

NIT / TENDER PAPER

**Heavy Engineering Corporation Ltd.
FINANCE AND ACCOUNTS DIVISION
HEAD QUARTER**

Tender No. HEC/FIN/Internal Audit/2018- 01

Date: 09/10/2018
Tender Fee: Rs. 100.00

**Sub: Notice inviting Tender/offer to conduct Internal Audit from reputed
Chartered / Cost Accountants Firm.**

Date of submission of Tender - 23/10/2018
Due date of opening of Commercial Bid - 24/10/2018

GENERAL TERMS:

(a) Offers are invited from reputed Chartered / Cost Accountants Firm to conduct Internal Audit of different units ie. HMBP, FFP, HMTP, Project, HQRS, Branch office New Delhi, Kolkata & Township HEC Ltd.

(b) Offer shall be received in 4 separate envelopes i.e.

- (i) Envelope for cost of tender documents (in case of tender document is down loaded from website)
 - (ii) Envelope for Earnest Money Deposit
 - (iii) Envelope for commercial bid [Part-I] containing documents in support of experience and other details towards fulfillment of eligibility/qualification criteria duly countersigned and numbered on all pages by the bidder
 - (iv) Envelope for price bid i.e. Part-II containing fees only [amount in INR].
- Part I and Part II should be inscribed on the body of the envelope.

All the four envelopes should be inserted in a separate envelope which will be duly sealed and addressed to SDGM I/C (Finance)/HQ, Plant Plaza Road, Dhurwa Ranchi-4

NIT Reference no. and Name of Bidder should be written on all the envelopes.

After opening of main cover the envelope containing cost of tender document (in case of tender document is down loaded from website) and envelope containing earnest money will be opened first and if these are found to be in order as per requirement of the NIT, then only commercial bid [Part-I] of the tender will be opened, otherwise the tender will be rejected without opening Part-I.

(c) Cost of tender documents of Rs. 100 (Rs One Hundred) only (non-refundable) is to be taken from the applicant who will collect the tender document from the Office of SDGM I/C(Finance)/HQ, Plant Plaza Road, Dhurwa Ranchi-4 during the period of sale of tender document on payment by Demand Draft(from any nationalized/scheduled bank should be drawn in favour of Heavy Engineering Corporation Ltd, payable at SBI Hatia, Ranchi Branch Code 0207)

Tender documents may also be downloaded directly from the website of HEC <http://www.hecltd.com> in and such applicant while submitting their tender will have to enclose a bank draft of Rs. 100/- (Rupees One Hundred) only (non-refundable) towards cost of tender document along with their tenders in a separate envelope.

The Bank draft from any nationalized/scheduled bank should be drawn in favour of **Heavy Engineering Corporation Ltd, payable at SBI Hatia, Ranchi (Branch Code 0207)**

Date and time of availability of tender document

From 09/10/2018 to 23/10/2018 from 10.30 hrs (IST) to 13.00 hrs (IST)

Submission of offer 23/10/2018 from 10.30 hrs (IST) to 17.00 hrs (IST)

Opening of Envelops no (i), (ii) & (iii) On 24/10/2018 at 15.00 hrs (IST) in the Office of SDGM I/C(Finance)/HQ in presence of the Bidder or authorized representative of the Bidder who may like to attend the Bid opening.

In case the date of opening of tenders happens to be a holiday, the same shall be opened at 15.00 hrs (IST) on next full working day.

The bidder downloading tender document from website has to note the following in addition:

The Company shall not be responsible for any delay/difficulties/inaccessibility of the downloading facility for any reason whatsoever. The downloading facility shall be available during the period of sale of tender document

The bidders, who will download the tender documents from the website of the company, will be required to pay the cost of tender documents (application fee) by bank draft as per NIT at the time of submission of tenders.

The bidders will be required to submit an undertaking with the offer that they will accept the tender document as available in the website and their tender shall be rejected if any tampering in the tender document is found to be done at the time of opening of tender.

In case of any discrepancy between the tender document downloaded from the website and the master copy available in the office, the later shall prevail and will be binding on the tenderers. No claim on this account will be entertained.

(a) Name, Address, Telephone no., Fax No., Email address of the bidder along with such detail of the contact person of the bidder should be indicated on the first page of the offer.

(b) The complete quotation shall be submitted in the letter heads of the bidders. If firm's letter heads are not sufficient to accommodate commercial details and if other paper is used, such sheets along with other pages of the offer should be signed by the firm's authorized signatory and duly stamped.

(c) Bidder should sign with seal on all pages of their offer including all enclosures submitted with the offers.

(d) Quotations having cuttings, erased and overwritten, will be summarily rejected unless corrections are authenticated with the bidder signatures.

(e) Offer should be submitted strictly as per terms & conditions laid down in Tender /offer documents failing which the offer will be liable for rejection. In the event of the bidder remaining silent on any terms & conditions of the NIT, it will be presumed that the bidder have accepted such terms & conditions.

(i) HEC reserves the right to reject or accept or withdraw their offer in full or part as the case may be without assigning reason thereof.

(ii). The work is divisible in two units as below:

One unit comprises (Unit 1) - HMBP and FFP

Other unit comprises (Unit 2) - HMTP, PROJECT, HQRS, TOWNSHIP,
BRANCH OFFICE DELHI & KOLKATA.

Unit wise work may be awarded; therefore Price is to be quoted unit wise separately in PRICE BID for one year.

COMMERCIAL TERMS & CONDITIONS

1. Earnest Money/ Security Deposits

Value of earnest money to be deposited by the bidder shall be **Rs. 5000/- (Rupees Five Thousand)** only. EMD should be in the form of Demand Draft in favour of **Heavy Engineering Corporation Ltd, payable at SBI Hatia, Ranchi Branch Code 0207**, from any nationalized/scheduled bank to be submitted in separate envelopes. For unsuccessful bidder EMD shall be refunded immediately after finalization of the Tender. EMD shall be forfeited if any bidder withdraws their tender/offer after submission of offers. **The security deposit will be 10% of quoted amount.** The EMD of successful bidders will be converted into security deposit and successful bidders have to deposit balance amount in the form of Demand Draft in favour of Heavy Engineering Corporation Ltd, payable at SBI Hatia Ranchi (Branch Code 0207), from any nationalized/scheduled bank. For successful bidder security deposit shall be released after successful completion of the job and submission of satisfactory report at the end of the period. If a Party fails to start the work within the schedule date, the Security money stands to be forfeited without showing any reason thereof.

EMD/Security Money shall not carry any interest.

2. Validity of Offer

Offer shall be valid for 120 days from the date of opening of Part-I.

3. Selection of Internal Auditor will be made on qualitative and price basis. Weightage points are to be attributed on price as well as eligibility criteria. Weightage are in the ratio of 60: 40 for technical and price.

A .Qualification (Experience) Criteria:

The qualification (experience) criteria for selection of the practicing Firm of Chartered / Cost Accountants for conducting Internal Audit are as follows:-

- (a) Firms having five years or more experience in practice from the date of registration with Institute of Chartered/ Cost Accountants of India (Photo copy of registration certificate to be enclosed). Year will be reckoned for 365 days from the date of incorporation / registration of Firm.
- (b) Firms having at least Three Chartered/ Cost Accountants (both Partners and on Payroll) as on date of NIT .The name of the Chartered/ Cost Accountants together with notarized copy of certificate of Chartered/ Cost Accountancy must be enclosed with the offer. List of qualified personnel on roll as on date of NIT is also to be submitted.
- (c) Firms must have at least **Ten** numbers of audit assistant / audit clerk having qualification Inter C.A/ CMA. (Photocopy of Inter C.A. / CMA certificate to be submitted) as on date of NIT.
- (d) Firms must have the experience of conducting Internal Audit in PSU (Photo copy of the appointment letter along with proof of job done, letter to be submitted as proof of experience).
- (e) Firms must not be debarred from conducting audit by any regulating/statutory/legal authorities. A self declaration to that effect is to be submitted by the applicant.
- (f) Firm which have audit experience in HEC shall be given extra weight for assessment
- (g) Permanent Account Number (PAN) of Income Tax Department and GSTIN in the name of the firm.

The offers received from the Firms of Chartered / Cost Accountants within the prescribed time limit and who have submitted the cost of tender fees (in case of tender document is down loaded from website) and EMD, shall be opened on due date and time for Part I only in presence of intending participant. Part II envelope shall be opened only after fulfilling all the criteria mentioned above and any conditional quotation shall be liable to be rejected.

Technical/Quality Evaluation Criteria

Criteria	Weightage
Experience from the date of registration 5Yr - 10 Yr 11Yr - 15Yr More Than 15 Yr	10 Points 5 Points 8 Points 10 Points
No of Partners 3 4 - 5 6 - 8 More than 8	10 Points 3 Points 5 Points 8 Points 10 Points
Man Power (Audit Assistant/Article) 10 11 - 15 16 - 20 More Than 20	10 Points 3 Points 5 Points 8 Points 10 Points
Experience in PSU where Turnover Rs 50 Cr Turnover Rs 50 Cr - Rs 100 Cr Turnover Rs 101 Cr - Rs 300 Cr Turnover Rs 301 Cr - Rs 500 Cr More Than Rs 500 Cr	10 Points 2 Points 4 Points 6 Points 8 Points 10 Points
Experience in HECL Audit work	5 Points

Please check carefully this following clause:-

“In case two and more firms remain L1 after evaluation, L-1 shall be decided on the basis of:-

A) Year of establishment of the firm having the oldest date of establishment will be placed in number one position.

B) In case after doing the exercise given in (a) above , two or more Firms get the same position , then the above list will be re-arranged on the basis of number of Chartered / Cost Accountants (Partners and on Payroll) as **on 01.10.2018**. The firm having highest number of Chartered/ Cost Accountants (Partners and on Pay Roll) will be placed in number one position and so on .

C) If still even after the exercise mentioned in (a) and (b) above, two or more Firms get the same position, the list will be re-arranged on the basis of number of assistants as mentioned in 3(c) above. The Firm having highest number of assistants will be placed in number one position and so on.

4. If the L-1 tenderer fails to take up the job or fails in performance of the job as per terms and conditions, the management will have the right to get the job done by L-2 and so on at the risk and cost of L-1 tenderer."

5. Scope of Work of Internal Audit for different unit is as below:

B Brief about Company: www.hecltd.com

SCOPE OF WORK for HMBP, HMTP & FFP.

A. Purchase, Material Management/Works contract.

1. Verification of purchase files for procurement of Raw materials, stores/spares etc.
2. Unadjusted advance paid to contractors/vendors and the reasons thereof.
3. List of CRV's not issued and the reasons thereof.
4. Audit of Inventories-identifying the surplus, obsolete, Non moving items etc.
5. Usable materials lying at Stores.
6. Verification of issue voucher of materials in time. Whether material unloaded at shop floor has been regularized or not.
7. Material lying at shop floor but not used within a period of six months from the date of issue. List showing inventories of unusable material with corresponding value to be furnished.
8. Check list – works contract, NIT, Work order agreement

B.Costing System

9. Test checking of correct W.O. No. and nomenclature of material in issue voucher and work order No. in job card. Also load centre and man-hour in job card. Whether material issued beyond bill of materials, if so reasons thereof. Whether the time booked on job exceeds standard man hour, if so reason there-of.
10. Rejection with respect to orders at customer's premises. Utilization of rejected items. Verification of finished and semi finished output rejected at factory level and verification of their values. List of the same with their corresponding value to be provided.

C. Marketing/Commercial Finance

11. Checking the marketing activities where bids have been submitted but awaiting follow up action
12. Verification of areas where amount is pending unrealized from the clients and proper action thereof.
13. Reasons for analysis of bad debts, L/D etc.

14. Delay in billing for materials already dispatched/billing not done against materials dispatched.
15. Commercial terms & conditions of sale order/PO of customer
16. Collection of TDS Certificate from clients and the status thereof.
17. Whether there is any appropriate system regarding avoidance and control of LD imposed by customers.
18. Details of not due amount and reason thereof. Action to be taken
19. Details of unbilled sales and the reasons thereof
20. Form-C

D. Finance

21. Examination of amount paid vis-à-vis Fund release order.
22. Payment of unpaid amount and long pending liabilities.
23. Test checking of miscellaneous bills paid including transporters/contractors/ACD etc.
Whether GST have been paid based on proper document or not.
24. Age analysis of creditors and reasons for pending payment.
25. Any action taken by Management under CAG and statutory auditors report
26. Verification of long pending advances/GIT and reason thereof

E. Pay-Roll

27. TA/Medical/Final Settlement etc.

F. Stores.

28. Checking of proper document like Bin Card, CRV, Issue Voucher etc.
29. Checking of transmission of Excise invoice to Finance.
30. Whether quantity issued in Excess of items requisitioned. If so how same has been taken care and accounted for.
31. Checking of Code of materials in CRV, Bin Card and Voucher. Details of goods in transit advance to supplier and reasons thereof.

G. Taxation

32. Input Tax Credit of GST availed and the amount paid for GST
33. Input tax credit availed and compliance with the GST provision in this area.
34. Compliance with TDS provisions under the Income Tax Act 1961 and GST TDS in the matter of deduction, payment and filing of returns
35. Compliance of GST laws in respect of payment & commercial billing. Reporting of figures for the purpose of filing of GST returns.

H. PPC

36. Assessment of production as per delivery schedule
37. Rejection with respect to orders at different production stage.

I. Personnel/Contract Cell

38. Examination of manpower deployed (Contract & regular) in various areas with proper justification.

J. Disposal

- 39. Disposal of scrap and other assets
- 40. TCS

K. Others

- 41. Any other works as considered by the Management to be taken up by the Internal Auditor without any extra cost

L. Physical Verification of Fixed Assets and Inventory.

- 42. Physical verification of all fixed assets covering all our plants. Comparison of physically verified fixed assets with fixed asset details recorded in fixed asset register and furnishing the discrepancies. Report should be submitted only after reconciliation of assets physically available with the fixed assets recorded in fixed assets register.
- 43. Physical verification of inventories (Raw Materials + Stores and Spares) of all the units as stated above. Comparison of physically verified inventories available in stores with the same recorded in Bin Card and stores Ledger and furnishing the discrepancies between the inventories physically available and the same recorded in Bin Card and Stores Ledge

M. Internal Financial Control

- 44. A report on the internal financial control system of the unit.

SCOPE OF WORK for PROJECT

A Purchase, Material Management/Works contract.

- 01. Verification of purchase files for procurement of Raw materials, stores/spares etc.
- 02. Unadjusted advance paid to contractors/vendors and the reasons thereof.
- 03. Check list – works contract, NIT to agreement.

B. Marketing/Commercial Finance

- 04. Checking the marketing activities where bids have been submitted but awaiting follow up action
- 05. Verification of areas where amount is pending unrealized from the clients and proper action thereof.
- 06. Reasons for analysis of bad debts, L/D etc.
- 07. Delay in billing for materials already dispatched/billing not done against materials dispatched.
- 08. Commercial terms & conditions of contracts/sale order especially clauses related to taxation and its impact on the individual project.

09. Collection of TDS Certificate from clients and the status thereof.
10. Whether there is any appropriate system regarding avoidance and control of LD imposed by customers.
11. Details of not due amount and reason thereof. Action to be taken
12. Details of unbilled sales and the reasons thereof
13. Form-C

C. Finance

06. Examination of amount paid vis-à-vis Fund release order.
07. Payment of unpaid amount and long pending liabilities.
08. Test checking of miscellaneous bills paid including transporters/contractors/ACD etc.
Whether GST have been paid based on proper document or not.
09. Age analysis of creditors and reasons for pending payment.
10. Any action taken by Management under CAG and statutory auditors report

D. Taxation

11. Cenvat Credit of GST availed and the amount paid for GST.
12. Input tax credit availed and compliance with the GST provision in this area.
13. Compliance with TDS provisions under the Income Tax Act 1961 and GST TDS in the matter of deduction, payment and filing of returns.
14. Compliance of GST laws in respect of payment & commercial billing, adjustments and reporting for the purpose of filing the GST Return.

E. Others

15. Any other works as considered by the Management to be taken up by the Internal Auditor without any extra cost.

F. Internal Financial Control

16. A report on the internal financial control system of the unit

SCOPE OF WORK for HQRS, TOWNSHIP, BRANCH OFFICE DELHI & KOLKATA

01. Test Check of Bills paid during the period.
02. Verification of adjustments through Journal vouchers / Payment allocation Vouchers.
03. Verification miscellaneous bills paid by Transport / Hospital / PRO/ Guest House.
04. TA/Medical/Final Settlement etc.
05. Compliance of Action Taken Report by Management under CAG and statutory auditor's report.
06. Compliance of Statutory Requirement of Company.
07. Compliances with TDS provisions under the Income Tax Act 1961 and GST TDS, its remittances, filing of etds returns, payment of GST and availment of Input Tax credit.
08. Branch office Kolkata and New Delhi.

Others

09. Any other works as considered by the Management to be taken up by the Internal Auditor without any extra cost.

07 Physical Verification of Fixed Assets and Inventory.

10. Physical verification of all fixed assets covering Hqrs, Branch Offices, Township, Transport, Hospital, All training centers and Guest House. Comparison of physically verified fixed assets with fixed asset details recorded in fixed asset register and furnishing the discrepancies. Report should be submitted only after reconciliation of assets physically available with the fixed assets recorded in fixed assets register.

Internal Financial Control

11. A report on the internal financial control system of the unit

6. Period of Internal Audit:

Internal Audit will be done for one years w.e.f. 01.04.2018. Accordingly
Internal Auditor will be appointed for F.Y.2018-19. The audit will be conducted on quarterly basis.

Period of 1st quarter for period 1st April to 30 th June and so on.

7. Internal Audit Report:

Five copies of quarterly audit report and Annual report is to be submitted to SDGM I/C (Finance / Hqrs.)

Report to be submitted for First quarter ie.	(April - June)	by	31-JAN
Report to be submitted for Second quarter ie.	(July – Sep)	by	28-FEB
Report to be submitted for Third quarter ie.	(Oct - Dec)	by	31- MAR
Report to be submitted for Fourth quarter	(Jan – Mar)	by	15-May
Report to be submitted for Annual	(April – Mar)	by	15-May
Report on Internal Financial Control System	(April – Mar)	by	15-May

7. Audit Fee:

Fee for the audit is to be indicated by the applicant firms in Part-II (inclusive all Charges of TA/DA, boarding & lodging, transportation, incidental charges etc.) .

In addition to the above, GST will be paid extra.
Income Tax and other statutory levies will be deducted from the bills as per rules.

8. Payment Terms:

The bills in triplicate (original copy duly pre receipted) duly certified & accepted by the Nodal Officer should be submitted to paying authority by the auditor after compliance of Necessary formalities. The firm will submit bill Quarter wise in triplicate along with following documents:-

1. Tax Invoice.
2. Completion certificate.
3. Proof of submission of Report.

And

- a. 20 % payment of total fees shall be paid within 30 days from the date of submission of 1st quarter report.
- b. 20 % payment of total fees shall be paid within 30 days from the date of submission of 2nd quarter report
- c. 20 % payment of total fees shall be paid within 30 days from the date of submission of 3rd quarter report
- d. 20 % payment of total fees shall be paid within 30 days from the date of submission of 4th quarter report.
- e. Balance 20 % payment of total fees shall be paid within 30 days from the date of submission of Annual report and report on internal financial control system of the unit.

9. Paying Authority:

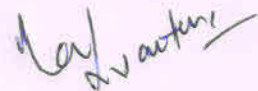
Finance-Hqrs /HEC Ltd

10. CONFIDENTIALITY CLAUSE: Documents and drawing etc. provided to firm should be used for inspection purposes only. It should not be used or disclosed by them for any other purposes whatsoever it may be even after expiry of contract. Violation of this clause will attract legal action. Successful Tender will have to execute a bond suitable non judiciary stamp paper to honor the confidentiality clause. Controlled copy of the drawing is made available which will be retrieved after inspection.

11. TERMINATION OF CONTRACT: HEC reserves the right to terminate the contract at any time during validity period on account of non fulfillment of contract condition, adverse feedback regarding quality of service rendered, indulgence in unethical practice or questionable integrity.

12. Dispute:

Any dispute/difference of opinion shall be mutually settled with Nodal Officer. If the dispute could not be settled at Nodal Officer's level, the same is to be forwarded to CMD, HEC for decision which will be final and binding.



SDGM I/C (Finance)/HQ

Technical Data for Evaluation (Part – I):

General Information/ Documents as on NIT
(To be furnished by the bidder in Part-I)

S/no	Particulars	
1	Name, Address, Telephone no., Fax No., E-mail ID of Respondent	
2.	Date of Registration of Firm with Institute of Chartered / Cost Accountants of India. (Certificate of registration / Constitution Certificate is to be enclosed)	
3.	No. of Chartered / Cost Accountants (Partners)	
4.	No. of Chartered/ Cost Accountants On Payroll (Excluding Partners as mentioned at sl no 3.) (Copy of certificate of Practicing Chartered/Cost Accountants/ is to be attached)	
5.	No.of Audit Asstt./Audit Clerk having qualification Inter CA/CMA (photo copy of Inter CA/CMA certificate is to be submitted).	
6.	Experience of Audit Work in PSU/ Manufacturing Engineering industry being Turnover not less than Rs 50 Cr. (Documentary evidence in support of Audit work for PSU having highest Turnover is to be enclosed)	
7.	Permanent Account Number (PAN) and GSTIN in the name of Firm only.	
8.	Copy of GST Registration Certificate in the name of the firm.	
9.	Copy of work order in support of work experience in same nature of work.	
10.	Experience in audit in HECL (Previous letter of appointment in HECL for audit work is to be enclosed)	

PRICE BID PROFORMA (Part – II):

UNIT	Rate in figure	Rate in word
Unit 1 (HMBP & FFP)		
Unit 2 (HMTP,PROJECT,HQRS,TOWNSHIP BRANCH OFFICE DELHI & KOLKATA)		

Rate (all inclusive)

GST Extra as per applicable rate Total

Signature of the Bidder
with Date and Seal

Declaration:

It is hereby declared that the applicant Firm namely _____
(Applied for Tender) is not debarred from conducting audit by any regulating/statutory/legal
Authorities.

Signature of the Bidder
with Date and Seal