\_

Authorised signatory

Place:

Date:



**Documents checklist to substantiate the eligibility criteria**

<b>SI no</b>	<b>Eligibility criteria</b>	<b>Documents to be submitted duly attested with seal &amp; Signature</b>
	<b><u>A. Firm eligibility criteria:</u></b>	
01	The bidder shall be a firm of Cost Accountants either partnership firm or LLP registered with "The Institute Of Cost Accountants Of India".	Latest registration certificates of the firm issued by the ICAI w.r.t information related to the year of establishment, no of partners etc.,
02	The firm should be in continuous practice of doing cost audit of Companies for a period of 5 years ending on 31st March, 2018.	Same as above
03	The firm should have at least 10 years of existence.	Same as above
04	The firm/LLP should have at least 2 full time FCMA partners in practice as per the documents of The Institute Of Cost Accountants Of India.	Same as above
05	The firm should have conducted at least 3 Cost audits of any manufacturing industry/process industry where cost audit is applicable.	Self-certified copies of appointment/engagement letter.
06	The firm must have head office either in Mysore or in Bangalore.	Self-certified copies of registration confirmations.
07	The firm should not have been blacklisted/debarred anytime during last 3 years ending 31st March 2018 from participation in a tender floated by any central/state PSU including Security Printing and Minting Corporation of India Limited, New Delhi and Bharatiya Reserve Bank Note Mudran Private Limited, Bangalore or any state/central government department/institutes or any autonomous body funded and/or controlled by any state/central government.	Self-declaration letter.



08	The auditor/ firm shall be free from any disqualification under Sub-section (3) of Section 141 of the Companies Act, 2013.	Self-declaration letter.
09	The firm/partner associated should not be penalized for any disciplinary proceedings and no disciplinary proceedings should be pending against them as on the date of application	Self-declaration letter.



**Bid forwarding letter – Specimen**

Date:

To,

The Chief General Manager (Finance)  
Bank Note Paper Mill India Private Limited  
Administrative Building, Entry Gate1,  
Paper Mill Compound,  
Note Mudran Nagar, Mysuru-570003

Dear Sir,

**Sub:** Submission of techno commercial bid/Financial bid

**Ref:** Tender No. 311/ 2018-19

With reference the above we \_\_\_\_\_ (name of the bidder) hereby submit our bid as under:

1. We have prepared and submitted the bid strictly as per the format and instruction given in the tender document.
2. Techno commercial bid and price bid have been submitted in separate sealed envelopes duly super scribing techno commercial and price bid and both the sealed envelope have been put in third envelop super scribing tender for Cost Audit.
3. The price bid is submitted un-conditionally i.e. without any condition and strictly as per the price bid format.
4. Techno-commercial bid is not having any mention of the price.
5. We perused the scope of the audit, terms and condition as given in Section 3 & 4 including notes appended and confirm that, our bid is submitted with reference to the above scope and quantum of work.
6. We accept unconditionally the general terms and condition and evaluation criteria as prescribed in Section 04 & 05 the tender.



7. We meet the eligibility criteria as prescribed:

8. We attach the following documents to meet the eligibility criteria:

SI no	Eligibility criteria	Documents to be submitted duly attested with seal & Signature
	<b><u>A. Firm eligibility criteria:</u></b>	
01	The bidder shall be a firm of Cost Accountants either partnership firm or LLP registered with "The Institute Of Cost Accountants Of India".	Latest registration certificates of the firm issued by the ICAI w.r.t information related to the year of establishment, no of partners etc.,
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08	The auditor/ firm shall be free from any disqualification under Sub-section (3) of Section 141 of the Companies Act, 2013.	Self-declaration letter.
09	The firm/partner associated should not been penalized for any disciplinary proceedings and no disciplinary proceedings should be pending against them as on the date of application	Self-declaration letter.

For \_\_\_\_\_

(Name of the signatory)

Partner

