

**APPOINTMENT OF COST AUDITOR FOR
FINANCIAL YEARS 2019-20, 2020-21
&2021-22**



**KERALA STATE DRUGS AND PHARMACEUTICALS LTD
(KSDP Ltd)**

(A Government of Kerala Enterprise)

Kalavoor PO, Alappuzha

Pin code: 688522

Kerala, India

Phone no.:0471-2302283

E-Mail Id: ksdpfin@gmail.com

INTIMATION OF EXPRESSION OF INTEREST (EOI) FROM COST ACCOUNTANT/COST ACCOUNTING FIRMS FOR THE APPOINTMENT OF COST AUDITOR OF KSDP Ltd FOR THE FINANCIAL YEARS 2019-20,2020-21 AND 2021-22.

1. Introduction

Kerala State Drugs and Pharmaceuticals Ltd (KSDP), a Public Sector Undertaking, under the ministry of industries department incorporated on 23rd December 1971 under the companies act 1956. The company involved in the manufacturing and supplying essential and life saving medicines to cater the need of the common patients resorting to Government Hospitals mainly in the State of Kerala.

The Company is inviting Expression of Interest (EOI) for appointment of cost auditors for three financial years, from reputed firms of Cost Accountants for the audit of cost records. i.e. 2019-20,2020-21 and 2021-22.

2. Maintenance of Cost Records and Cost Audit

KSDP Ltd is covered under the provision of Section 148 of the companies act, 2013 read with Rule 3 of the companies (Cost Records and Cost Audit) Rules,2014 (as amended time to time). Therefore, Cost Records maintained by the company are subject to Audit by the Cost Auditor. As per the above requirements, company intends to appoint Cost Auditor for financial years 2019-20, 2020-21 and 2021-22.

3. Scope of work

The broad scope of work would be:

- a. To conduct Cost audit of the Company in accordance with the provision of Section 148 of the Companies Act, 2013 read with Rule 3 of the Companies (Cost Records and Cost Audit) Rules, 2014 and amendment thereto. Cost audit shall be in adherence to the relevant orders/clarification issued by 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 commensurate with cost audit work requirements.
- c. Verification and Certification of cost pro forma maintained by the Company as per Companies (Cost Records and Audit) Rules, 2014.
- d. Verification and Certification of Annexure to the Cost Audit Report.
- e. Cost Auditor so appointed shall commence Cost Audit and submit Report as per Companies (Cost Records and Audit) Rules, 2014.
- f. The Cost Audit firm shall ensure to submit Cost Audit Report along with reservation or qualification or observations or suggestion, if any in form CRA- 3 and Annexure as per notification or any other instructions issued by Central Government from time to time or any other section of the Companies Act 2013.
- g. The Cost Audit firm shall ensure e-filing of Cost Audit Report and Annexure to the Cost Audit Report to MINISTRY OF CORPORATE AFFAIRS (MCA), GOI, in the manner prescribed by the Govt. from time to time, within the scheduled date prescribed by MCA - GoI for filing, after the Board of Directors of the Company approves the Cost Audit Report.

4. Selection Criteria

Practicing Cost Accountants / Cost Accountant Firms

- i) Shall have registered with the Institute of Cost Accountants of India (ICAI) and having its office(s) in the state of Kerala shall be considered for Short listing /Appointment as Cost Auditors for conducting Cost Audit of the Company.
- ii) Shall have valid membership number and firm registration number issued by the Institute of Cost Accountants of India.
- iii) Shall have minimum 5 years of experience in the field of Cost and Management Area. Out of which minimum 2(Two) years of experience of conducting Cost Audit of Public Sector Undertaking.
- iv) Should have infrastructure to carry out Cost Audit.

- v) Shall have valid GST registration no, PAN and firm registration with ICAI.
- vi) Shall not sub-contract the work.
- vii) Shall certify that neither the firm nor any of its partners have any interest in the business of the Company.
- viii) Shall certify that if appointed as Cost Auditor, it will not exceed the limits specified under the Companies Act, 2013, if any.

5. Terms and Conditions:

- a. The tenure of appointment shall be at the sole discretion of the Company. The tenure may be renewed every year at the same rate and terms and conditions subject to satisfactory performance for a maximum of Three Years at the sole discretion of the Company. However, it is expressly stated here that the said tenure is not to be construed as assured and the Company reserves the right not to reappoint at its sole discretion without assigning any reason thereof.
- b. The Company reserves the right to accept / reject any or all the offers without assigning any reason whatsoever therefore and no communication in this regard will be entertained.
- c. Overwriting/correction/erase and/or use of white ink should be avoided in the Offer. However, if any overwriting/correction/erase is inevitable, the same should be authenticated with the signature & seal of authorized person of applicant firm.
- d. Documentary evidences in respect of all the information above by the applicant firms must be furnished along with the proposal.
- e. All the pages of the proposal document shall have to be signed by the applicant firm 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 with the firm's seal.
- f. The proposal should be submitted strictly as per the terms & conditions laid down. The proposal is to be submitted in one sealed covers which consist two separate sealed cover namely:
 - A. **Technical Bid Cover:** This sealed covers shall consist technical bid along with all the mandatory documents (Annexure-1), signed bid documents etc.
 - B. **Financial Bid Cover:** This sealed cover shall consist the price bid as per the (Annexure-2)
- g. The Offer in sealed envelope, mentioning thereon " EXPRESSION OF INTEREST (EOI) FOR APPOINTMENT AS COST AUDITOR OF KSDP Ltd FOR THE FINANCIAL YEARS 2019-20,2020-21,2021-22" by Registered Post/Speed post only at following address:

THE MANAGING DIRECTOR KERALA STATE DRUGS AND PHARMACEUTICALS LTD KALAVOOR PO,ALAPPUZHA KERALA-688522,INDIA

- h. The Name & Address of the Applicant firm must also be mentioned on the body of the envelope.
- i. Offers submitted in any other form shall not be considered.
- j. The Company 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 at its sole discretion without assigning any reason whatsoever.
- k. The last date for receipt of the proposal is 20.09.2021 till the closure of the office hours.
- l. Proposals received after this date and time shall not be considered.

6. Compliances / Declarations /Certificates by Individual / firm(s) on appointment:

The cost audit firm(s) shall have to comply with and furnish declarations and certificates as required under Statutory/Company rules, upon appointment as cost auditor(s), as under:

- a. The Cost Audit Firm shall not sub-contract the cost audit work.
- b. The cost audit team should work in strict confidence and also ensure that the cost data, cost statement and cost information and any other information in respect to the operations of the Company is dealt with confidentiality.
- c. No partner of the cost audit firm should be related to either Managing Director or any Whole Time Directors or Part Time Directors of the Company within the meaning of the Companies Act, 2013.
- d. Neither the cost audit firm nor its partners nor associates should have any interest in the business of the Company.
- e. The Cost Auditor is required to issue & submit certificate of Independence and arms length relationship.
- f. The Cost Audit firm /Auditor shall have prime responsibility to ensure that the maximum number of audit limits specified under Companies Act, 2013 are not violated.
- g. The Cost Audit firm/Auditor shall be free from any disqualification under the Companies Act, 2013. In addition to this, the Cost Audit firm/Auditor must not be holding any assignment as Statutory Auditors or Internal Auditors of the Company.

7. Debarring Provisions:

The Audit Firm will be debarred from getting, the Cost Audit of KSDP Ltd:

- a. If the Firm obtains the appointment on the basis of false information / misstatement.
- b. If the Firm does not take up audit in terms of appointment letter.
- c. If the Firm fails to maintain confidentiality of the Company's data, cost Statement and cost information.
- d. If the Firm fails to comply with any of condition laid down in clause 7 above.

8. Contact Information:

For any further information / clarification, in this regard, you may contact

Abin Kuriakose , Finance Manager KSDP Ltd, Mobile No. 8129382288 or to ksdpfin@gmail.com.

Annexure: 1

Format for submission of Technical Bid
(To be given on the letter head of the firm)

To,
The Managing Director
Kerala State Drugs and Pharmaceuticals Ltd,
Kalavoor PO, Alappuzha ,
Pin code: 688522, Kerala.

A.Basic Details		
Sl No.	Particulars	Details
1	Name of the Practicing Cost Accountants/Firm: (Indicate whether Proprietary Concern or Partnership Firm)	
2	Particulars of the Practicing Cost Accountants/Firm:	
(i)	(a) Address of the firm as registered with ICAI	
(ii)	(a) Phone number with STD code	
	(b) Mobile number of Senior Partner (Contact Person)	
(iii)	Total nos. of Partners	
(iv)	e-mail address of the Firm	
(v)	Website of the firm if any	
(vi)	Year of Establishment	
(vii)	Firm Registration Number	
(viii)	PAN No. of the Firm	
(ix)	GST No. of the Firm	
(x)	Number of Employees: (a) who are qualified Cost Accountants and members of ICAI, and (b) Others	

B.List of Documents required		
SI No.	Particulars	Details
1	Proof of Office Address (as per ICAI details)	
2	Copy of Firm Registration Certificate with ICAI	
3	Copy of GST Registration Certificate	
4	Copy of PAN	
5	Copy of Partnership Deed (if applicable)	
6	Profile of the firm with list of major clients	
7	Proof of minimum 2 years of experience related to Public Sector under taking (Copy of appointment letter for work related to Cost Audit)	
8	Proof of having experience of 5 years or more in the field of Cost and Management Area	
9	Any other relevant information, if any.	

DECLARATION:

1. All the information provided by me / us herein above is correct.
2. I/We have no objection if enquiries are made about the work listed by me /us in the accompanying sheets / annexure.
3. I/We have read all the terms and conditions and these are acceptable to me/ us.

Signature: _____

Name: _____

Date: _____

Stamp of the Firm

Place: _____

Annexure: 2

Format for submission of FINANCIAL BID
(To be given on the letter head of the firm)

PROFESSIONAL FEES

SL No.	Description	Year			Total Amount (in figures)
		2019-20	2020-21	2021-22	
1	Conducting 'Cost Audit' of KSDP Ltd (inclusive of all expenses like out of pocket expenses etc.)				

NOTE:

1. The total amount quoted will be considered for the financial bid comparison.
2. Statutory Taxes/levies & duties shall be paid extra as applicable.

DECLARATION

1. All the information provided by me / us herein above is correct.
2. I/We have no objection if enquiries are made about the work listed by me /us in the accompanying sheets / annexure.
3. I/We have read all the terms and conditions and these are acceptable to me/ us.

Signature: _____

Name: _____

Date: _____

Stamp of the Firm

Place: _____