

APPOINTMENT OF COST AUDITOR FOR FINANCIAL YEAR 2021-22

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NOTICE INVITING EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT/APPOINTMENT OF COST AUDITORS FOR THE FINANCIAL YEAR 2021-22.

HLL Lifecare Ltd, a Mini-ratna Government of India Undertaking having its registered office at HLL Bhavan, Mahilamandiram Road, Poojappura, Thiruvananthapuram – 695 012, Kerala with CIN: U25193KL1966GOI002621 invites Expression of Interest (EOI) for empanelment of cost auditors for the financial year 2021-22, from reputed firms of Cost Accountants for their Manufacturing Units in Kerala, Karnataka, Haryana and Trading & Service business. For details refer the website www.lifecarehll.com/tenders. The empanelment/selection of the Cost auditor shall be based on qualifying criteria given in EOI document.

Interested firms having requisite experience in Cost Audit may send their application in prescribed format in sealed envelope super-scribing “Expression of Interest (EOI) For Empanelment/Appointment of Cost Auditors” so as to reach in the office of Company Secretary & Associate Vice President(CAS), HLL Lifecare Ltd, Corporate & Registered Office, HLL Bhavan, Poojappura, Thiruvananthapuram – 695012 Landline: 0471-2354949, e-mail address: cas@lifecarehll.com. The application and the relevant document shall be sent by email to the above email id latest by **2nd September 2021** followed by hard copies to be sent to the address given above latest by **7th September 2021**.

INVITATION OF EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT / APPOINTMENT OF COST AUDITORS FOR THE FINANCIAL YEAR 2021-22.

1. Introduction :

HLL Lifecare limited (formerly Hindustan Latex Limited) is a mini-ratna Public-Sector Undertaking under the Ministry of Health and Welfare, incorporated in March 1966 under the Indian Companies Act 1956. The company involved in the manufacture of Contraceptives, Healthcare products and services, with a purpose to provide high-quality products and services at affordable prices and works for “innovating for healthy generations’.

2. Manufacturing Units and Service division for which cost auditors are to be Appointed:

Company intends to Empanel/Appoint Cost Auditors for the F.Y.2021-22 for its Manufacturing units in Kerala, Karnataka, Haryana and for its Leased Manufacturing Facilities in Indore and for its Trading & Service sector. Company may appoint one firm or multiple firms for the Cost Audit of all above divisions.

Following products/services of HLL fall within the ambit of maintenance of cost records and cost audit thereon by virtue of the provisions of CCRA Rules 2014:

Sl. No.	Unit	Products	CETA Heading
Regulated Sector:			
1	KFB	Formulations [Drugs & pharmaceuticals]	30066020;30045090;30042033
2	Indore	– Do -	– Do -
3	MFG	Pregnancy test kit [Drugs & pharmaceuticals]	30041090
4	AFT	Copper T, Tubal ring, sutures, Emily,etc... [Drugs &Pharma]	30066020;30061010;3902
Non-Regulated Sector:			
5	PFT	Male & Female condoms [Rubber & allied products]	40141010
6	KFC	-Do-	40141010
7	KFB	Male condoms [Rubber & allied products],	40141010
8	IFC	Male condoms [Rubber & allied products]	40141010
9	AFT	Blood Bag	90189032
10	HCS Division	Diagnostic labs, MRI centres, and select medical devices sold through LCC	9018-9022

3. Scope of Work:

The broad scope of work would be:

- 3.1 To conduct Cost audit of the Company in accordance with the provisions of the Companies (Cost Audit Report) Amendment Rules 2016. 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.
- 3.2 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.
- 3.3 Verification and certification of cost proformas maintained by the Company as per Companies (Cost record & audit) Rules, 2014.
- 3.4 Verification and certification of annexures to the cost audit report.
- 3.5 Cost Audit firm so appointed shall commence cost audit and submit necessary reports as per the schedule communicated by HLL, along with reservation or qualification or observations or suggestion, if any in form CRA-3 and annexures as per notification or any other instructions issued by Central Government from time to time or any other section of the Companies Act 2013.

4. Selection Criteria:

- 4.1. The selection of the Cost Auditor shall be as per qualitative criteria, which is based on the overall suitability of the firm and its experience in the cost audit of Central/State PSUs. The following will be the basis of marks assigned to the firms and selection will be made on the basis of attainment of highest Points.

Sl. No.	Selection Criteria	Basis for awarding of Points	Maximum Points
1	Firm's experience in practice (From date of registration with the Institute of Cost Accountants of India as on 31.03.2021 (No: of years)	2 Points per completed year as on 31.03.2021	25
2	Number & Experience of partners in the Firm as on 31.03.2021	5 Marks per Member / Partner in fulltime practice for more than 10 years 4 Marks per Member / Partner in full time practice for 5-10 years 3 Marks per Member / Partner in full time practice for less than 5 years.	20
3	Experience of Cost Audit in Manufacturing Companies (Public sector or Private sector) having more than Rs.100 Crore Turnover.	3 Points each for successful completion of Cost Audit of a Manufacturing sector Company	30
4	Experience in Cost Audit of Trading and Service Sector Companies.	2 Point for a completed Cost Audit of Service sector.	10
5	Firms having office in the state of Kerala, Karnataka, and Delhi.	10 Points	10
6	Experience in the cost audit of SAP implemented Companies	1 Points for exposure in SAP/ERP Environment- For Cost Audit	5
	Total		100

4.2. From the EOI received by the Company, panel of firms of Cost Accountants who secures at least 50 marks as per qualifying criteria given above shall be prepared and maintained in descending order on the basis of attainment of highest marks.

- 4.3. In case of a tie, the following sequence shall be adopted for selection:
- i) Firms having more number of years' experience in the Cost Audit of Medical devices or Pharmaceutical Companies shall be given preference.
 - ii) Cost Accountants/ Firm of Cost Accountants with longer years of experience shall be given preference based on the year of registration.
 - iii) Firm with a higher number of Fellow and/or Associate Members of the Institute of Cost Accountants as partners will be given Preference.
- 4.4. Pre-requisites for considering rankings: Requisite documentary evidence(s) in support of Criteria at 4.1 (1 to 6) mentioned in table above is required to be submitted. Proposals without the required documentary evidence(s) shall not be considered for evaluation.

5. Terms & Conditions:

- I. The tenure of appointment shall be at the sole discretion of the Company. The tenure shall be 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 therefore.
- II. The Company reserves the right to accept / reject any or all the offers without assigning any reason whatsoever therefore.
- III. Information related to Cost Audit Firms and selection criteria shall be submitted in the Annexure-I.
- IV. Declaration that Cost Audit Firm have not been banned/de-listed/de-barred from business by any PSU/Govt. Department during last 03 (three) years shall be submitted in Annexure-II.
- V. Payments shall only be made through Electronic Mode, hence Bank Details as per Annexure – III need to be submitted at the time of acceptance of the appointment.
- VI. Company shall deduct TDS/any other tax/levy as per prevailing rules/rates.
- VII. 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 authorised signatory of the applicant firm(s) with the firm's seal.

- VIII. The offer should be submitted strictly as per terms and conditions laid down in the document. The Invitation of offer in the Prescribed Format at Annexure – I, II & III shall be submitted in physical form to following address:

Company Secretary & Associate Vice President (CAS),

HLL Lifecare Ltd, Corporate & Registered Office,

HLL Bhavan,Poojappura, Thiruvananthapuram – 695012

**Phone: 0471-2354949, e-mail address: cas@lifecarehll.com (or)
caslifecarehll@gmail.com**

Application documents consisting all the documents placed on website duly sealed and signed are to be submitted as a token of acceptance of all terms and conditions. Envelope must be sealed and super scribed mentioning “Invitation of Offers for Expression of Interest for Appointment of Cost Auditor”. The name and address of the firm must be indicated on the body of the envelope.

6. Cost Audit fees:

- I. Audit Fees shall be as decided by the Company from time to time. The Cost Audit fee fixed for the year 2021-22 was ₹ 4,00,000/- (Rupees Four Lacs only).
- II. Travelling & Daily Allowance shall be paid extra and the same shall be regulated based on actual claims subject to the followings:
Partners: Entitlement equal to General Manager of the Company
Qualified assistants: Entitlement equal to Senior Manager of the Company.
Other Assistants: Entitlement equal to Assistant Manager of the Company.
- III. Statutory Taxes/levies & duties shall be paid extra, as applicable.

7. Compliance/Declarations/Certificates by Firm(s) on Appointment:

- I. The Cost Audit Firm shall not sub-contract the assigned cost audit work
- II. The cost audit team shall work in strict confidence and shall ensure that the cost data, cost statement and cost information and any other information in respect of the operation of the Company is dealt with in strict confidentiality and secrecy.
- III. Assigned Cost audit work shall be completed within time frame specified by the Company.
- IV. No partner of the cost audit firm should be related to Chairman & MD. or any Whole Time Directors or Part Time Directors of the Company within the meaning of the Companies Act, 2013.
- V. Neither the cost audit firm nor its partner(s) or associates should have any interest in the business of the Company
- VI. The cost auditor will be required to submit a certificate that
 - a. the individual or the firm, as the case may be, is eligible for appointment and is not disqualified for appointment under the Companies Act 2013, the Cost and Works Accountants Act, 1959 (23 of 1959) and the rules or regulations made there under;
 - b. the individual or the firm, as the case may be, satisfies the criteria provided in section 141 of the Companies Act 2013, so far as may be applicable;
 - c. the proposed appointment is within the limits laid down by or under the authority of the Companies Act 2013; and
 - d. the list of proceedings against the cost auditor or audit firm or any partner of the audit firm pending with respect to professional matters of conduct, as disclosed in the certificate, is true and correct.
- VII. If appointed, Cost audit firm(s) shall have prime responsibility to ensure that the maximum number of audit limits specified under Companies Act, 2013 are not violated.
- VIII. The cost audit firm(s) shall be free from any disqualification under The Companies Act, 2013. In addition to this, the cost audit firm(s) must not be holding any assignment of physical Verification or Internal Audit of the Company.

- IX. The partners holding Certificate of Practice issued by Institute of Cost Accountants of India are in whole time practice.
- X. The Cost auditor shall ensure that data given to the Auditor by company and any information generated from the data provided shall not be used by the Auditor for any other purpose.

8. Debarring Provisions:

The Audit Firm will be debarred from getting, in future, the Cost audit of HLL:

- 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 condition laid down in clause 6 & 7 above.

Annexure-I**Format of the offer**

1	Name of the Cost Auditor / Firm of Cost Auditor (Indicate whether Proprietary Concern or Partnership Firm)	
2	i) Office Address ii) Telephone No. iii) Email Address iv) Website	
3	a) Year of Establishment b) Firm Registration No. c) Proprietor's Membership no. (In case of members not having Firm Name) d) PAN No. of Firm	

Selection Criteria:

Sl. No.	Selection Criteria	
1	Firm's experience in practice (From date of registration with the Institute of Cost Accountants of India as on	

	31.03.2021 (No: of years)	
2	Number & Experience of partners in the Firm as on 31.03.2021	
3	Experience of Cost Audit in Manufacturing Companies (Public sector or Private sector) having more than Rs.100 Crore Turnover.	
4	Experience in Cost Audit of Trading and Service Sector Companies.	
5	Firms having office in the state of Kerala, Karnataka, and Delhi	
6	Experience in the cost audit of SAP implemented Companies	

Note:-

1. Documentary evidences of all the information as stated above are to be furnished along with the offer.
2. All the pages of offers and documents are to be signed by the partner/owner of the firm along with seal of the firm.

Declaration:-

I, _____ Partner / owner of the Firm _____ hereby declare that the above information furnished is true & correct to the best of my knowledge and I will abide by the Terms & Conditions set by the company for the appointment of Cost Auditors.

Annexure-II

**Declaration of Ineligibility
(By the Cost Audit Firm)**

I/ We, M/s (Name of Cost Audit Firm) hereby certify that I/we have not been banned/de-listed/de-barred from business by any PSU/Govt. Department during last 03 (three) years.

ECS –FORM

**ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)
(PAYMENT TO BIDDER THROUGH CREDIT CLEARING MECHANISM)**

1. COST AUDIT FIRM'S NAME : _____
Address : _____
Phone/Mobile No. : _____

2. PARTICULARS OF BANK ACCOUNT OF THE COST AUDIT FIRM :

A. BANK NAME : _____
B. BRANCH NAME : _____
C. ACCOUNT NO. : _____
D. ADDRESS : _____
E. TELEPHONE NO. : _____
F. IFSC CODE OF THE BANK : _____

I hereby declared that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user Company responsible.

Date:

(.....)

Signature and Seal of the Firm