

**HINDUSTAN FERTILIZER CORPORATION LTD.
(A Government of India Undertaking)**

**CORPORATE OFFICE
A-14, PDILBhawan, Sector-1,
NOIDA-201301**

**REGISTERED OFFICE
SCOPE COMPLEX, CORE - III,
7, INSTITUTIONAL AREA, LODHI ROAD,
NEW DELHI - 110003**

Tender Document for

**Pre-qualification and Appointment as Internal Auditors of HFCL's
Corporate Office, Noida (including Durgapur Unit, Barauni Unit &
Haldia Div.)**

Bid Closing Date : 01.04.2016 by 3.00 PM

Bid Opening Date : 01.04.2016 at 3.30 PM

Phone: 0120 – 2474029

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Website: www.fertcorpindia.nic.in

Hindustan Fertilizer Corporation Limited (HFCL) is a Govt. of India Undertaking, under the Ministry of Chemicals & Fertilizers, Department of Fertilizers, Gol.

HFCL emerged as a separate company following re-organization of the erstwhile FCIL & NFL Group of Companies in early 1978 as per Govt. of India's decision. HFCL, under its ambit of control got the Units at Durgapur & Haldia in the State of West Bengal and Barauni in Bihar State.

HFCL has been referred to BIFR in the year 1992 and since then it is still under BIFR.

Govt. of India declared closure of HFCL including its Units/Division in September, 2002 and almost all the employees were released under Voluntary Separation Scheme and at present, there are only 4 employees on the roll.

Govt. of India approved in principle revival of all the closed units of HFCL in the year 2008 and the revival process is in progress.

On 31st March, 2015 Govt. of India has approved revival of Barauni Unit of HFCL in the State of Bihar and the necessary steps are being taken in this regard.

The Unit- wise Books of Accounts are being maintained and kept at Units. The Books of Accounts of Units are consolidated at Corporate Office, Noida. During the year 2014-15, the Company recorded an annual income of Rs. 785.06 lakhs as follows:

S.No.	Units	INCOME (Rs. in Lakhs)	No. of employees on Roll + Retainers as on date
1.0	Corporate Office, Noida	377.11	3 + 7
2.0.	Durgapur (West Bengal)	28.72	0 + 7
3.0	Barauni (Bihar)	15.81	1 + 5
4.0	Haldia (West Bengal)	363.42	0 + 10
	TOTAL	785.06	4 + 29

: 3 :

1. Sealed bids are invited by Hindustan Fertilizer Corporation Ltd. from the Firms of Chartered Accountants for Pre-qualification and Appointment as Internal Auditors for Financial Year 2015-16 at following locations:

- 1.1 Corporate Office, Noida.
- 1.2 Durgapur Unit in West Bengal.
- 1.3 Barauni Unit in Bihar.
- 1.4 Haldia Division in West Bengal.

Pre- qualified firms would remain on Panel for a period of three years.

2. **Eligibility Criteria for pre-qualification:**

Minimum Eligibility Criteria for pre-qualification of Chartered AccountantsqFirms as Internal Auditors is given below:

- a) The firm should be in practice of audit for the past ten years as on 31.12.2015. (Supported by Date of Incorporation Certificate issued by Institute of Chartered Accountants of India).
 - b) The firm should have at least three full time partners, out of which minimum two should be FCA as on 31.12.2015 (supported by copy of Constitution certificate of the firm issued by Institute of Chartered Accountants of India).
 - c) The Firm should have minimum eight article assistants/ Audit staff (List duly signed to be enclosed).
 - d) The firm should have experience in conducting Statutory Audit or Internal Audit for minimum thirty companies (registered with Registrar of Companies under Companies Act 1956/ 2013) as on 31.12.2015 (List duly signed to be enclosed giving Registration No. / CIN of the Companies).
 - e) The firm should have minimum turnover of not less than Rs. 20.00 lakh averaging in last three years ending on 31.03.2015. Copy of audited account of last three years to be attached.
 - f) The firm should be duly empanelled either with C&AG or with RBI for the year 2015-16. Documentary evidence to be attached.
3. Detailed scope of work, extent and periodicity of checking for each area of audit, Reporting Format etc. are mentioned in Annexure-I enclosed. It may please be noted that the scope as given in enclosure is only indicative and not exhaustive. The firm may be asked to look into any other activity as may come to the notice

during the course of audit and/or render any advice/opinion in the area of audit. Unit-wise Audit Report is required to be submitted.

4. **Time schedule:** The Internal Audit has to be conducted as per the following Audit Programme of HFCL and required to be submitted as per following schedule:

Period of Audit	Report to be Submitted by auditors
April to March	Within sixty days of award of contract.

The *Internal* Audit Report will be submitted and finalized after preliminary discussion with Audit Committee of HFCL and senior partner of the Audit Firm.

5. The selected firm would have to deploy following minimum staff & No. of days of deployment are indicative for conducting Internal Audit:

Deployment of Staff & Period of Working Days, for conducting Internal Audit			
No.	Units	Minimum number of staff to be deployed	Indicative number of working days
1.	Corporate Office, Noida	One Chartered / Two semi-qualified persons / article assistants.	10 working days (as per schedule, mentioned at Para -4 for each office).
2.	DURGAPUR UNIT	One Chartered/ Two semi qualified persons/ article assistants.	10 working days (as per schedule, mentioned at Para -4 for each office).
3.	BARAUNI UNIT	One Chartered/ Two semi qualified persons/ article assistants.	10 working days (as per schedule, mentioned at Para -4 for each office).
4.	HALDIA DIVISION	One Chartered/ Two semi qualified persons/ article assistants.	10 working days (as per schedule, mentioned at Para -4 for each office).

6. **Payment Terms:** The payment of audit fee would be made in terms of percentage specified below on submission of Audit Report along with Invoice.

Statutory Taxes etc.: All the other taxes or other statutory levies etc shall be paid extra.

The payment would be released as under:

S. No.	Phase/ Period	% age of Total Fee Payable
1.	April. March On completion and submission of the Internal Audit Report.	70 %
2.	On acceptance of Internal Audit Report by the Audit Committee.	30%

7. **Period of Contract:** The period of contract will be from the date of acceptance of work order and the audit should be started within 15 days of acceptance.
8. **Price Reduction clause:** The non-deployment of minimum number as stated in the NIT elsewhere will attract price reduction clause @ Rs.2500/- per day or part thereof. In case of delay in submission of final report, further reduction @ 0.50% of the fee per week or part there of shall be applicable for the reasons attributable to the bidders.
9. The Applicant firms are required to quote Professional fee (includes internal audit fee) in the enclosed SoR. HFCL will not pay any extra amount other than applicable taxes.
10. The work will be awarded to L-1 bidder based on professional fee i.e. Internal Audit fee.
11. **JOURNEY FARE/LODGING & BOARDING:** HFCL shall pay up to actual 2nd AC journey fare for CA (Gr-I officer) & up to actual 3rd AC journey fare for Assistant (Gr-2 officer) for journey to units/division for a single audit visit. Payment for lodging & boarding in outstation will be arranged by HFCL.
12. The bid may be submitted to our Noida Office by addressing to the Accounts Officer, Hindustan Fertilizer Corporation Ltd., A-14, PDIL Bhawan, (5th Floor) Sector . 1, Noida-201301, Distt. Gautam Budh Nagar, (UP). For delay in submission of bid for any reasons whatsoever, HFCL shall not be responsible for late receipt and such bids shall not be opened.
13. **JURISDICTION:** This contract shall be deemed to have been entered into at Noida and all cases of action in relation to the contract shall, therefore, be deemed to have been assigned within the jurisdiction of Noida, Distt. Gautam Budh Nagar (UP).

14. **TERMINATION** : In case the services are not considered satisfactory, HFCL reserves right to cancel part or whole of the contract after giving notice in writing and make alternate arrangement at any time during currency of contract at risk & costs of bidder.
15. The bid documents complete in all respects duly signed with seal, by authorized person, shall be submitted by the bidder in two sealed separate envelopes as at (a) & (b) below. These two sealed envelopes should be kept under another sealed envelope and must be sent /delivered clearly super scribing %Application for Pre-qualification and Appointment of Internal Auditor+and Tender No. %
- (a) **Cover-1, "Bid documents along with related Annexure for Pre-qualification and Appointment for Internal Audit for the year 2015-16"**
- (b) **Cover-2, "Financial Bid for Internal Audit 2015-16" as per SoR format enclosed.**

Schedule of Rates (SoR):-

Sl. No.	Particulars	(Rs.)
1.	Professional Fee (Includes Audit Fees)	-
2.	Service tax	As per applicable rates
3.	Total	

HINDUSTAN FERTILIZERS CORPORATION LTD
(Job to be performed as Internal Auditors and extent of checking)

<u>Sl. No.</u>	<u>PARTICULARS</u>	<u>EXTENT OF CHECKING</u>
1	<u>General</u>	
i)	Review of prevailing accounting practices/procedures/policies and compliance of applicable Accounting Standards issued by ICAI.	
ii)	Suggest the areas of cost control, improvements in cost saving, revenue generation etc.	
iii)	Review the system and procedures of various activities and suggest of improvements in internal control.	
iv)	General Ledger Scrutiny.	
v)	To suggest methods exploiting the company's resources most profitably and economically.	
vi)	To optimize profitability under existing circumstances.	
vii)	To cover all Divisions, units, Offices etc. including Corporate Office at Noida.	
2	<u>Physical verification of Fixed Assets and Inventories.</u>	
3	<u>Award of Contracts : (Compliance of procedure regarding pre-award and post award of contracts)</u>	
i)	Award of Contracts:	
	(a) Rupees Ten thousand and above	100%
	(b) Less than Rupees Ten thousand	50%
ii)	Payment / Receipt vouchers in respect of above	100%
4	<u>Procurement : (Compliance of procedure regarding pre-procurement and post procurement)</u>	
i)	Procurement with value more than Rs. 10,000.00	100%
ii)	Procurement below Rs. 10,000.00 (including the procurement contracts awarded on account of own or against advance / deposit from clients)	50%
5	<u>Accounts: Finance</u>	
i)	Vouching Sales & Payments	100%
ii)	Cash, Bank Payment	100%

iii)	Journals	100%
iv)	Others	100%
6	<u>Establishments</u>	
	Checking of the attendance records, leave records, personnel records, hiring of vehicles and equipment, etc.	100%
7	<u>Others</u>	100%
i)	Checking and insisting accurate and timely payment of all statutory dues.	
ii)	Review of sundry debtors, advances, deposits and creditors.	
iii)	Verification of filing of all statutory returns.	