



## APPOINTMENT OF INTERNAL AUDITOR FOR HSL & SSL FOR F.Y. 2019-20

<b>Tender No.</b>	<b>01(Com)Purchase/2019-20</b>
<b>Date of release of tender</b>	<b>28<sup>th</sup> March, 2019</b>
<b>Due date &amp; time of submission</b>	<b>24<sup>th</sup> April, 2019 up to 15.00 Hrs</b>
<b>Date &amp; time of opening</b>	<b>24<sup>th</sup> April, 2019 at 15.30 Hrs</b>
<b>Place of submission and opening on the tender document</b>	<b>Office of Dy. General Manager (C &amp; L), G-229, Sitapura Industrial Area, Jaipur-302022</b>
<b>Cost of tender form</b>	<b>Rs. 500/-</b>
<b>Mode of Payment of Cost of tender Document</b>	<b>Either by DD drawn in favour of Hindustan Salts Ltd. and payable at Jaipur or through NEFT/RTGS in Company's account.</b>

## Hindustan Salts Limited

(A Government of India Enterprise)

**CIN: U14220RJ1958GOI001049**

Registered Office: G-229, Sitapura Industrial Area, Jaipur-302022(Raj.)

Phone No.0141-2771427, FAX No. 0141-2771449

**Subsidiary: SAMBHAR SALTS LTD**

**CIN: U14220RJ1964GOI001188**

Unit : Sambhar Lake, Pin- 303604, Dist. - Jaipur (Rajasthan)

Phone : 01425-228249; Fax : 01425-228244

E-mail: [purchase@indiansalt.com](mailto:purchase@indiansalt.com)

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## **Appointment of Internal Auditor for HSL & SSL for F.Y. 2018-19**

### **I. GENERAL**

Hindustan Salts Limited (HSL) was incorporated on 12.04.1958 as a Company fully owned by the Govt. of India to take over the salt sources, earlier managed by Salt Department, Govt. of India. This is the only Central Government Public Sector Undertaking engaged in manufacturing of salt. The Company started its business in January, 1959. Later government owned salt mines located at Mandi (HP) on 1<sup>st</sup> May, 1963. Subsequently the Sambhar Lake Salt source was transferred to a newly formed subsidiary Company, Sambhar Salts Limited, registered as on 30.9.1964 in terms of V.T.Krishnamachari Award. "Sambhar Salts Limited") is having a large production area at Sambhar, Gudha & Nawa. Hindustan Salts Limited is having its unit at Kharaghoda, Mandi Mines & Sales Depot at Ramnagar. Hindustan Salts Limited (A Govt. of India Enterprise) & its Subsidiary Company Sambhar Salts Limited are having its composite registered office at G-229, Sitapura Industrial Area, Jaipur-302022.

### **II. OBJECTIVE**

The Hindustan/ Sambhar Salts Limited intends to appoint a firm of Chartered Accountants as its Internal Auditor for the financial year 2019-20 based on their experience. The firms should furnish the complete details of experience, competence relevant to the work, detailed profile of the firm and references alongwith their offer.

### **III. SCOPE OF WORK FOR INTERNAL AUDITOR**

1. To check the books of accounts including cash and journal vouchers, Bank Accounts including monthly reconciliation statements, the sale invoice including sales & price in reference of agreement/prevaling rates.
2. To check purchases, compliance of procedures, Physical verification of Cash, store and Stocks.
3. Monthly /quarterly Statement of Profit & Loss and Balance Sheet & to check the re- conciliation of debtors, creditors, advances etc.
4. Compliance of various statutory requirements Acts /rules such as Income tax, GST, PF & Pension, ESI, Contract labour, Payment of wages Act, Minimum Wages Act, Gratuity, Payroll and leave records etc.
5. Cash management policy should be checked.
6. Compliance of Accounting Standards as Applicable.
7. To check the system regarding the custodianship & safe guard of Assets (Monetary and Non-Monetary) including fixed assets register and physical Verification thereof.
8. Internal control procedure system.

9. To conduct the Internal Audit of units including Corporate Office as under and submit the quarterly report of each unit & Corporate office.
- i) **Hindustan Salts Limited**
    - a. Corporate Office, Jaipur
    - b. Kharaghoda Unit, Kharaghoda, Gujarat
    - c. Mandi Unit, Mandi(Himachal Pradesh)
    - d. Ramnagar Unit, Ramnagar (Uttarakhand)
  - ii) **Sambhar Salts Limited**
    - Sambhar unit, Sambhar Lake (Rajasthan) including production units at Sambhar, Gudha and Nawa.

10. **TENDER TERMS AND ALLIED MATTERS:**

A. **Pre-tender Stage:**

- a) The tenders floated should be as per Guidelines for Tendering and Purchase Policy of the Company and within the delegation of power of the officer etc.
- b) Ensure the basis of preparation of estimates of work/package is realistic and logical.

B. **Tendering Process:**

Comparative Statement and the Notes should be checked based on random sampling method to establish the reasonableness of rates (considering the special conditions, if any) and irregularities to be reported.

C. **Award of Work:**

Check the Terms & Conditions of Letter of Award issued and Earnest money provided is kept in safe custody and is sufficient and valid.

D. **Contract Agreement:**

An agreement should be executed within the time stipulated by Letter of Award (LOA) and does not have negative future impact.

11. **PROJECT EXECUTION:**

- a. Physical and financial evaluation, variance study of actual costs vis-à-vis sanctioned estimates, performance guarantee, in terms of the contract.
- b. Analysis of variation in work contract and work executed, basis of rates billed and check for required approval.
- c. Scrutinize present status of work that is still to be executed, with respect to the contract for any changes in Bill of Quantities having material impact on the project has acceptance of the competent authority.
- d. Where extension of completion date of the contracts is required, the delay should be well justified, mention the reason of delay and whether approved by competent authority Recommend Liquidated Damages as per the provisions of the contract, wherever required.
- e. Action of officers not included in Delegation of Power should be supported by proper approvals from competent authority.
- f. In case of departmental work, Check for logical and realistic estimates is duly approved by competent authority. Further, material procured and consumed should be properly reconciled at frequent interval.
- g. Comment on risk assessment and risk mitigation mechanism in the project and detection of systemic flaws and suggestions for adopting corrective measures.
- h. Compliance of various policies, plans systems and procedures.
- i. In each unit Advice the company officers Circle wise and cost centre wise to prepare Cost Sheet for production of salt/ Bromine/ Refined Salt/ Processed Salt etc. on monthly basis and

report of variance from the target.

- j. Issue the various certificates for financial and other matters.
- k. Report on slow moving items.
- l. Advise and formulate a proper system for submission of MIS reports on weekly basis to the HO once. Thereafter monitor the MIS on capacity utilization, Variance in production, sales targets, Monthly cash flow, Statement of Profit & Loss, Store/Inventory Audit, funds utilization etc. of Quarterly basis and report thereon.
- m. Audit of commercial dealing including current assets and capital items.
- n. Expenditure on social overhead for welfare /social purpose i.e. Hospital, club etc.

## 12. ESTABLISHMENT MATTERS:

- A. Surprise attendance verification of manpower and 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. Random checks a few individual files and Service Book.
- C. Ensure compliance of PF and ESIC laws in case of daily wages, manpower on roll and as well as on contract.
- D. Verify the records with special attention to LTC, Medical rules, Final Settlement, Travelling allowances, Staff Loans/Advances.
- E. Any other procedural checks as required by Internal Auditor like: For arbitration, court cases and contingent liabilities, proper provisions should be calculated and booked.
- G. Management's compliance/ action on comments of the Statutory Auditors in their Audit report.
- H. Review of the deposit with Govt. Departments such as Electricity, Water and Telephone etc. and EMD held by the company after completion of work/ contract etc.
- I. To give suggestion for improvement in production, marketing, performance.

## 13. REPORTING FORMAT

Internal Auditors are encouraged to suggest solutions for system improvement and to rectify the errors or deficiencies and not merely confine to making observations but ensure compliance of the audit observations at the Project site itself in their presence. Irregularities of serious nature noticed during audit are to be reported to the Competent Authority through a special report confidentially.

Internal Audit Reports should be prepared in five separate parts, namely:

**Part-I:** Executive Summary of significant observations;

**Part-II:** Action taken by the unit on previous Internal Audit Report;

**Part-III:** Important items which, in the opinion of the Auditor, should be brought to the notice of the Management;

**Part-IV:** Matters which, though erroneous, are minor in nature and would be adequate, if rectified locally;

**Part-V:** Suggestions for systems improvement;

The Auditor must discuss the draft report with the unit head before drawing up the final report and make a specific mention of this in his report. The Auditor must hand over one copy of the report to the unit head for necessary compliance and send a copy of the full Report (in soft and hard both) duly signed and dated to the Company Secretary, HSL Corporate Office.

**No para of the Internal Audit Report can be taken as closed unless satisfactorily resolved. Outstanding paras will be carried forward to the next report and need to be properly addressed in Part-II of the Internal Auditor's Report.**

#### 14. FREQUENCY OF AUDIT

All Units including Corporate Office are to be audited on quarterly basis.

*Calendar for Routine Audit, where Internal Audit is to be done on quarterly basis:*

Phase	Period Covering	Reports to be submitted
Phase I	1 <sup>st</sup> April to 30 <sup>th</sup> June	31 <sup>st</sup> July
Phase II	1 <sup>st</sup> July to 30 <sup>th</sup> Sep.	30 <sup>th</sup> Oct.
Phase III	1 <sup>st</sup> Oct. to 31 <sup>st</sup> Dec.	31 <sup>st</sup> Jan.
Phase IV	1 <sup>st</sup> Jan to 31 <sup>st</sup> March	30 <sup>th</sup> April

*Calendar for on-going projects, where Internal Audit is to be done on semi-annual basis:*

Phase	Period Covering	Reports to be submitted
Phase I	1st April to 30 <sup>th</sup> Sep	15 <sup>th</sup> Nov
Phase II	1st Oct to 31st Mar	15 <sup>th</sup> May

Any other work related to Internal Audit as assigned by management or any matter which Internal Auditor may desire to report to management.

#### IV. TIME FRAME FOR COMPLETION OF INTERNAL AUDIT:

The Auditor has to complete the audit till 7<sup>th</sup> of the next month for ending Quarter of the financial year. For eg. Apr-June Quarter submission date 7<sup>th</sup> July and for the last quarter date of submission will be 15<sup>th</sup> April.

#### V. Travelling Allowance (TA) & Daily Allowance (DA) TO THE AUDITORS

Company is having Corporate Office, Jaipur preferring to appoint Internal Auditor having office at Jaipur. As per exigency of work Auditor needs to visit our units and as such company will consider the reimbursement of TA & DA from Jaipur only as per rules. If any one comes /start journey, other than from Jaipur, the TA & DA shall be restricted from Jaipur only.

#### VI. TERMS OF PAYMENT

20% of Contract Value shall be released on receipt of 1<sup>st</sup> Quarter Report.  
 20% of Contract Value shall be released on receipt of 2<sup>nd</sup> Quarter Report.  
 20% of Contract Value shall be released on receipt of 3<sup>rd</sup> Quarter Report.  
 20% of Contract Value shall be released on receipt of 4<sup>th</sup> Quarter Report.  
 20% of Contract Value shall be released on finalisation of Statuary Audit.

#### VII. SUBMISSION OF OFFERS

- i) Bidders are required to submit Cost of Bid document amounting to Rs.500/- (Rs. Five hundred) by Demand Draft in favour of "Hindustan Salts Limited" payable at Jaipur. Tenders without cost of tender form shall be rejected out rightly.
- ii) **Offers are to be submitted in a sealed envelope, in the manner prescribed below:**
  - (a) Duly signed Tender Documents on each page as token of acceptance of all terms and conditions, **Annex-I** and **Cost of Bid Document Rs. 500/- (Rs. Five hundred) by Demand Draft in favour of "Hindustan Salts Limited" payable at Jaipur / Proof of Deposition of Cost of Bid Document in company account through NEFT/RTGS** should be submitted in a Separate **ENVELOPE ONE**, cover super scribing "**Technical Bid**".

- (b) Financial Bid (**Annex-II**) in the Prescribed Performa should be placed in separate sealed cover **ENVELOPE TWO** super scribing "**Financial bid**".
- (c) Both the sealed covers should be submitted in separate sealed cover **ENVELOPE THREE** super scribed as mentioned below:
1. TENDER FOR “**Appointment of Internal Auditor for HSL & SSL for F.Y. 2019-20**”
  2. HSL'S TENDER NO.01 (Com)Purchase/2019-20
  3. DATE OF SUBMISSION OF TENDER::-24<sup>th</sup> April, 2019 up to 15:00 hrs.
  4. **Name & Address of Bidder should also be mentioned on each envelop.**
- (d) Rates shall be written in figures as well as in words. Where there is any difference between prices quoted in figures or words amount, lowest among them shall prevail. Tender should be free from over writings. The Bidder should duly attest all corrections and alterations.

### VIII OPENING OF TENDERS:

- i) Last date and time for receipt of Tender is 24<sup>th</sup> April, 2019 up to 15:00 Hours at office of **Dy. General Manager(C & L) Hindustan Salts Limited, G-229, Sitapura Industrial Area, Jaipur-302022.**
- ii) Technical Bids shall be opened on 24<sup>th</sup> April, 2019 at 15:30 hours at G-229, Sitapura Industrial Area, Jaipur-302022.
- iii) Price Bids of only technically qualified Bidders shall be opened and date of opening of Price Bid shall be notified to all qualified bidders.
- iv) If the last date of receipt & opening of Tenders happens to be declared a holiday, the tenders will be received and opened on the next working day at the same time.

### IX. EVALUATION CRITERIA:-

S. No.	Criteria	Max	Evaluation Criteria
1.	<b>Nature of Experience</b>		
a.	<b>Public Sector Undertaking Audit.</b>	<b>20</b>	<b>2 Marks Per Audit</b>
b.	<b>No. of Internal Audit assignments of Corporate Audit</b>	<b>20</b>	<b>1 Marks Per Audit</b>
c.	<b>Firm experience in Number of Years from attending first audit</b>	<b>20</b>	<b>1 Marks Per 2 Years</b>
d.	<b>Number of professionals</b>	<b>40</b>	
	<b>No. of FCA's –</b>		<b>3 Marks per FCA</b>
	<b>No. of ACA's</b>		<b>2 Marks per ACA</b>
	<b>No. of Article clerk/paid staff-</b>		<b>1 Mark per Article clerk/paid staff</b>
<b>Total Marks for Nature of Experience</b>		<b>100</b>	<b>Minimum 60% marks to be obtained by Bidder for Technical Qualification</b>

### NOTE:

- a. **Technical Qualification:** Information in **Annex-I** is essentially to be provided by the bidders. Bidders are required to submit necessary supporting documents, required as above for the Evaluation Criteria along with duly filled evaluation criteria table as per **Annex-I**. In absence of duly filled form in **Annex-I** along with supporting documents, the tender shall be rejected outrightly. Bidders obtaining minimum 60% marks in **Annex-I** for Nature of Experience Criteria shall be Technically Qualified.
- b. **Financial Bid Evaluations:** Financial Bid to be submitted by the bidders as per **Annex-II**.

Only technical short listed bidders shall be considered for financial evaluation and date, time and place of opening of the financial bid shall be informed to all the technically qualified bidders before opening of the financial bid.

- c. **Minimum Fees of Rs. 30,000/- Per Annum** Per Company shall be paid for the scope of work as mentioned in the tender document. However bidder submitting Proposal for less than the minimum fees will also be considered subject to being technically qualified. Technically qualified bidder offering the minimum Professional Fees as mentioned in the Financial Bid shall be considered as L1 party. In case more than one technically qualified party is offering similar lowest professional fees, than out of those parties, the party having higher marks in Nature of Experience criteria will be considered as L1.
- d. Bidder shall pay Rs.500/- by Demand draft in favour of Hindustan Salts Limited, payable at Jaipur being cost of tender documents. Tender without cost of tender form shall be rejected out rightly.
- e. Technically qualified bidder may be considered for both the Companies i.e. HSL and SSL, if the bidder is L1 party for both the companies separately as per Financial bid (i.e. Annex-II), otherwise technically qualified bidder will be considered for that company only wherever bidder is L1 party as per Financial bid (i.e. Annex-II).

**X. UNDERTAKING TO BE FURNISHED BY THE BIDDER:**

**Following Professionals shall be deployed by the Internal Auditor for attending one company's assignment.**

<b>S.No.</b>	<b>Particulars</b>	<b>No. / Man Hrs.</b>	<b>Remarks</b>
<b>1.</b>	No. of FCA's/ ACA's for the assignment		
<b>2.</b>	No. of Articled clerk/paid staff for the assignment (man hrs.)		

For any further information, the interested firms may contact the office of Hindustan Salts Limited, Jaipur on any working days

**DATE:**

**SIGNATURE AND SEAL OF THE BIDDER**

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**Annex-I**

## **APPOINTMENT OF INTERNAL AUDITOR**

**NAME OF FIRM:** .....

**ADDRESS :** .....

.....

### **EVALUATION CRITERA**

**As per clause-IX, the party shall fill the following and obtain the marks himself. Based on supporting documents submitted by the bidder, Company will verify the same.**

S. No.	Eligibility criteria	Maximum marks	Number of audit/ years/ partners	Based on (2) and (4) Marks to be filled by the bidder	Marks as verified by the Company
(1)	(2)	(3)	(4)	(5)	(6)
a.	Public Sector Undertaking Audit (2 Marks Per Audit)	20 Marks			
b.	No. of Internal Audit assignments of Corporate Audit. (1 Mark Per Audit)	20 Marks			
c.	Firm experience in No. of Years from attending first audit) (1 Mark Per 2 Years)	20 Marks			
d.	Number of professionals	40 Marks			
	No. of FCA's ( 3 Marks per FCA)				
	No. of ACA's (2 Marks per ACA)				
	No. of Article clerk/paid staff (1 Mark per Article clerk/paid staff)				
	<b>Total</b>	<b>100 Marks</b>			

**Date :** \_\_\_\_\_  
**Place:** \_\_\_\_\_

**SIGNATURE AND SEAL OF THE BIDDER**

**Signature of HSL/SSL**



## Annex- II

# Hindustan Salts Limited

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### **APPOINTMENT OF INTERNAL AUDITOR** **FINANCIAL BID**

**NAME OF FIRM:** .....

**ADDRESS :** .....

.....

S.NO.	DETAILS	AMOUNT (RS.)
1.	ANNUAL PROFESSIONAL FEES FOR INTERNAL AUDIT OF HINDUSTAN SALTS LTD. FOR YEAR 2019-20	IN FIGURES :  IN WORDS :
2.	ANNUAL PROFESSIONAL FEES FOR INTERNAL AUDIT OF SAMBHAR SALTS LTD. FOR YEAR 2019-20	IN FIGURES :  IN WORDS :

**NOTE:**

- A. GST etc. shall be paid extra as applicable.
- B. Bidders are required to submit following with their offer duly signed tender document in token acceptance of terms and conditions mentioned in the document and all other requisite details along with proposal.

DATE:

PLACE:

**SIGNATURE AND SEAL OF THE BIDDER**