



ब्रेथवैट एण्ड कम्पनी लिमिटेड
(भारत सरकार का एक उपक्रम)

BRAITHWAITE & CO LIMITED
(A Government of India Undertaking)

MINISTRY OF RAILWAYS

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TENDER ENQUIRY NO. BCL/PUR/PD/IA/2018

Date: 21.10.2017

Sealed Tenders are invited in **Two bid system** for engagement of **Cost / Chartered Accountant Firms for carrying out Internal Audit**, as per the scope of Works as detailed below in the tender, at all the units of BCL-Angus Works, Clive Works, Victoria Works and Corporate Office.

Interested parties/bidders can collect the tender document from the office of GM(Co-ordination), Braithwaite & Co. Ltd., 5, Hide Road, Kolkata – 43, on all working days.

Bidders are requested to visit the Sr.Manager(F & A), Braithwaite & Co. Ltd. at the Corporate Office, 5, Hide Road, Kolkata – 43, for queries related to the job, if any.

Sealed Tender, addressed to GM (Co-ordination), Braithwaite & Co. Ltd., 5, Hide Road, Kolkata – 700 043 shall be dropped in person / by post in the specific Tender Box(Superscribed with the Tender No. and due date) but must reach by 14.30 hrs on **10.11.2017** (due date). No offer shall be accepted after closing of the Tender Box in whatsoever mode of receipt. Tenderer shall ensure timely delivery of the tender in the specific box.

Closing of tender Box :	14.30 hrs. On 10.11.2017
Opening of Part-I bid of the tender :	15.00 hrs. On 10.11.2017

The offer should comprise of parts as under: -

Part-I	: Techno-commercial bid
Part-II	: Price bid

Both Part – I & Part – II shall be inserted separately in two (2) envelopes, sealed and super-scribed with Tender No. and Part No. These two bids shall be put in a 3rd envelope, sealed & super-scribed with **Tender No. & Due Date**.

The techno commercial bid shall be opened on 10.11.2017 at 15.00 hrs. Tenderers may depute their authorized representative during opening of the tender. The price bid shall be opened for techno-commercially acceptable bidders for which opening date and time will be intimated in due course.

Tender documents can also be downloaded from our website www.braithwaiteindia.com.

For Braithwaite & Co. Ltd.

Contd... P/2

Essential Requirements:

Bidders should comply the following as regards the essential requirements for participation:

- a. The bidder should be a reputed organization having experience in same type of jobs in Manufacturing companies (Heavy Engineering Products) having a turn-over of 300 Crore and above on independent basis. Experience in same type of jobs in PSUs will be preferred. Documents confirming the same shall be attached.
- b. Firms should have registered / branch office in and around Kolkata.
- c. **Participation of Firms performing Internal Audit assignment in BCL continuously for three years or more during the last five years would not be considered for this tender, and hence they need not participate in the same.**
- d. Participating firm shall not be less than 3(three) years old.
- e. The bidders shall indicate the number of qualified partners.
- f. The bidder should have sufficient staff strength. Details as regards the No. of Audit Staff including qualified and semi-qualified members, excluding partners shall to be indicated along with an indication of composition of team to be deployed in BCL for carrying out the job, if awarded.
- g. The partner(s) shall be qualified in the relevant field. The qualification of each partner and also experience of each partner is to be indicated.
- h. Bidders are required to submit unconditional acceptance of scope and all terms & conditions of this tender document along with their offer.
- i. The bidder should have GST registration. Copy of registration document is to be submitted along with the offer.
- j. Joint venture / consortium offer will not be considered.

The bidder should submit relevant documents and information in respect of above essential requirements along with their offer. In addition, following documents shall have to be submitted:

- i) Audited Balance Sheet and Profit & Loss Accounts for last 3 years ending on 31.03.2017.
- ii) Copy of Trade Licence or Constitution certificate issued by concerned authority.
- iii) Copy of PAN & IT returns for last 3 years filed with IT authority.

Bid evaluation criteria and Method of Award:

For bid evaluation criteria, please see Annexure-A of this Tender document. As indicated in the bid evaluation criteria, ranking position will be made in order of marks scored as per the said criteria. Price bids of the first 4(Four) bidders as per ranking position shall be opened. In case of at least 3(three) of the said Price bids being found defective, the said three price bids shall be cancelled and the Price bids of the next 3(Three) bidders as per their ranking position, shall be opened.

Scope of Work:

The Internal auditor is engaged by BCL as an arm of the management with a view to suggest improvements thereto and add value to and strengthen the overall operational System of BCL by providing timely and value added services. It is not a fault finding mission, but a tool for Constant improvement and better Governance at all levels. The said job of internal audit shall have to be carried out in accordance with the relevant national Standards of auditing, and will include such tests and controls, as the Auditor Considers necessary under the circumstances. The general scope of the Internal Audit function includes the following besides the specific audit requirement of BCL.

The Internal Audit Service will consider the adequacy of controls, necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that management has taken the necessary steps to achieve these objectives and manage the associated risks.

The scope of Internal Audit work shall cover all project, operational and management control and shall not be restricted to the audit of systems and controls necessary to form an opinion on the financial statements.

This assignment of Internal Audit will be done on concurrent basis on a full time basis under control of at least one qualified Chartered / Cost Accountant who can be replaced only with prior approval of BCL. The audit compliance includes the 100% pre-audit of vendors' bill and complete & detailed pre audit verification of the final bill of the contractors for the project activity within the time frame as per BCL's existing policy & procedures.

Internal audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system. Internal audit, therefore, provides assurance that there is transparency in reporting, as a part of good governance.

The audit will be carried out in accordance with the relevant standards of auditing, and will include such tests and controls as the auditor considers necessary under the circumstances. The scope & responsibilities of the Internal Audit function includes the following both in the project phase and the operational phase.

1. To monitor the achievement of organizational objectives.
2. To identify, assess and suggest managing risks to those objectives.
3. To review the Cost Records and Cost Data of the Company
4. To advise on, formulate and evaluate policy within the responsibilities of the Board of Directors.
5. To ensure compliance with manuals, policies, delegation of powers, laws and regulations including all statutory requirements.
6. To ascertain the integrity and reliability of financial and other information provided to management and stakeholders, including that used in decision making.
7. To review the efficacy, adequacy and application of accounting, financial and operating controls and thereby ensure the accuracy of the books of accounts;
8. Review of existing accounting and related internal control system and suggest improvement / modification, if any and its adequacy;
9. Verify that the system of internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, misappropriations and misapplications;
10. Capital Expenditure, Cash transactions, Bank transactions, Bank reconciliation statements, Refund / adjustments of EMD, Expenses of power, vehicle (fuel consumption and other expenses), maintenance and repairs, advertisement and marketing expenses, telephone expenses, insurance, demurrage, freight and handling charges etc., Physical verification of cash, Material procurement / purchases, cash and credit purchase of raw materials and stores, their documentation, processing the bills of vendors / suppliers as per terms of Purchase Orders, the adjustments of suppliers' advance;
11. Identify areas of significant inefficiencies in existing systems and suggest necessary remedial measures;
12. To ensure that capitalization of assets is done accurately.
13. To provide all requisite information and support for implementation of suitable ERP system and also to ensure that adequate controls are developed within the ERP system to be procured to serve the above objectives.
14. Conducting special assignments and investigations, if any, on behalf of the Audit Committee / CMD / Director (Finance) into any matter or activity affecting the probity, interests and efficiency of the BCL.
15. To assist the Finance & Accounts Department of BCL in finalization of Accounts.
16. To involve in physical verification of assets of the company once a year.
17. To ensure adequacy of various manuals in the Company and advice suitable modifications to the Management from time to time. Formulation & Introduction of Finance Manual.

18. To verify and scrutinize payments to contractors with reference to respective agreements and adjustment thereof while accounting for the work done by them and ensure that deduction in respect of mobilization & other advances, statutory deductions, etc. are correctly made from the bills. Also verify that all accounts are reconciled from time to time.
19. To verify work-in-progress with reference to field records such as Interim payment certificates and certification of progress issued by the executive. Quantum of work-in-progress recorded should be compared with work orders/ contracts and subsequent approvals for variations, to ensure that payments are duly authorized.
20. Checking of inter-unit wagon transfer of materials including checking of disposal of scrap materials;
21. Verification of pay roll, attendance, leave position of employees, overtime, its actual hours and equivalent hours of payment, incentive calculation and payments and other employees' payments including salary fixations, arrears etc. in accordance with the rules. Settlement of terminal benefits like PF, Gratuity and Leave pay etc. Compliance of various statutory rules in respect of administration of PF, ESI, Income Tax, GST (pending issues of VAT, CST, Excise, Service Tax, Customs) etc. Maintenance of registers, Filing of returns etc, as per the provisions of Companies Act.
22. To check that adjustments for returns, shortages, damages and unserviceable stores and materials at sites are properly made.
23. To ensure that various statutory tax returns is timely filed with all the direct and indirect tax authorities and also verify the facts and figures given in the said tax returns.
24. To review terms and conditions of tender documents and agreements, verification of bank guarantees, insurance policies and specific emphasis to be given on final payments.
25. To plug loopholes, which might have crept in the system due to passage of time and complacency on the part of persons particularly, engaged in financial concurrences, release of payments, updating accounting records, authorizations as per Financial Accounting System etc.
26. Any other work as required to be done by the Internal Auditors for PSU like BCL as per requirements issued by Govt. / Statutory Bodies from time to time.
27. Pre-audit of all payments to suppliers & contractors and other parties other than employee related payments which will be checked / verified in normal course of audit. **For the purpose of Pre-Audit, one representative at Bhadreshwar for our Angus Unit, and at least two representatives for Head Office to cater to Clive Works & Victoria Works, should be present on all working days.**

All work done by the Internal Audit Service should be properly documented, evidenced and filed for any reference. The documentation shall comply with the guidelines prescribed by the ICAI. A detailed scope of work, elaborating the above, is given hereunder which is only illustrative and not exhaustive.

A] The Duties & Responsibilities of an Internal Auditor(s) is as follows:

Duties of Internal Auditor(s):

The Internal Auditors are accountable to management and the audit committee to:

- Provide annually an assessment on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the purpose and scope of work.
- Report significant issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.
- Periodically provide information on the status and results of the annual internal audit plan and the sufficiency of department resources.
- Coordinate with and provide oversight of other control and monitoring committees and functions.

Responsibilities of Internal Auditor(s)

The responsibility of the Internal Auditor would be:

- Develop a flexible annual internal audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management.

- Implement the annual internal audit plan, as approved, including as appropriate any special tasks or projects requested by management and the audit committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of the subject job/assignment.
- Evaluate and assess significant merging/ consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Issue periodic reports to the audit committee and management summarizing results of audit activities, including significant audit issues and management action plans.
- Keep the audit committee informed of emerging trends and successful practices in internal auditing.
- Assist in the investigation of significant suspected fraudulent activities, if any, within the organization and notify management, the external auditors and the audit committee of the results.
- Formulation of a Finance Manual for Braithwaite & Co. Ltd.

B] Major areas to be covered during the course of Internal Audit

The Internal Audit shall be carried out in accordance with the Auditing Standards and Accounting Standards prescribed by the Institute of Chartered Accountants of India and will include such tests and controls, as the Auditor considers necessary under the circumstances. The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control with special emphasis on the following, as detailed area wise below:

1. Procurement Activity : Tenders and allied matters at -

- **Pre-tender Stage**
 - **Tendering Process**
 - **Award of Work**
- A) The tenders should be floated as per Guidelines For Tendering (GFT), and approval of the competent authority as per the Delegation of Powers (DOP).
 - B) Ensure that the basis of preparation of estimates for work/package is realistic and logical (based on LAR, schedule of rates etc.), and has the approval of the competent authority as per DOP.
 - C) The Comparative Statement and the Briefing Notes should be vetted by Finance and their correctness should be checked based on random sampling method.
 - D) Tender Committee (TC) minutes should be verified to establish the reasonableness of rates (considering the special conditions, if any) and irregularities to be reported.
 - E) In the contracts, where client procedures are to be followed, ensure proper documentation and compliance of the same.
 - F) Letter of Award (LOA) shall be issued as per TC recommendations and only after finance vetting. An accepted copy of same should be verified to rule out any deviations /omissions.
 - G) Earnest money provided should be kept in safe custody and to be checked for sufficiency and validity.
 - H) Comparative study of the actual costs vis-a-vis sanctioned estimates, and major deviations are to be reported.
 - I) Analysis of variation orders executed, which is, work done not expressly provided in the contract, certified and billed, basis of rates billed, certified and approved and pending for approval.
 - J) Scrutinize present status of work that is still to be executed, with respect to the contract for any changes in BOM having material impact on the project, with acceptance from the client.
 - K) In cases, where extension of completion date of the contracts is required, the delay should be properly justified and validated by approval from competent authority. Further, Liquidated Damages (LD) should also be imposed, as per the provisions of the contract, wherever required.
 - L) Any non-schedule item should be supported by proper approvals from competent authority.
 - M) In case of departmental work, realistic estimates of the work should be prepared and approved by competent authority. Further, material procured and consumed should be properly reconciled at frequent intervals.

2. Stores Activity : Procurement of materials, recording of Receipts and issues.

- A) Ensure classification of all materials into major materials, semi-finished materials, and other materials like equipment and machinery spares, general stores and consumables, safety items, miscellaneous service items, etc.
- B) Checking of material receipts on the basis of purchase orders, delivery challans/ invoices, weigh slips with the goods receipt notes.
- C) Compliance to quality control procedures.
- D) Checking issue of materials on the basis of issue slips, authorized signatory list, etc.
- E) Proper allocation of material issues to respective work orders.
- F) In case materials are issued to subcontractors on recoverable basis, check correctness of recording the issues, promptness of making recoveries and rates at which recoveries are made generally conforming to cost plus handling charges.
- G) In case of material transfer between Units (Inter Unit Transfers), check the indents, gate passes, delivery challans, confirmation from receiving sites and rates of recording transfers including reconciliation thereof.
- H) To check the correct recording of material receipts at the yearend cut-off dates.
- I) Monthly quantitative reconciliation of major materials for computing the theoretical consumption based on work done and comparing the theoretical balance with actual physical balance and actual wastage with the standard norms.
- J) Analysis of slow moving / non moving inventory.
- K) Checking records of reusable items like shuttering materials, safety equipments, etc.
- L) Checking records of scrap with physical stock.
- M) Inventory valuation.
- N) Proper segregation between own materials and client materials.
- O) Proper Control over Free Supply items like Steel, Wheel sets, Bearings etc. issued by Railway Board, at BCL premises, comprising the receipt and utilization of the same, in contract wise format.

3. Manufacturing Activity : Facilities & Procedures(with regard to the below)

i) Plant and Equipment

- A) Physical verification of equipments owned by BCL.
- B) Checking logbooks to ensure proper record keeping.
- C) Analysis of fuel consumption and utilization of major plants through scrutiny of monthly MIS reports.
- D) Comparison of fuel consumption of similar equipments and actual with standard norms.
- E) Checking validity of rates of hired equipments compared to the market rates.
- F) Cross verification of data of equipment-wise diesel consumption reported by plant section with diesel issues shown by the stores section.
- G) Verification of system of capturing data and reporting for effective utilization of Furnace.
- H) Verification of system of capturing data and reporting for effective utilization of Power & Fuel.

ii) Sub-contracting

- A) Ensure the timely submission of performance guarantee, as per the provisions of the contract
- B) Mobilization plan (for plant & machinery, manpower etc.) submitted by sub-contractor should be as per provisions of the contract
- C) Labour license requirements need to be verified.
- D) Proper monitoring of the milestones achievements (physical and financial both), as per the provisions of the contract.
- E) In cases, where BCL is providing the machinery, usage of the same has to be verified with log books.
- F) Advances to the sub-contractor, such as mobilization advance etc. should be need based and to be given strictly as per the provision of the contract, ensuring the sufficient collateral (in form of bank guarantee etc.)
- G) Scrutinizing monthly running account (RA) bills of the subcontractors with respect to the work orders relating to the quantity of work, rates, plant and mobilization advance, interest (if any), retention deposit, GST, TDS, material recoveries, deductions for services availed, liquidated damages, etc.

- H) Ascertaining back-to-back recoveries from sub-contractors' bills of deductions on account of work made by the client.
- I) Ensuring that all work outsourced to third parties is supported by proper work orders / agreements & rules.
- J) Proper upkeep and maintenance of measurement books (MB) of all outsourced work.
- K) Analysis of time taken for the clearance of bill and final payment from the date of submission of the bill.
- L) No claim certificate from Sub-contractor to be obtained with final bill.
- M) Contractor & Supplier ledger to be properly maintained.

4. Commercial Activity : Client billing and receivable

- A) Checking the billing terms and conditions, which are either defined in the MOU signed between client and BCL or as per the provisions of the contract.
- B) Checking the billing of scrap sold, GST and TCS, as applicable.
- C) Ensure that the timely bills are being raised as per provisions of the billing terms and conditions. Major deviations are to be reported.
- D) Collections from the client with respect to the contractual collection period. Scrutiny of receipts in bank, otherwise than from cheques received from clients.
- E) Review of the receivables to be carried out as per Guidelines issued by the Company from time to time.
- F) Receivables ageing and realization analysis.
- G) In case of final bill, ensure that it should include variation in quantity, non-schedule items, price escalation etc, if any.
- H) Checking calculation of escalation bills based on monthly indices released by RBI.
- I) Check and report on availing of maximum possible input service tax benefit/credit as per the extent rules. To report whether the units have maintained proper records for the credit of GST availed by them. To report any deviation in respect of classification into appropriate heads as per directions. Verification of GST returns and to report any deviation. Various cases at various forums to be checked up for follow up action.
- J) Check and report on availing of maximum possible GST benefit/credit as per the extent rules. To report whether the units have maintained proper records for the credit of GST availed by them. To report any deviation in respect of classification into appropriate heads as per directions. Verification of GST return, registers and to report any deviation. Various cases at various forums to be checked up for follow up action.

5. General Administration Activities:

i) Payroll:

- A) Checking of wages and salaries of different categories of employees including officers, contract staff, monthly and daily rated workers on the basis of their respective terms and conditions of employment.
- B) Test check a few individual files / records of personnel.
- C) Ensure compliance of PF and ESIC laws in case of workers employed through sub-contractors.
- D) Surprise attendance verification of manpower deployment, if terms of payment are dependent on actual attendance, particularly in case of security guards and Contract Labours.
- E) Verify the records with special attention to LTC, Medical rules, Final Settlement, Travelling allowances, Staff Advances etc.
- F) Verification of Last Pay Certificates of the Deputationists, i.e employees on deputation basis.
- G) Verification of full and final settlement..
- H) Review the process of deduction of TDS, Professional Tax and remittance thereof.
- I) Review timely and accurate remittance of PF/ESI and other statutory deductions/ payments.

ii) Statutory registrations, deductions and payments.

- A) Check registrations/renewals with different statutory authorities like labour department, PF, ESIC, GST, Professional Tax, explosives licence, pollution control, petroleum products, electricity, water supply authorities, etc.

- B) Ensure correct deductions and recoveries of taxes and statutory levies like TDS, TCS, GST, PF, ESIC, Professional Tax, labour Cess etc., and their timely remittance thereof.
- C) Ensure adherence to time limits in filing prescribed returns.
- D) Verify system of availing input tax credit on purchases and service against liability of GST through a proper procedure of set-off.
- E) Status of assessments before various tax authorities.
- F) Details of statutory disputes and cases pending before various authorities with financial implications for being treated as contingent liabilities.

iii) Local Administration:

A) Review of following expenses

- Car Hire
- Guest House
- Travel & Tours
- Office Rent
- Security Service
- Printing & Stationery
- Courier Service
- Communication Charges
- Cost of Press advertisement for Tenders
- Legal and Professional Charges
- Maintenance
- Office Supplies
- Administration Expenses
- Depreciation & Amortisation

B) Review of IT General Controls around data access, data and physical security, back up, help desk.

C) Corporate Advertisement release process and their payments.

D) FIXED ASSETS

- Capitalisation of Assets
- Updating and Maintaining Fixed Assets Register
- Calculation and Accounting of Depreciation
- Sale/Disposal/Transfer/Write-off of Assets
- Obtaining and Monitoring Asset Insurance
- Physical verification of Fixed Assets
- Repairs & Maintenance of Assets
- Verification of actual utilization of the new addition vis-à-vis projection made in the "Capital Expenditure Authorization".
- Process of Identification of idle assets, if any
- Checking of fixed assets register and other records to ensure maintenance as per requirements of the Companies Act 2013 including details of cost, identification and location of assets; the internal auditor will issue a certificate regarding physical verification of fixed assets at the end of the financial year.

E) Secretarial & Legal Department / Corporate Affairs

- Review of status of legal pending cases
- Empanelment of Lawyers and their payments
- Review of Systems and procedures to comply with the provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance.
- Review of System for maintaining statutory registers, agenda and minutes
- Review of Despatch of Annual Reports within the specified period
- Review of CSR activities as per CSR committee guidelines

G) General/ Prime/Interim/Other Consultancy Charges

- Verification with Agreements
- Verification of Invoices and Payments made after deduction of Statutory and other deduction as per the Contract.
- Pre-audit of the payments made to General Consultants /Prime Consultants & capitalization of the same.
- Review of the performance of the consultants as per the terms of the contract if instructed by BCL.

6. Finance Activities

A) CASH & BANK Review

- Cash Payments & Receipts
- Bank Payments & Receipt
- Custody of Physical cash & Cheque books
- Physical Verification Process
- Obtaining and Monitoring Cash Insurance & Security
- Preparation of Bank Reconciliation Statement
- Defining and adhering to Cash Levels & Holding
- Short Term Deposits and related interest review
- Short Term Bank Loan and related interest repayment adherence

B) General Accounting

Verification of cash, bank and journal vouchers to ensure that they are approved in accordance with laid down procedures and delegations, on selective basis. Periodical review of General ledger and Subsidiary ledgers and annual financial results.

C) Advances :

Review of advances i.e. LTC, Tour, Salary, House Building Advances from PF etc. to the employees. Systems and procedures of giving imprest to employees (including at Sites) and control thereof.

D) Debtors and Creditors :

Review of agewise analysis. Review of old/doubtful debts/advances. Procedure for periodic reconciliation and confirmation of debt by parties etc. to be verified.

E) Fixed Deposits :

Verification of FDR/Register, Interest accrued & due on FDR, TDS on Interest.

F) Client Accounts :

Review & Reconciliation of clients Deposits Accounts, Advance fee Accounts, Security deducted, Security deposited etc.

G) Overheads :

Review of procedures/systems for expenditure as per sanction. Analysis of expenses prorate with relation to work done/job completed/ turnover. Verification of supporting vouchers, etc. on test check basis, but the quantum of test check carried out to be indicated.

H) Payment to Contractors / Suppliers:

- a. Checking of Bills in respect of rates / security deposit / deductions and other terms specified in the LOI/Agreement.
- b. Checking of authorisation in case of deviation in quantities, completion period etc. vis-à-vis the Agreement.
- c. To report on maintenance of records.
- d. Report if penalties have been correctly levied and deducted as per terms of the contract.

I) Bank Guarantee/SD:

- a. To report on maintenance of Bank Guarantees.

- b. To check the validity of Bank guarantees submitted by the party, its confirmation from bank and its subsequent release after NOC.
- c. To check the value of Bank Guarantee/Security Deposit/EMD's its account as per the contract agreement.

I) TDS / TCS Accounting, Payment, Submission of Returns and issuance of Certificates.

K) Internal Audit of Cost Records maintained by the Company.

L) Internal Control:

- 100% of Checking of all type of the transactions / Bills etc. with respect to financial and proprietary concepts. Checking of all Income / Expenditure / Assets and Liabilities account.
- Adequacy of supporting documents as per nature of the payment.
- Adherence to Accounting Practices and standards as per the ICAI.
- Approvals as per delegation of powers Compliance to policies and standard operating procedures of BCL.
- Adherence to requirements of Companies Act, 2013, Foreign Exchange Management Act, 1999. Adherence to CVC guidelines and other applicable regulations on procurements and contracts, including evaluation of the bidding processes. Adherence to the Indian Contract Act, 1872, in respect of contractual obligations.
- Shall have to submit exception report with respect to deviation and non-compliances from/to prescribed existing rules / Procedures / Guidelines / Instructions / Circulars issued by Corporate Office.

7. Profit and Loss Analysis

Comparing the actual expenses incurred with the budget estimates and analyzing the variances. Obtaining comments from the management regarding the same.

8. Assets and Liabilities

- Ageing of advances and scrutinizing debit balances, including advances to staff, workers, suppliers, subcontractors, pieceworkers and other parties. Classification into recoverable and non-recoverable advances. Assessing the adequacy of provision of doubtful advances. Matching advances against corresponding liabilities.
- Assessing the proper estimation and adequacy of provisions made at the year-end and outstanding liabilities. Scrutinize all credit balances.
- Identifying pre-paid expenses.
- Maintenance of Fixed Assets register, Physical verification and calculation of depreciation.
- Physical verification of the FDR and Bank Guarantees to be done.

9. Insurance Policies

- Insurance coverage of all the plants and equipments installed at the Company including Earthquake, fire & burglary for Company's other non-movable assets.
- Personal accident and workmen's compensation policy for all the staff including contract labour engaged at site, if any.
- Cash insurance cover for cash in-transit between the bank and the project site and cash held in safe at the office.
- Ensuring that all accident and injury claims are claimed from the insurer.

10. Miscellaneous Matters

- For arbitration, court cases and contingent liabilities, proper provisions to be calculated and booked.
- Compliance made by the project upon comments made by the Statutory Auditors in its report under sec. 619(3).
- Any material procured from Micro, Small and Medium Enterprises (MSME), provisions of MSME Act to be followed.
- Review of the deposit with Govt. Departments such as Electricity, Water, and Telephone etc.
- Comment on risk assessment and risk mitigation mechanism in the project

- Detection of systemic flaws and suggestions for adopting corrective measures.
- Irregularities of serious nature noticed during audit are to be reported to the Head of Internal Audit Cell through a special report.

C] Extent and Coverage of Internal Audit

1. The internal auditor(s) shall exercise 100% pre check of bills before the same being fully paid by Finance Division of BCL of all the awarded contracts including elevated, underground and systems contracts, within the monetary limits specified by BCL. The pre-check or pre-audit shall be completed in the same day for files submitted before 2 PM and for other files before 1 PM on the next day, on all working days of BCL.
2. The auditor shall vouch 100% of payment vouchers, bank statements, journal vouchers and transfer entry vouchers and to cover 100% of the transactions in each of the months.
3. Routine errors of omissions or commissions noted during the course of internal audit shall be rectified on the spot.
4. While conducting internal audit in a subsequent phase, the auditor will ensure that the compliance report on audit observations pointed out in the reports relating to earlier audit is made and corrective actions taken on those points are furnished in the Audit Report of the subsequent phase.
5. The Internal Auditor(s) is required to carry out other jobs in terms of the laid down scope of work on a periodic / rotational basis.

General Terms and conditions:

1. **Payment terms:** Payment would be made with 30 days credit, against the quarterly bill(s) submitted with the quarterly report, and after acceptance of the same by the Internal Audit Committee and placement of the same before the Audit committee. The said bills should be duly certified by the Operating Authority, i.e. Sr. Mgr(F & A), or his authorized representative. No out of pocket expenditure would be entertained.
2. **GST Compliance:** The following clauses regarding GST must be adhered to by the bidder/Firm and acceptance of the same must be given in the techno commercial bid.
 - The successful bidder/Firm shall submit GST compliant invoice.
 - The successful bidder/Firm shall give compliance regarding documentation/monthly returns to ensure availing Input Tax Credit (ITC) by BCL, failing which BCL will deduct the resultant amount.
 - During Submission of Bill, the successful bidder/firm shall mention the GSTIN No.
 - BCL reserves the right to keep the payment of GST amount on hold till the receipt of ITC by BCL is ensured.
3. **Risk Purchase:** In the event of failure on the part of the supplier to supply within the reasonable period of time as decided by the Purchaser. The purchaser reserves the right to procure the materials from other agency / agencies at your risk and cost as per the order on Risk Purchase basis and shall recover the extra cost thereof, if incurred on the supplier.
4. **Arbitration:** All questions, disputes or difference whatsoever shall arise between the Purchaser and the supplier upon or in relation to or in connection with the contract either may forthwith give to the other notice in writing of the existence of such question, dispute or difference and the same shall be referred to the adjudication of Sole Arbitrator who shall be the CMD shall have the right and authority to appoint any Officer of the Company as arbitrator not below the rank of a General Manager who is not directly connected with the purchase order. Such a reference submitted to the Arbitrator shall be deemed to be the submission to the Arbitrator within the meaning of the Arbitration and Conciliation Act, 1996 Statutory modification thereof. The proceedings of the arbitration shall be held in Kolkata.

5. The participants to this tender should **submit unconditional acceptance of all Terms and conditions** of this tender including the remuneration clause.
6. The appointment of the selected firm of Cost/Chartered Accountants would initially be for a period of one year from 01.01.2018 to 31.12.2018, which can be extended for a period of another 12 months till 31.12.2019 with same Rate, terms and conditions and also for subsequent one year till 31.12.2020 with an increase in rate by 2.5% and other terms remaining same.
7. Any legal dispute that may arise will be settled within the jurisdiction of Courts at Kolkata.
8. The offer shall remain valid for a period of 90 days from the date of opening of the tender.

Special Terms and conditions:

1. **The participating bidders shall quote their rates as per price bid format, for the first 2 years(i.e. w.e.f. 01.01.2018 to 31.12.2019) only. For the subsequent year, if any (i.e. w.e.f 01.01.2020 to 31.12.2020), based on the satisfactory performance of the selected bidder, an increment of 2.5% shall be given on the quoted rate.**
2. The selected firm would be engaged as the Internal Auditors of BCL as a whole (for Clive, Victoria and Angus Works and Corporate Office) and would carry out the assignments as enumerated in the scope of work. It may be mentioned here that the 2 manufacturing units of BCL-Clive Works and Victoria Works are located in Kolkata and the other manufacturing unit-Angus Works is located in Bhadreswar, Hooghly, West Bengal. The Corporate Office of BCL is located at 5, Hide Road, Kolkata-700 043.
3. The reporting as regards the Internal Auditors should be in a structured manner, and on quarterly basis.
4. The report on physical verification of Fixed Assets is to be submitted within one week from the closure of the financial year.
5. Proper deployment of manpower would be the essence for this job/assignment. As such, the clause regarding manpower deployment as per the scope of work has to be strictly adhered to by the selected firm.
6. The operating Authority would be Sr. Manager(F & A).
7. All infrastructural facilities such as working place, drinking water, etc. will be provided by BCL. However, meals, transport arrangements, etc. for the employees of the Internal Audit Firm shall be borne by them and BCL shall have no liability in this regard.
8. The selected Firm shall be paid price for the job as decided by the competent agency / authority of BCL. The price would be based on the present Internal Audit fees now being paid.

The offers received against this tender would be empanelled for scrutiny and evaluation by Internal committee of BCL for this purpose, and subsequent selection of Internal Auditor.

BCL reserves the right, with respect to the following:

- a. BCL may Postpone the above mentioned due date of submission and/or cancel the tender.
- b. BCL may ask for further documents/information/clarifications during scrutiny of the offers, if required at subsequent stages for evaluation of bids.
- c. BCL shall not be responsible for any delay, loss or damage for the offers sent by post.
- d. BCL shall not be held liable for any expenses incurred by bidder in preparation of offer.
- e. In case of any wrong information submitted deliberately by the bidder to create a circumstance for the acceptance of his offer, BCL reserves the right to reject such bid/offer.
- f. Canvassing in any form, like soliciting favour, seeking advantage, etc., if found to be indulged in by any bidder, the corresponding offer shall be summarily rejected.
- g. BCL may accept or reject any offer, without assigning any reason thereof.

Part II : PRICE BID

Price Bid Format:

1. Price bid shall be opened only if Part-I(Techno commercial bid) is qualified.
2. Rates should be mentioned in figure as well as in words. In case of difference, the rate quoted in words shall be considered.
3. Quoted rate against this tender shall remain Firm till completion of the order.
4. **Evaluation of lowest bid shall be made on the basis of receipt of lowest Rate per quarter, net of GST, as per the following price format.**

Job Description	Basic Rate per Quarter for 2 years in Rs.(A)	GST Amount-Rs. (B)	Total/Landed Rate per Qtr-Rs. (A + B)
Job of Carrying out Inter Audit assignment at all the units of BCL- Clive Works, Angus Works, Victoria Works & Corporate Office			

Note:

- A) The above quoted rate of the bidder shall be valid for the first 2(two) years, i.e. 01.01.2018 to 31.12.2019. However, if the contract is extended for one more year, i.e. w.e.f. 01.01.2020 to 31.12.2020, an increment of 2.5% on the yearly rate will be applicable for the extended year, other terms and conditions remaining same.
- B) The **Service Accounting Code (SAC) for the job of Internal audit** and the corresponding **GST percentage** is also required to be mentioned.
- C) The quoted rate shall be as per the scope of Work and Terms & Conditions of the tender.

Tender Enquiry No. BCL/PUR/PD/IA/2018 dated

Annexure-A

BID EVALUATION CRITERIA

The bids received against above Open Tender shall be evaluated in the following manner.

- 1) Basic Criteria (Mandatory) – The bidder shall have to fulfill all the criteria, as given below, as regards the techno commercial eligibility for the appointment of Cost/Chartered Accountant firms for the job of internal audit.

Sl. No.	
A	BASIC CRITERIA (MANDATORY)
1	The bidder should be a reputed organization having experience in same type of jobs in Manufacturing companies (Heavy Engineering Products) during last 5 years(minimum).
2	Bidders are required to submit unconditional acceptance of scope and all terms & conditions of this Tender document along with their offer.
3	The bidder should have registration with GST authority. Copy of the registration document is to be submitted along with the offer.
4	Joint venture / consortium offer will not be considered. Bidder should confirm that their offer is on individual capacity basis.
5	Acceptance of para 8 of Special Terms & Conditions in respect of price to be awarded.

- 2) Other Criteria - Over and above the mentioned criterion as in para 1 above, marks are allotted and name of the documentary evidence required for each item of other criteria which are detailed/tabulated in the following table, and score of bidders will be made during evaluation. Total marks is 100. Ranking position from top will be made in order of marks scored by the bidders.

B	OTHER CRITERIA(SHALL BE EVALUATED IF FULFILLS ALL BASIC CRITERIA)	
SI No.	Selection Criteria	Document Required / Total Points
1	No of years experience of the Firm	20 Points
	Document required	Firm Registration Certificate and Number (Self Certified)
	3 to 5 years – 5 Points	
	6 to 10 Years – 10 Points	
	11 to 15 years - 15 Points	
	16 years & above – 20 Points	
2	No of qualified partners	20 Points
	Document required	Certificate of Practice for each Partner (Self Certified)
	2 to 3 Partners – 5 Points	
	4 to 6 Partners – 10 Points	
	7 to 8 Partners - 15 Points	
	9 Partners & above – 20 Points	
3	Partner's experience - Combined experience of any two Partners from above	20 Points
	Document required	Certificate of Practice for each Partner & Membership No. (Self Certified)
	Upto 10 years – 5 Points	
	11 to 20 years - 10 Points	
	21 to 25 years - 15 Points	
	26 years & above – 20 Points	
4	No of Audit staff including qualified and semi-qualified members excluding Partners	20 Points
	Document required	Self Certified list
	5 to 10 Audit Staff – 5 Points	
	11 to 15 Audit Staff – 10 Points	
	16 Audit Staff & above - 15 Points	
	Additionally 1 extra point will be awarded for each qualified Audit Staff limited to 5 points	
5	Execution of same type of job in Manufacturing Companies (Heavy Engineering Products), each having turnover of Rs 300 Cr or more.	20 Points
	Document required	Work Order and Work completion certificate for each instance. Copy of Profit & Loss Account (Self Certified) of the clients.
	2 to 3 Companies – 5 Points	
	4 to 5 Companies – 10 Points	
	6 Companies & above - 15 Points	
	Additionally 1 extra point will be awarded for each PSU Company exposure in above category limited to 5 points	

For Braithwaite & Co. Ltd.