

# BID DOCUMENT

## EXPRESSION OF INTEREST (EOI) FOR CONDUCTING INTERNAL AUDIT OF BSNL FOR THE FINANCIAL YEAR 2018-19 & 2019-20

EOI No. MP/Appointment of IA/2018-19/006 dated  
09.07.2018



**BHARAT SANCHAR NIGAM LIMITED(BSNL)**

Nodal Circle: GUJARAT

AGM (MP)

Gujarat Telecom Circle,

O/o CGMT, 9<sup>th</sup> Floor, A wing, Telephone Bhavan,

C. G. Road, Navrangpura, Ahmedabad-380 006.

T. No. (079) 26480124/117 Fax No. (079) 26480118

Website: [www.bsnl.co.in](http://www.bsnl.co.in)

Regd. and Corporate Office: BHARAT SANCHAR BHAWAN,

H.C. MATHUR LANE, JANPATH

NEW DELHI-110001

Corporate Identity Number (CIN): U 74899 DL2000 GOI 107739

## INVITATION FOR EXPRESSION OF INTEREST (EOI) FOR APPOINTMENT OF INTERNAL AUDITORS

<b>EOI No:</b> MP/Appointment of IA/2018-19/006 <b>EOI Date:</b> 09/07/2018	<b>Due date &amp; time of submission:</b> 30/07/2018 up to 11:00 Hrs.
<p>BSNL invites EOI (digitally) in the enclosed format from Chartered / Cost Accountant firms registered with The Institute of Chartered Accountant of India/ The Institute of Cost Accountant of India, for appointment as Internal Auditors for all BSNL Circles in West Zone-A for conducting Internal Audit for Financial Years 2018-19 &amp; 2019-20.</p> <p>Interested firms which fulfill eligibility conditions may apply by completing the enclosed Annexure - 1 (Technical Bid) and Annexure - 2 (Price Bid) and submitting the same on e-tender portal - <a href="http://gujaratbsnl.abcprocure.com">http://gujaratbsnl.abcprocure.com</a> on or before 11:00 Hrs of 30/07/2018.</p> <p><b><u>Terms and Conditions:</u></b></p> <p>1) Bid should be submitted strictly as per the requirements detailed in 'bid submission' clause. Annexure - 1 and Annexure - 2 should be separately submitted on e-tender portal - <a href="http://gujaratbsnl.abcprocure.com">http://gujaratbsnl.abcprocure.com</a>:-</p> <p>Note :- In case of e-tendering, the following documents are required to be submitted offline (i.e. offline submissions) to AGM(MP) o/o CGMT,BSNL, Telephone Bhawan, 9<sup>th</sup> floor, A-Wing, C.G Road, Ahmedabad-38006 on or before 30.07.2018 up to 11:00 Hrs. of submission of bids in a sealed envelope.</p> <p>The envelope must be sealed and super-scribed with '<i>EOI for Appointment of Internal Auditors for various Circles in BSNL for the Financial Year 2018-19 &amp; 2019-20</i>'. The name and address of the applicant Firm must also be mentioned on the envelope.</p> <p>The envelope shall bear the tender number, name of work and the phrase: "Do Not Open Before (due date &amp; time of opening of tender)."</p> <p>i) EMD - Bank Guarantee (original copy) ii) Cost of tender document of Rs. 1180/- iii) Power of Attorney in accordance with clause 16.1 and authorization for executing the power of Attorney.</p> <p>The responsibility for ensuring that envelop is delivered in time would vest with the bidder. The purchaser shall not be responsible if the envelop is delivered elsewhere or late.</p> <p>2) Cost of Tender Document: As mentioned in Annexure H.</p> <p>3) Technical Bids will be opened on the same day at 12:00 Hrs. of <b>30/07/2018</b>.</p> <p>4) Price Bids will be opened in respect of only technically qualified bidders and on a date notified later.</p> <p>5) Bids received after due date and time shall not be accepted in any circumstances and shall be returned unopened. No further correspondence on such responses shall be entertained.</p> <p>6) Respondents, if so desire, may participate in 'Bid Opening' on production of authorization / Identity certificate. Only one person from each firm will be allowed to participate.</p>	

- 7) Bid submitted should be free from correction, over-writing etc.
- 8) **All the information/ details required to be filled in Technical and Price bids must be properly filled and no column should be left blank or should not be filled with ambiguous/ incorrect details.**
- 9) Each page of Bid and EOI (**including Annexure**) should be stamped and signed by the authorized signatory of the firm.
- 10) Canvassing in any form shall render the submitted Bid liable for rejection.
- 11) Disregard of any instructions may result in bid being rejected.

**Important Note: For the purpose this EOI 'Firm' means a Firm of Chartered Accountants and/ or Cost Accountants and includes Limited Liability Partnerships.**

*For any query or general correspondence except submission of Bid please contact during office hours or email at*

For Bharat Sanchar Nigam Limited  
AGM (MP)  
Gujarat Telecom Circle,  
O/o CGMT, 9<sup>th</sup> Floor, A wing, Telephone Bhavan,  
C. G. Road, Navrangpura, Ahmedabad-380 006.  
Email ID: [coagmmp@gmail.com](mailto:coagmmp@gmail.com)

Phone No. 079-26480124/117 / FAX No. 079-26480118

For detailed EOI, Terms and Conditions please visit [www.bsnl.co.in](http://www.bsnl.co.in)

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## Format for submission of Expression of Interest

Annexure-1

### TECHNICAL BID

#### Part - I: General Information

S. No.	Particulars	Details
1	Name of the Firm and address of the Registered Office of the Firm*	
2	Date of formation (as per the constitution certificate issued by the Institute of Chartered Accountants of India / Cost Accountants of India. Latest certificate issued by the Institute concerned will be considered)	
3	Number of Partners (Enclose copy of constitution certificate issued by the Institute of Chartered Accountants/ Cost Accountants of India. Latest certificate issued by the institute concerned will be considered)	
4	Number of qualified Employees (either CA and/or CMA qualification) along with their names and qualification#.	
5	Full Postal Address of Office/ Branches (in enclosed format Annexure E)	
6	Name of the contact person along with landline and mobile numbers	
7	Permanent Account Number (PAN) of the Firm	
8	GST registration number of the Firm	
9.	Email address, phone number and Fax number of the firm of the Head Office	
10	Seal of the Firm	Signature of Authorized Signatory of the Firm

# a) Self declaration by CMA Firm and

b) Certificate issued by ICAI by CA Firm for fully qualified CA employees and self declaration for fully qualified CMA employees.

\* The term 'Firm' includes LLP.

## Part – II: Specific Information

S. No.	Particulars	Note	Details
1	Name(s) of BSNL Circle(s) for which applying.	<b>a</b>	
2	Address of Firm's office(s) in Circle for which applying.		
3	Whether Firm or any of its partners is associated with BSNL in any professional capacity. Self-declaration by the firm to be attached.	<b>b</b>	
4	Whether Firm is having Internal Audit/ Statutory Audit experience of ten (10) or more years as on 31.03.2018 (Attach Proof).	-	
5	Internal Audit/ Statutory Audit experience (in years) of public sector undertaking(s) / Telecommunication Company(ies) having turnover of Rs. 200 crore or more during last five years, as on 31.03.2018 (Attach Proof).	<b>c</b>	
6	Turnover of the firm for the past three consecutive years. (Attach proof).	<b>d</b>	
7	Whether the CA Firm is in the panel of CAG for the year 2017-18. If yes, enclose the copy of proof of empanelment.		
8	Detail of the internal audit carried out in BSNL by the firm for the last two year i.e. 2016-17 & 2017-18 is to be provided. Self declaration by the firm to be attached.		

- a) Detail of circle is provided in Annexure 'B'. The firm should mention name and number of circle(s) and corresponding Nodal Circle name(s). Firm is required to mention details of its offices located in the circle(s) for which it intends to apply.
- b) The Firm or any of its partners should not be associated with BSNL in any professional capacity. However any firm fulfilling all other eligibility conditions of the EOI and currently engaged with any BSNL Circle as Internal Auditor shall be eligible to bid.
- c) List the name(s) of the Public sector Undertaking(s) / Telecommunication Companies along with year and corresponding turnover. Proof of such assignment and turnover statement of the Public Sector Undertaking / Telecommunication Companies for the year concerned to be attached separately.
- d) Three F.Y. 2015-16, 2016-17 and 2017-18 are to be considered.

Signature of the Authorized Signatory  
Of the Firm with seal

**PRICE BID**

<b>Internal Audit for the Circle</b>	<b>Nodal Circle</b>	<b>Indicative fee of the circle concerned as per EOI Annexure B (in Rs.)</b>	<b>All inclusive fees p.a. (in figures)@</b>	<b>All inclusive fees p.a. (in words)@</b>
Maharashtra Telecom	Gujarat Telecom Circle	12,15,000.00		
IIPC		30,000.00		
Telecom Factory Mumbai		50,000.00		
Western Telecom Project		4,15,000.00		
Western Telecom Region		2,70,000.00		
Gujarat Telecom		8,46,000.00		

**@All inclusive fees mean fees including TA/ DA and out of pocket expenses but excluding applicable taxes ( GST, etc).**

(Signature of the Authorized Signatory  
of the firm with seal)

**Notes:**

1. If the firm is applying for more than one circle, separate Price Bid should be given for each circle.
2. No correction or overwriting is allowed on Price Bid Format.
3. No additional document should be enclosed in Price Bid.
4. If there is difference in amount quoted in figures and in words, the amount in words will be considered.

**INVITATION OF EXPRESSION OF INTEREST (EOI) FOR CONDUCTING INTERNAL  
AUDIT FOR THE FINANCIAL YEAR 2018-19 & 2019-20.**

**1. INTRODUCTION**

Bharat Sanchar Nigam Limited (BSNL), A Govt. of India Enterprise, invites EOI / Proposal for appointment of Chartered / Cost Accountant Firms (for the purpose of this EOI the term 'Firm' includes 'LLP' also) for conducting Internal Audit in BSNL for the Financial Year 2018-19& 2019- 20(Two year Tenure).

BSNL provides Telecom Services throughout India (except Delhi and Mumbai Metro Districts), through its 24 Territorial Telecom Circles and 2 Metro Districts namely Chennai Phones and Kolkata Phones. Major services provided by BSNL are Landline (Fixed) phones, WLL (fixed and mobile), Leased Circuits, National Long Distance (NLD) including leased circuits; International Long Distance (ILD); Cellular Mobile Telephone Service, V-SAT, Internet (broadband and narrowband); Cable Landing Stations, Tower Hiring etc., as per licenses granted by the Department of Telecommunications, Govt. of India.

Apart from these 24 Territorial Telecom Circles and 2 Metro Districts, there are 21 non-territorial Circles providing training, quality assurance, maintenance and project services to these 26 Circles. These Territorial and non-territorial Circles have been grouped into 7 (seven) zones for the purpose of Internal Audit.

**2. MAINTENANCE OF BOOKS OF ACCOUNTS IN BSNL**

BSNL maintains its books of accounts in accordance with the Indian GAAP and switch over to Ind AS as per Companies (Indian Accounting Standards) Rule 2015 on going concern basis under the historical cost convention and mercantile system of accounting. The scheme of accounting in BSNL is as follows:

- 1) Each Circle is divided into number of Business Areas (BAs)/ SSAs which is the Primary Accounting units (PAUs). All the units of BSNL which include the Telecom Circles, Projects Circles, Maintenance Circles, Factories, Stores depot etc. prepare their independent books of accounts.
- 2) The Business Areas (BAs)/ SSAs within the Circle submits their monthly trial balances to the Circle office. Circle office consolidates the trial balances received from all BAs/ SSAs including its own trial balance and prepares the trial balance for the Circle as a whole. Presently, final accounts for the Circle are prepared at year end. However, with the implementation of ERP, financial statements will be generated on monthly basis at Circle level.
- 3) The Corporate office receives monthly Trial Balances and prepares monthly MIS details for various purposes and receives final accounts from all the Circles at the year end and compiles them for BSNL as a whole.



### **3. ACCOUNTING SOFTWARE IN BSNL**

Presently BSNL is maintaining its records on SAP in all Circles therefore final accounts are prepared in SAP.

### **4. INDIAN ACCOUNTING STANDARDS (Ind AS) IN BSNL**

BSNL will prepare its books of accounts in conformity with Ind AS from 1st April 2016.

### **5. INTERNAL AUDIT IN BSNL**

Firms which shall be selected and entrusted the work of Internal Audit should maintain highest standards of professional competence and ethics. A thorough professional approach towards work, concisely written Audit Report with concrete suggestions, clear and unambiguous approach towards issues of concern and practical solutions to the issues are highly desirable.

### **6. SCOPE OF WORK**

The Audit should be conducted keeping in the view the 'Scope of Work'. The detailed scope of work is as per **Annexure 'A'**

### **7. INTERNAL AUDIT CIRCLES(S)**

Zone wise list of Internal Audit Circle(s) is as per **Annexure 'B'**.

### **8. ELIGIBILITY CONDITIONS (Technical Bid)**

**The firm should possess following eligibility conditions as on 31st March 2018:**

S.No.	Particulars	Documents to be submitted
<b>i</b>	The Firm should be either Chartered Accountants or Cost Accountants Firm (Partnership/Limited Liability Partnership).	Latest constitution certificate issued by the Institute of Chartered Accountants of India / Cost Accountants of India.
<b>ii</b>	The firm should be in existence for at least last 12 years.	
<b>iii</b>	There should be at least 4 partners and total strength of qualified persons (Partners + Assistants) should not be less than 10.	Latest constitution certificate issued by the Institute of Chartered Accountants/ Cost Accountants of India <b>and declaration of the firm in case of Assistants are Cost Accountants.</b>

<b>iv</b>	The Firm or any of its partners should not be associated with BSNL in any professional capacity. However any firm fulfilling all other eligibility conditions of this EOI, and currently engaged with any BSNL Circle as Internal Auditor shall be eligible to bid.	<b>Self- declaration by the firm.</b>
<b>V</b>	The Firm should have Internal Audit/Statutory Audit experience of at least 10 years.	<b>Sufficient documentary proofs</b>
<b>Vi</b>	The Firm should have Internal Audit/ Statutory Audit experience of public sector undertaking(s)/ Telecommunication Company(ies) having turnover of Rs. 200 crore or more for at least two years out of the latest 5 years.	
<b>Vii</b>	The turnover of the Firm for the past three consecutive years i.e. 2015-16, 2016-17& 2017-18 should not be less than Rs. 50 lakh p.a.	
<b>Viii</b>	At least one office of the Firm should be located in the circle for which the Firm intends to apply.	<b>Address(es) to be given. (Separate Sheet may be attached)</b>
<b>ix</b>	The firms should be empanelled with CAG office for the year 2017-18.	<b>Copy of self attested empanelled certificate/document is required to be submitted</b>
<b>x</b>	An Internal Audit firm cannot continue in one circle for more than 3 (three) years. Hence, the firm who remained internal auditor of a Circle in BSNL for two years continuously i.e. 2016-17 & 2017-18 cannot apply for that Circle as the EOI is to be floated for next two years consecutively. A certificate in this regard is to be provided by the firm.	<b>Self- declaration by the firm</b>
<b>xi</b>	<i>EMD in the form of Bank Guarantee of amount as mentioned against each circle in Annexure B for each circle. Bank Guarantee for EMD as well as PBG shall be obtained from any Scheduled Bank of India and not from any Co-operative Bank.</i>	<b>Bank guarantee is required to be submitted in the format as per Annexure- F</b>

Preference will be given to the Firms having professional associations across India (Branches across India)

## **9. SELECTION CRITERIA/ EVALUATION**

- (i) Firms which will satisfy prescribed eligibility conditions and whose technical bid is accepted shall be selected solely on the basis of fees quoted for the circle concerned. The L-1 Firm will be awarded the work and in case the Firm fails to take up assignment, the work may be offered to L-2 Firm on L-1 rates. Also the Bank Guarantee of defaulting Firm i.e. **L1** who refuses to take up the assignment primarily is liable to be **revoked** by Nodal Circle.
- (ii) In case of tie amongst Firms, the Firms will be evaluated based on the preference conditions detailed under the head 'eligibility conditions'. A tie in this stage also will further lead the evaluation based on the date of registration and the Firm with oldest date of registration will be selected. If there is tie for date of registration also, then the selection of a Firm will be based on the greater number of partners in the Firm.
- (iii) However, BSNL reserves the right to consider/ not to consider the Firm with the least quote due to any reason. The decision of the BSNL would be final and binding in this regard.
- (iv) Any of the documents, required to be submitted along with the technical bid is found wanting, the officer is liable to be rejected at that stage. However, Nodal Circle BSNL at its discretion may call for any clarification regarding the bid document within the stipulated time period. In case of non-compliance to such queries, the bid will be rightly rejected without entertaining further correspondence in this regard.

## **10. TERMS AND CONDITIONS**

- i. The Firms appointed as Internal Auditors will not be allowed to sub-contract the work assigned. In case it is subsequently found at any stage of the appointment process/post appointment that outsourcing has been resorted to, the appointment will be liable for cancellation with immediate effect without prejudice to other rights and remedies available to BSNL.
- ii. The appointment of Internal Auditors will be for a period of two years i.e. 2018-19 & 2019-20. The engagement may be extended up to 3 years, if found appropriate.
- iii. It is desirable that the Firms so appointed possess requisite knowledge of ERP/ SAP. While quality of audit must be maintained, BSNL will not impart any formal training to any of the partner / assistant of the Firms.
- iv. The designated team will work in strict confidence and will ensure that the information in respect of the operation of the area/unit is dealt in strict confidence and secrecy. A declaration for maintaining confidentiality should be provided by the firm before commencement of work. Format for standard declaration is given in **Annexure 'D'**.
- v. The Firm should depute 'Audit Team(s)' to complete the work within scheduled time as mentioned in clause 12 of this bid document and each Audit Team should comprise sufficient number of incumbents headed by qualified CA/ CMA. Name of the Qualified CA/CMA to be intimated in writing to BSNL. Any change in such CA/CMA should be with prior intimation and consent of BSNL.

- vi. An Internal Audit firm cannot continue in one circle for more than 3 (three) years. Hence, the firm who remained internal auditor of a Circle in BSNL for two years continuously i.e. 2016-17 & 2017-18 cannot apply for that Circle as the EOI is to be floated for next two years consecutively. A certificate in this regard is to be provided by the firm.
- vii. A Firm can apply for more than one circle. However, maximum 2 circle can be allotted to one firm. The method of award of work shall be as follows:
  - a. After evaluation, BSNL shall prepare a list of bidders arranged in increasing order of the all inclusive fees quoted starting from the lowest(i.e. L1, L2, L3 and so on) for each of the circle(s) separately, for the purpose of awarding work.L1 shall be considered for awarding of work in respective Circle(s).
  - b. No firm shall be awarded work in more than two circles for which separate financial bids have been invited. In case any bidder becomes L1 in more than 2 (TWO) circles, the L1 bidder shall be allotted two circle(s) in which the evaluated L1/L2 ratio is the lowest from amongst the circles in which it is L1. Other circle(s) where such firm is L1 shall be awarded to the corresponding L2 bidder at L1 rates.
  - c. In any circle, the offer to L2 bidder shall be at the L1 evaluated rates.L2 may decline the offer without the risk of forfeiting its bid security.
  - d. If the L2 bidder in any circle refuses to accept the work then the offer shall be made to L3 bidder of that zone and so on at L1 rates.
  - e. The L2, L3 and so on bidders may decline the counter offer without the risk of forfeiting their bid security.
  - f. In the event of L2 and so on bidders refusing to accept Work at L1 rates, BSNL reserve the right to offer the work for more than 2 circles to the L1 bidder. It is mandatory for the L1 bidder to accept such an offer and perform the whole contract as envisaged in this EOI document.
  - g. The bid security of L1 bidder for such circles where L2 and other bidders are offered work at L1 rates shall be returned to L1 bidder only after completion of the award of work in such circles where it was L1, but work is offered at its rates to other bidders.
- viii. The appointed Firm will be debarred from getting, in future, any work in BSNL in the following cases:
  - a) If it is found that the Firm has obtained the appointment on the basis of false information, false statements, misrepresentation, unfair means and solicitation.
  - b) If the Firm does not take up the assigned work in terms of appointment.

- c) If the Firm does not submit the report completed in all respect in terms of appointment.
- d) If the Firm violates any of the terms and conditions stipulated under this EOI.

*Also the Internal audit work assigned through this EOI may be withdrawn with immediate effect.*

- ix. The quality of the work performed by the Audit Firms will be reviewed quarterly by BSNL Management at C.O. based on the Audit Report submitted.

BSNL Management may, without prejudice to any other remedy available for the breach of any conditions of EOI, by a written notice of 14 days, issued to successful bidder at its registered office, terminate this agreement under any of the following circumstances:

- a. Successful bidder failing to perform any obligation(s) under the EOI;
- b. Successful bidder failing to rectify, within the time prescribed for rectification, any lacuna in performance of obligation as may be pointed out by BSNL;
- c. Performance of the successful bidder is not in conformity with the scope of the work;
- d. Successful bidder going into liquidation or ordered to be wound up by competent authority.

*In such a situation, BSNL shall not be responsible for any damage or loss caused or arisen out of aforesaid action.*

- x. It is the sole responsibility of the Firm to comply with the all labour laws and other applicable Laws in relation to the Firm's staff engaged in BSNL for internal Audit assignment.
- xi. CMD BSNL is empowered to issue any clarification/modification in EOI.
- xii. ACTION AGAINST BIDDER(S)/ VENDOR(S) IN CASE OF DEFAULT.  
In case of default by Bidder(s)/ Vendor(s) such as
  - a) Does not provide the service in time;
  - b) Or any other default whose complete list is enclosed in Annexure-I.BSNL will take action as specified in Annexure-I.

## **11. PLACE OF AUDIT**

The appointed Firm will depute their 'Audit Team(s)' at Circle Offices and BAs/ SSAs of circle(s) assigned to them. The audit should be conducted at BSNL premises only and no auditor will be allowed to carry Company's documents outside the premises of BSNL office.

## **12. TIMELINES FOR CONDUCTING AUDIT AND SUBMITTING AUDIT REPORT:**

(A) For the financial years 2018-19 & 2019-20 internal audit will be conducted in following four phases for each financial year:

<b>Phase</b>	<b>Period Covered</b>	<b>Phase</b>	<b>Period Covered</b>
Phase I	1st April - 30th June	Phase III	1st October - 31st December
Phase II	1 <sup>st</sup> July - 30 <sup>th</sup> September	Phase IV	1 <sup>st</sup> January - 31 <sup>st</sup> March

- a. In each phase at least 25% of BAs/ SSAs should be physically visited and audited by the Audit Firm. Audit of remaining 75% BAs in each phase will be conducted by Audit Firm in the Circle Office only.
- b. The Audit should start within twenty one (21) days of quarter ending and should complete in twenty (20) working days. For example, audit for the Phase III (Apr - June 2018 quarter) should start latest by 21<sup>st</sup> Jul 2018 and should complete within 20 working days.
- c. Audit Report should be prepared Circle wise considering the performance of all the BAs/ SSAs of the Circle for each quarter and should be submitted within seven (7) days of completion of audit.
- d. The aforesaid report should be submitted in hardcopy to the Chief General Manager of Circle. Soft copy of Audit Report should also be shared invariably.
- e. The Audit Report should be in conformity with the 'Scope of work' as indicated in Annexure A and Auditor may add more meaningful inputs depending on the findings in the course of Audit.

## **13. FINANCIAL BID**

The financial bid must be submitted online only. The Firm is required to quote fee per annum for the circle(s) as a whole for two years i.e. 2018-19 & 2019-20 as per Performa of Financial Bid. The indicative fee for each circle is given in Annexure B. However, the Firm is free to quote higher or lower fee than the indicative fee. All inclusive fees (including TA/ DA and out of pocket expenses) is to be quoted in the EOI in both figures and words in Annexure 2. No conditions should be attached to the all inclusive fees quoted by the Firm. However, taxes and levies shall be paid extra as per the applicable rates. Financial Bid shall be valid up to 180 days from the date of NIT. If there is difference in amount quoted in figures and in words, the amount in words will be considered.

If the Firm intends to bid for more than one circle, The Firm is required to quote fee for the circle(s) for which applied.

However , in case the firm bids for more than one circle and is declared non-responsive for one of the circle in a bid but is eligible for other circle in a bid submitted by him , then complete price bid submitted online by him shall be opened as per the existing provisions of the e-tender portal but the prices of the bid for which he is declared non-responsive shall not be considered for financial evaluation of the tender.

#### **14. PAYMENT OF AUDIT FEES**

- i. The Audit Fees will be paid by the **Circle concerned** under intimation to its Nodal Circle.
- ii. **Fees will be paid as under:**  
For the year 2018-19 & 2019-20 twenty percent (20%) of the total annual fees will be paid on submission of Audit Report of each (I, II, III) Phase. However, on completion of Internal Audit for Phase IV, balance 40% fees (25% for phase IV and 5% each of rest three phases) will be paid.
- iii. Bill for Audit Fee should be raised on the Circle concerned.
- iv. The Audit Firm should raise bill with all mandatory details and disclosures on its letterhead and amounts with respect to fees and GST should be clearly mentioned.
- v. TDS will be deducted as applicable.
- vi. No TA/DA/other expenses will be paid/ reimbursed by BSNL to Audit Firms except when they are called for attending any meeting and the distance travelled is more than 50 kilometers. Bill, if any, for reimbursement of TA/DA should be separately submitted.
- vii. The admissible TA/ DA shall be equivalent to the TA/ DA rates applicable for Statutory and Branch Auditors. (**Annexure 'C'**)

#### **15. EARNEST MONEY AND SECURITY DEPOSIT**

- i. Firms which are submitting EOI should submit bank guarantee of amount as mentioned against each circle in **Annexure B** valid up to 180 days from the date of NIT as earnest money separately for each circle applied for, in the format provided in **Annexure 'F'**. Nodal Circle will hold and manage all the EMD/SD on behalf of all the allotted circles.
- ii. The successful Firms will be to submit performance bank guarantee for not less than one year period and for not less than 5% of total annual fees payable for the circle concerned for ensuring satisfactory performance. The bank guarantee so submitted shall be renewed at least one month before its expiry so as to cover the whole period of Internal Audit plus three months.



- iii. The bank guarantee received towards earnest money will be returned by Nodal Circle in original within one month of the selection of the firms for Audit.
- iv. The format for performance bank guarantee will be notified to the successful bidders later on.
- v. Without prejudice to its rights of any other remedy, Nodal Circle (BSNL) shall encash the BG in case of any breach in terms and conditions of the contract or in case of failure to carry out internal audit work as per the agreed schedule & parameters, on part of bidder. If any firm breaches the term and conditions of the contract or in case of failure to carry out internal audit work as per terms and conditions prescribed under EOI, it shall be the responsibility of the concerned circle to intimate its Nodal Circle of such failure on the part of bidder.
- vi. The bidder shall extend the validity of the BG on yearly basis or as directed by Nodal Circle (BSNL), till the entire internal audit work under specified under the EOI is satisfactorily completed.

## **16. BID SUBMISSION**

- a) EOI should be submitted in Annexure -1 & Annexure 2 format only. No other format will be accepted.
- b) The Bid must be submitted by the bidder through E-Tendering mode only. Manual submission of bid shall not be considered. The bid should strictly be submitted on e-tender portal - <http://gujaratbsnl.abcprocure.com> :

Note :- In case of e-tendering, the following documents are required to be submitted offline (i.e. offline submissions) to AGM(MP) o/o CGMT,BSNL, Telephone Bhawan, 9<sup>th</sup> floor, A-Wing, C.G Road, Ahmedabad-38006 on or before 30.07.2018 up to 11:00 Hrs. of submission of bids in a sealed envelope.

The envelope must be sealed and super-scribed with '*EOI for Appointment of Internal Auditors for various Circles in BSNL for the Financial Year 2018-19 & 2019-20*'. The name and address of the applicant Firm must also be mentioned on the envelope.

The envelope shall bear the tender number, name of work and the phrase:

"Do Not Open Before (due date & time of opening of tender).

- i) EMD - Bank Guarantee (original copy)
- ii) Cost of tender document of Rs. 1180/-
- iii) Power of Attorney in accordance with clause 16.1 and authorization for executing the power of Attorney.

The responsibility for ensuring that envelope is delivered in time would vest with the bidder. The purchaser shall not be responsible if the envelope is delivered elsewhere or late.

- c) **Compliance Sheet/ Check list vide Annexure-G below.**

Applicant Firm should submit only one EOI even if it intends to bid for more than one Circle. However, Price Bids must be submitted for each Circle applied for.



## **16.1 Power of Attorney:**

- (a) The Power of Attorney should be submitted and executed on the non-judicial stamp paper of appropriate value as prevailing in the concerned states(s) and the same be attested by a Notary public or registered before Sub-Registrar of the states(s) concerned.
- (b) The Power of Attorney in favour of person signing the bid executed by a person who has been authorized by the board of directors of the bidder in this regard, on behalf of the company/institution/body corporate. Proof of company resolution duly certified by Company Secretary OR Board of Directors is to be submitted for this.
- (c) In case of the bidder being a firm, the said Power of Attorney should be executed by all the partner(s) in favour of the said Attorney.
- (d) Attestation of the specimen signatures of such authorized signatory by the Company's/ firm's bankers shall be furnished. Name, designation, Phone number, mobile number, e-mail address and postal address of the authorized signatory shall be provided.
- (e) Individual signing the tenders or other documents connected with the contract shall indicate the full name below the signature and must specify the capacity and authority under which he signs such documents and shall also submit documentary evidence of his authority in the form of Power of Attorney.
- (f) The Power of Attorney is to be submitted in original, if it has been issued for the specific tender enquiry. If the power of attorney is issued in general irrespective of tender enquiry then photocopy duly certified by notary public can also be accepted.
- (g) In case the representative of bidder, who uploads the document on e-tender portal using his Digital Signature Certificates (DSC), which is different from the authorized signatory for the bid (Power of Attorney holder) then the representative who uploads the documents on e-tender portal using DSC issued in his name, shall also be one of the Power of Attorney holder by the bidder firm, in addition to the authorized signatory for the bid.

## **17. SELECTION OF THE AUDITOR**

A two-stage procedure shall be adopted in evaluating the proposal. Technical bids will be opened first. Financial bids shall be opened only for those Firms whose Technical bid have been found in order and fulfilling all the eligibility conditions. Financial bids of the Firms whose technical bid does not fulfill eligibility criteria shall be returned unopened after the completion of selection process.

## **18. DISPUTE RESOLUTION / ARBITRATION**

Except as otherwise provided in the agreement/PO, in the event of any disputes, controversy or differences arising out of or relating to this agreement/PO, or the breach, termination or invalidity thereof between the parties, the aggrieved party shall make a request to the concerned CGM for conciliation to settle such differences or disputes. Such attempt to settle the dispute under conciliation of CGM shall be considered to have failed if not resolved within 60 days from the date of reference made to CGM. Then the same will be referred to be settled under the conciliation of Director (Finance), BSNL. The attempt to bring about such resolution shall be considered to have failed if not resolved within 30 days from the date of reference made to Director (Finance).

Thereafter the same shall be referred to CMD, BSNL for resolution of such disputes by a sole arbitrator (chosen from three names provided by BSNL), to be mutually decided by the parties, as per the provisions of the Arbitration & Conciliation Act, 1996, any amendment thereof, and any notification issued or rules made there under from time to time. The venue of the arbitration proceeding shall be New Delhi or Circle HQ (as the case may be).

## **19. JURISDICTION OF COURT**

The Laws of land as promulgated/modified/amended or replaced from time to time shall govern this EOI.

## **20. DISCLAIMER**

BSNL reserves the right to accept or reject any or all responses and to request additional submission or clarification from one or more applicant(s) at any stage or to cancel the process entirely without assigning any reason.

## E-TENDERING INSTRUCTIONS TO BIDDERS

### General

**The Special Instructions (for e-Tendering) supplement 'Instruction to Bidders',.**

**Submission of Bids only through online process is mandatory for this Tender.**

E-Tendering is a new methodology for conducting Public Procurement in a transparent and secured manner. Suppliers/ Vendors will be the biggest beneficiaries of this new system of procurement. For conducting electronic tendering, BSNL, GUJARAT has decided to use the portal <http://gujaratbsnl.abcprocure.com>

Benefits to Suppliers are outlined on the Home-page of the portal.

1. Tender Bidding Methodology:

Sealed Bid System - 'Single Stage - Two Envelopes', followed by 'e-Reverse Auction' if applicable after opening of Financial-part (Financial & Technical bid shall be submitted by the bidder at the same time)

2. Broad outline of activities from Bidders prospective:

- I. Procure a Digital Signing Certificate (DSC)
- II. Register on Electronic Tendering System on e-procurement portal of Gujarat Circle
- III. View Notice Inviting Tender (NIT) on e-procurement portal of Gujarat Circle
- IV. Download Official Copy of Tender Documents from e-procurement portal of Gujarat Circle
- V. Clarification to Tender Documents on e-procurement portal of Gujarat Circle
  - Query to BSNL (Optional)
  - View response to queries posted by BSNL, as addenda.
- VI. Bid-Submission on e-procurement portal of Gujarat Circle
- VII. Attend Public Online Tender Opening Event (TOE) on e-procurement portal of Gujarat Circle  
For opening of Technical-Part
- VIII. View /Post-TOE Clarification on e-procurement portal of Gujarat Circle (Optional) respond to BSNL's Post-TOE queries
- IX. Attend Public Online Tender Opening Event (TOE) on e-procurement portal of Gujarat Circle on opening of Financial-Part (Only for Technical Responsive Bidders)
- X. Participate in e-Reverse Auction if applicable on e-procurement portal of Gujarat Circle

For participating in this tender online, the following instructions are to be read carefully. These instructions are supplemented with more detailed guidelines on the relevant screens of the e-procurement portal of Gujarat Circle.

3. Digital Certificates

For integrity of data and its authenticity/ non-repudiation of electronic records, and be compliant with IT Act 2000, it is necessary for each user to have a Digital Certificate (DC) also referred to as Digital Signature Certificate (DSC), of Class 2 or above, issued by a Certifying Authority (CA) licensed by Controller of Certifying Authorities (CCA) [refer <http://www.cca.gov.in>].

4. **Registration**

To use the Electronic Tender portal <http://gujaratbsnl.abcprocure.com> Vendor need to register on the portal( if not registered earlier). Registration of each organization is to be done by one of its senior persons who will be the main person coordinating for the e-tendering activities. In E-procurement terminology, this person will be referred to as the Super User (SU) of that organization. For further details, please visit the website/portal <http://gujaratbsnl.abcprocure.com> (on the Home Page), and follow further instructions as given on the site.

Note: After successful submission of Registration details and Annual Registration Fee ( as applicable). Please contact M/s e-Procurement Technologies Ltd., Ahmedabad. Helpdesk. Helpdesk (as given below), to get your registration accepted/activated.  
M/s e-Procurement Technologies Ltd, Helpdesk

Telephone	Phone: +91 079-40270555/0564/0507/0566 [between 10:00 hrs to 18:00 hrs on working days]
E-mailID	<a href="mailto:support@abcprocure.com">support@abcprocure.com</a>
BSNL's Contact Person	Shri I.H.Mirza, AGM (MP)
Telephone/ Mobile	079-26480124/117/ 09426628820 [between 10:30 hrs to 17:00 hrs on working days]
E-mail ID	coagmmp@gmail.com
BSNL's Contact Person	Shri D.B.Darji, CAO (CA/IA)
Telephone/ Mobile	079-26440572/ 09426607170 [Between 10:30 hrs to 17:00 hrs on working days]
E-mail ID	caoiaguj@gmail.com

5. Bid related Information for this Tender (Sealed Bid)

The entire bid-submission would be online on e-procurement portal of Gujarat Circle

Broad outline of submissions are as follows:

- Submission of Bid Security/ Earnest Money Deposit (EMD)
- Submission of digitally signed copy of Tender Documents/ Addendum
- Two Envelopes
  - Techno-commercial-Part
  - Financial-Part

Each of the above electronic envelopes consists of Main bid and Electronic form (both mandatory) and bid Annexure.

NOTE: Bidder must ensure that after following above the status of bid submission must become- "Complete".

6. Offline Submissions:

The bidder is requested to submit the following documents offline to AGM(MP) O/o CGMT,BSNL,Telephone Bhawan, 9<sup>th</sup> Floor,A-wing, C.G.Road,Ahmedabad-380006 on or before the date & time of submission of bids specified in covering letter of this tender document, in a Sealed Envelope. The envelope shall bear (the project name), the tender number and the words 'DO NOT OPEN BEFORE' (due date &time).

1. EMD-Bid Security (Original copy).
2. Cost of tender document of Rs. 1180/-
3. Power of attorney along with attested copy of Board resolution.

7. **Special Note on Security of Bids**

Security related functionality has been rigorously implemented in e-procurement portal of Gujarat Circle in a multidimensional manner. Starting with 'Acceptance of Registration by the Service Provider', provision for security has been made at various stages in Electronic Tender's software. Specifically for Bid Submission, some security related aspects are outlined below:

As part of the Electronic Encrypter™ functionality, the contents of both the 'Electronic Forms' and the 'Main-Bid' are securely encrypted using a Pass-Phrase created by the Bidder himself. Unlike a 'password', a Pass-Phrase can be a multi-word sentence with spaces between words (eg I love this World). A Pass-Phrase is easier to remember, and more difficult to break. It is recommended that a separate Pass-Phrase be created for each Bid-Part. This method of bid-encryption does not have the security and data-integrity related vulnerabilities which are inherent in e-tendering systems which use Public-Key of the specified officer of a Buyer organization for bid-encryption. Bid-encryption in e-procurement portal of Gujarat Circle is such that the Bids cannot be decrypted before the Public Online Tender Opening Event (TOE), even if there is connivance between the concerned tender-opening officers of the Buyer organization and the personnel of e-tendering service provider.

Typically, 'Pass-Phrase' of the Bid-Part to be opened during a particular Public Online Tender Opening Event (TOE) is furnished online by each bidder during the TOE itself, when demanded by the concerned Tender Opening Officer.

There is an additional protection with SSL Encryption during transit from the client end computer of a Supplier organization to the e-tendering server/ portal.

8. **Public Online Tender Opening Event (TOE)**

e-procurement portal of Gujarat Circle offers a unique facility for 'Public Online Tender Opening Event (TOE)'. Tender Opening Officers as well as authorized representatives of bidders can attend the Public Online Tender Opening Event (TOE) from the comfort of their offices. For this purpose, representatives of bidders (i.e. Supplier organization) duly authorized are requested to carry a Laptop and Wireless Connectivity to Internet.

Every legal requirement for a transparent and secure 'Public Online Tender Opening Event (TOE)' has been implemented on e-procurement portal of Gujarat Circle

As soon as a Bid is decrypted with the corresponding 'Pass-Phrase' as submitted online by the bidder himself (during the TOE itself), salient points of the Bids are simultaneously made available for downloading by all participating bidders. The tedium of taking notes during a manual 'Tender Opening Event' is therefore replaced with this superior and convenient form of 'Public Online Tender Opening Event (TOE)'.

e-procurement portal of Gujarat Circle has a unique facility of 'Online Comparison Chart' which is dynamically updated as each online bid is opened. The format of the chart is based on inputs provided by the Buyer for each Tender. The information in the Comparison Chart is based on the data submitted by the Bidders. A detailed Technical and/ or Financial Comparison Chart enhances Transparency. Detailed instructions are given on relevant screens.

e-procurement portal of Gujarat Circle has a unique facility of a detailed report titled 'Minutes of Online Tender Opening Event (TOE)' covering all important activities of 'Online Tender Opening Event (TOE)'. This is available to all participating bidders for 'Viewing/ Downloading'.

There are many more facilities and features on e-procurement portal of Gujarat Circle. For a particular tender, the screens viewed by a Supplier will depend upon the options selected by the concerned Buyer.

**NOTE:** In case of internet related problem at a bidder's end, especially during 'critical events' such as - a short period before bid-submission deadline, during online public tender opening event, during e-auction, it is the bidder's responsibility to have backup internet connections. In case there is a problem at the e-procurement/ e-auction service-provider's end (in the server, leased line, etc) due to which all the bidders face a problem during critical events, and this is brought to the notice of BSNL by the bidders in time, then BSNL will promptly re-schedule the affected event(s).

9. **E-Reverse Auction (if applicable)**

10. **Other Instructions**

For further instructions, the vendor should visit the home-page of the portal <http://gujaratbsnl.abcprocure.com> and go to the User-Guidance Center

The help information provided through 'e-procurement portal of Gujarat Circle User-Guidance

Center' is available in three categories - Users intending to Register / First-Time Users, Logged-in users of Buyer organizations, and Logged-in users of Supplier organizations. Various links are provided under each of the three categories.

Important Note: It is strongly recommended that all authorized users of Supplier organizations should thoroughly peruse the information provided under the relevant links, and take appropriate action. This will prevent hiccups, and minimize teething problems the use of e-procurement portal of Gujarat Circle

The following 'FOUR KEY INSTRUCTIONS for BIDDERS' must be assiduously adhered to:

1. Obtain individual Digital Signing Certificate (DSC or DC) well in advance of your first tender submission deadline on e-procurement portal of Gujarat Circle
2. Register your organization on e-procurement portal of Gujarat Circle well in advance of your first tender submission deadline on e-procurement portal of Gujarat Circle
3. Get your organization's concerned executives trained on e-procurement portal of Gujarat Circle well in advance of your first tender submission deadline on e-procurement portal of Gujarat Circle
4. Submit your bids well in advance of tender submission deadline on e-procurement portal of Gujarat Circle (There could be last minute problems due to internet timeout, breakdown, et al) While the first three instructions mentioned above are especially relevant to first-time users of e-procurement portal of Gujarat Circle, the fourth instruction is relevant at all times.

11. Minimum Requirements at Bidders end

- Computer System with good configuration - the users have to ensure that they have Computer System with good configuration (Min P IV, 1 GB RAM, Windows XP) / Windows Vista / Windows 7 installed in their respective PC / Laptop
- Broadband connectivity.
- Microsoft Internet Explorer 8.0 or above
- Digital Certificate(s) for users Class- 2 and above

12. Vendors Training Program

Online training would be provided, if required by bidders. Training is optional. Vendors may please send their request for training to M/s e-Procurement Technologies Ltd by Email. Vendors are requested to carry a Laptop and Wireless Connectivity to Internet.

Tentative Dates	Date of uploading of Tender document + 7 days
Venue	Online
Vendor Training Charges( per participant) per training day	Rs. 5000.00
Mode of Payment of Fee	DD drawn in favour of M/s e-Procurement Technologies Ltd.



### Scope of Work for Internal Auditors of BSNL

Internal audit is an important tool of management to keep watch and exercise control over activities of the Company. With the specialized knowledge of professional firms of Chartered Accountants and Cost Accountants, BSNL endeavors to significantly improve not only finance & accounting related performance but also exercise management control over non-financial activities with the help of efficient Internal Audit mechanism.

Companies Act 2013, while giving statutory recognition to the Internal Audit and making it mandatory for certain class of companies vide Rule 13 of the Companies (Accounts) Rules 2014, recognizes the importance and usefulness of Internal Audit by providing that the report of the Board of Directors shall contain the details in respect of adequacy of internal financial control with reference to the Financial Statement (Sub-rules 4 & 5 of Rule 8 of Companies (Accounts) Rules 2014.

Accordingly, to strengthen the control over BSNL's financial and other activities management will rely extensively on the reports submitted by Internal Auditors and hence responsibilities of Internal Auditors are vast and it is expected that the Internal Auditors shall apply their expertise in bringing out the deviations and irregularities and support the concerned unit(s) in streamlining its/ their activities. BSNL management also desires to gather valuable suggestions from Internal Auditors to review, modify and enhance professionalism and financial discipline in the Company.

Based upon BSNL's requirements and working following are the broad guidelines for Internal Auditors –

#### **(I) AS PRIME RESPONSIBILITIES THE INTERNAL AUDITOR**

- (a) Should ensure that no transaction, agreement, act or commitment of the BSNL Unit is *ultra vires* to the laws prevailing and/ or applicable for the period under audit.
- (b) Should ensure that no transaction is booked in the books of accounts against mandatory accounting standards issued by the Institute of Chartered Accountants of India and/ or as notified by Companies (Accounting Standards) Rules, 2015 as amended from time to time.
- (c) Should ensure that no transaction is booked in the books of accounts of the BSNL Unit against Generally Accepted Accounting Principles (GAAP), fundamental accounting assumptions and accounting concepts unless the GAAP is/ are superseded by Company's Accounting policies.
- (d) Should ensure that while recognizing transactions BSNL's accounting policies are adhered to.
- (e) Should ensure that the circulars, guidance and (accounting) instructions issued from time to time by BSNL Corporate Office to comply with the changes in laws, business requirements, smoothening of procedures and ease of accounting are being followed properly and correctly. It is also expected that internal auditor should check and ensure that treatment given to transactions is not ultra vires to the circulars, guidance and instructions so issued by Corporate Office.

#### **The authority attached to above instructions is as follows:**

1. (a) cannot be superseded,
2. (b) can be superseded by (a)
3. (c) can be superseded by (a) and (b)
4. (d) can be superseded by (a), (b) and (c)
5. (e) can be superseded by (a), (b), (c) and (d)

## **(II) MAJOR FOCUS AREAS**

The Internal Auditor should check and report that whether Unit(s) under audit is satisfactorily discharging their duties with respect to –

### **1. Check and report that whether Unit(s) under audit is satisfactorily discharging their duties with respect to :-**

- Effectiveness of financial management
- Implementation of Projects - time, cost and return on investment.
- Initiatives for enhancement of revenue & its efficiency.
- Simplification of procedures and rationalization of activities.
- Cost-benefit impact of new schemes and tariff plans.
- Reduction of costs and administrative and financial reforms.

### **2. INITIATIVES**

- (1) Suggestions for improvement in accounting, following of rules, dealing with taxation matters, awareness about accounting standards, laws prevailing and amendments being introduced by government.
- (2) Suggestion for better accounting practices and business policies based on auditors' experience with practicality of uniform applicability in a pan India environment.
- (3) Suggestions for betterment of processes, capturing of information and improving MIS.
- (4) Suggestion for improvement in internal control system for financial and non- financial activities.

### **3. Internal Auditors are desired to put special efforts on following issues**

- (1) Payment of late fees/ penalty/ demurrage and fines etc. should be audited in detail and proper approval, steps for avoidance in future etc. should be ensured.
- (2) Settling pending issues with CCA, DoT, taxation and other statutory authorities.
- (3) Timely decommissioning, scrapping, disposal of obsolete, impaired assets/ inventories.
- (4) Resolution of Statutory and C & AG (P&T) audit qualifications. The target in this regard is to bring down qualifications to zero.
- (5) IBTMS – Intra and inter circle remittances should be cleared minimum to the extent of targets conveyed by C.O.
- (6) License fees payable/ paid to DoT should be checked and over/ under payment should be clearly reported.
- (7) Grant/ subsidy received should be strictly accounted for in accordance with the Circular no. CA-304 issued by Corporate Accounts, C.O. read with AS-12 and as amended from time to time.
- (8) Expenses on towers and their performance.
- (9) Bank Guarantees submitted by BSNL Unit(s) should be taken back and cancelled as soon as tenor ends.
- (10) Bank Guarantees received by BSNL Unit(s) should not expire or get renewed to protect BSNL's interest.
- (11) SD/ EMD (deposited as well as received) should also be audited as to safeguard BSNL's interest and there should not be any instance of losing business or exposure to business risk because of lack of procedural efficiency. Long pending SD/EMD balances must be reviewed.
- (12) Each segment (business vertical) operations and income & expenses should be booked properly and inter-segment incomes should be properly identified and booked.



- (13) Internal Auditors should check the compliance of GST rules/instructions/advisory etc. in the circle.
- (14) All the Internal Auditors should be acquainted with of Ind. AS provisions.
- (15) The Internal Auditors should test the Risk Control Matrixes relating to Internal Financial Controls circulated to all circles as per instructions contained in F. No. 500- 31/2015-16/CA-I/BSNL/356/IFC dated 13.07.2016.
- (16) All the OYT deposits lying under respective G/L to be reviewed and the connections which have completed their life spell of 20 years from the date of its installation, their deposits may be transferred to concerned revenue G/L.
- (17) Internal Auditor should check & report the reconciliation of input credit in SAP with GSTN portal.
- (18) Thoroughly review the process of receipt of services / materials along with Invoices and its process through “MIRO” for timely utilization of ITC (Input Tax Credit).
- (19) Reporting on project accounting like NOFN, LWE, NFS etc. as the billing and collection has been shifted to circles.
- (20) Internal Auditor should ensure creation of liabilities in accounts is must as no prior period expenditure are allowed.
- (21) Internal Auditors should also comments on the progress made on previous reported deficiency. (22) Audit of risk monitoring and management system.
- (23) The Internal Audit reports should also highlight significant issues that may have a bearing on the Company’s operational and financial performance.
- (24) The scope of Internal Audit should also include performance audit i.e. areas where BSNL lost substantial market/revenue share, audit of each vertical’s performance at Circle level.

#### **4. Finance & Accounts**

- (1) Proper and timely maintenance of books of accounts including vouchers and supporting.
- (2) Internal control mechanism for handling of cash and cash transactions. Review the fund requisition its receipt and further utilization so that redundant or excess fund out of budget allotment can be avoided.
- (3) Salary, advances, temporary advances and other employees related transactions.
- (4) Timely preparation of monthly Trial Balances/ Final Accounts and notes thereon.
- (5) Timely and correct deposition of taxes and levies (direct and indirect), filing of returns and settlement of disputes as and when arise, if any.
- (6) Budget allotment and utilization of funds against respective budget heads only.
- (7) Proper and timely booking of revenue, expenditures, liabilities and assets.
- (8) Maintenance of Fixed Assets Register and physical verification of assets. Internal Auditors are desired to thoroughly check that assets related to ‘Telegram and Telex’ services are either decommissioned or transferred to other services.
- (9) Creation of ARO liability for new asset creation in current financial year on leased hold land.
- (10) Proper record of CWIP, conversion of CWIP into assets and reconciliation. Review and reporting age-wise pendency of CWIP.
- (11) Reconciliation of main/ general ledgers with subsidiaries for stores, debtors, creditors, receivables and payables etc. and eliminating differences between main and subsidiary ledgers.
- (12) Recoverable and payables from/ to DoT / CCA/ MTNL and other departments are properly and timely recorded and efficient efforts are being made to settle the transactions.
- (13) Review and suggestive remarks for minimizing adverse / negative balances under various GLs. (14) Review of bank charges debited by bank as per agreement.

## **5. Physical stores and its verification**

- (1) Real time recording of inward and outward movement of store items.
- (2) Maintenance of proper registers, bin cards, movement records etc. at the stores.
- (3) Stores receipt vouchers (SRVs) and stores issue vouchers (SIVs) are sent to Store Accounts Section and periodic reconciliation is carried out between store records and financial records.
- (4) Periodicity of physical verification and resolution of discrepancies. Auditor is also expected to carry out Physical Verification on test check basis.

## **6. AUDIT REPORT**

The Audit Report should be concise, to the point and should be professionally written covering all important aspect. Above guidelines are indicative and not exhaustive. Wherever internal auditor notices issues to report he should clearly report in such a way that shall meaningfully be used by BSNL.

Further, internal auditor is expected to have good working knowledge of '**Standards on Internal Audit**' (SIA) issued by ICAI from time to time and should suitably apply such standards while conducting internal audit and concluding his comments.

The **Management/ Executive summary** should be integral part of audit report and auditor is expected to prepare the same for whole circle on quarterly basis and send to Internal Audit Section of Corporate Office.

## Annexure - B

### Details of BSNL Circles, Zone Wise Nodal Circle(s) and Indicative fees / EMD Amount

ZONE	Circle Name	Circle HQ Location	Nodal Circle	All Inclusive Indicative I.A. Fees P.A. for 2018-19 & 2019-20	EMD Amount (Rs.)
1	2	3	4	5	
WEST ZONE A	Maharashtra Telecom	Mumbai	Gujarat Telecom	12,15,000.00	25,000.00
	IIPC	Pune		30,000.00	1,000.00
	Telecom Factory Mumbai	Mumbai		50,000.00	1,000.00
	Western Telecom Project	Mumbai		4,15,000.00	9,000.00
	Western Telecom Region	Mumbai		2,70,000.00	6,000.00
	Gujarat Telecom	Ahmedabad		8,46,000.00	17,000.00
<b>Total all inclusive indicative Internal Audit Fees per Annum</b>				<b>28,26,000.00</b>	<b>59,000.00</b>

Note: Internal Audit fees shall be paid as mentioned in the clause 14 of the bid document.

## Annexure - C

### TA / DA Entitlement

Mode of Conveyance/ Stay	Group			Remark
	Partner	Qualified Assistants (CA, ICWA, CS)	Other Than Qualified Assistants	
Taxi - For distances beyond eight (8) Kms.	Rs.8 /- per Km.	Rs. 8/- per Km.	Rs. 8/- per Km.	Subject to production of receipt
Own Car - For distances beyond eight (8) Kms.	Rs.6/- per Km.	Rs. 6/- per Km.	Rs.6/- per Km.	In case one or more audit staff is going to same destination on same day only Only one Taxi /Own car fare will be admissible.
Travel by Train	Equivalent to JAG	Equivalent to STS	Equivalent to Sr. A. O.	On production of Railway Tickets
Travel by air	Equivalent to JAG in BSNL and if the distance involved is more than 500 Kms. and the journey cannot be performed overnight	Not entitled	Not entitled	On production of Air Tickets
DA (if Stay in Hotel)	Equivalent to JAG Officers in BSNL	Equivalent to STS Officers in BSNL	Equivalent to Sr. A. O. in BSNL	Subject to production of receipt
DA (If own arrangement is made)	Equivalent JAG Officers in BSNL	Equivalent to STS Officers in BSNL	Equivalent to Sr. A. O. in BSNL	

Note: The above rates are effective as on date and any revision in the rates will be notified separately.

**Declaration of Confidentiality**

Subject to conditions contained in this EOI, Firm shall take all necessary steps to safeguard the privacy and confidentiality of any information about BSNL during the audit and shall use its best endeavors to secure that:

- a) No person acting on behalf of Firm divulges or uses any such information except as may be necessary in the course of providing services to BSNL;
- b) No person seeks such information other than is necessary for the purpose of internal audit works as specified in the EOI; and
- c) The Firm shall bind its employees to terms of confidentiality clause and shall take all action reasonably necessary to secure the confidentiality of such information against theft, loss or unauthorized disclosure.

This clause shall survive the termination or expiry of the assignment as Internal Auditor of BSNL.

**Signature of the Authorized Signatory  
of the Firm with seal**

**Annexure - E**

**Details of the Offices / Branches of the Firm**

**Name of Firm:** .....

S. No.	Name of the Office In charge	Office Address	State	Mobile / Landline No.	Email id

**Signature of the Authorized Signatory  
of the Firm with seal**

*(Use separate sheet if required)*

**Format for Earnest Money (Bank Guarantee) Deposit**

To

CGM/ IFA  
Gujarat Telecom Circle  
BSNL Ahmedabad.

Whereas..... (Name of the bidding firm) (hereinafter called "the Firm") has submitted its bid dated.....for conducting Internal **Audit of BSNL vide EOI No. .... dated .....**

KNOW ALL MEN by these presents that we ..... (Name of the bank) having our registered office at..... (hereinafter called "the Bank") are bound unto the Bharat Sanchar Nigam Limited (hereinafter called "the BSNL") for the sum of Rs. ..../- (Rupees ..... (in words) only) for which payment shall and truly to be made of "the BSNL", the Bank binds itself, its successors and assigns by these presents:

THE CONDITIONS of the obligation are:

1. If the Firm withdraws its bid during the period of bid validity specified by the BSNL in the Bid form  

Or
2. If the Firm, having been notified of the acceptance of its bid by the BSNL during the period of bid validity:
  - (a) Fails or refuses to accept and/ or perform obligations; or
  - (b) Fails or refuses to furnish the Performance Security in form of Bank Guarantee, in accordance with the instructions to the Firm.

We, ..... (Name of the bank) undertake to pay to the BSNL up to the above amount upon receipt of its first written demand, without the BSNL having to substantiate its demand, provided that in its demand, the BSNL shall note that the amount claimed by it is due to it owing to the occurrence of any one or both of the two conditions, specifying the occurred condition or conditions.

This guarantee shall remain in force till .....2018 as specified in clauses 15 of the Bid Document and any demand in respect thereof should reach the Bank not later than the specified date/dates.

In case BSNL demands for any money under this bank guarantee, the same shall be paid through banker's Cheque in favour of "AO (Cash), O/o CGMT BSNL Ahmedabad." payable at Ahmedabad.

The Bank guarantees that the below mentioned officer who have signed it on behalf of the Bank have authority to give this guarantee under its delegated power.

Signature of the Bank Authority.

Name : .....  
Signed in Capacity of : .....  
Signature of witness : .....  
Full address of Branch : .....  
Name & Address of witness : .....  
Tel No. of Branch : .....  
Fax No. of Branch : .....

Bank details of BSNL:

Name of Bank : .....  
Branch : .....  
Collection Account No. : .....  
IFSC : .....

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*Note: This EOI document is the property of BSNL and cannot be reproduced wholly or partially in any circumstances without prior written approval of BSNL.*



Compliance Sheet/ Check List

s. no.	Particulars	Documents to compulsory submitted offline and Copy to be uploaded in E-tender portal	whether documents attached Y/N
i	EMD (Bank Guarantee) of amount as mentioned against each circle in <b>Annexure B</b> for each circle separately.	Under the format stated in Annexure-F	
ii	Cost of tender document	DD/Receipt No. & date towards Cost of tender document.	
iii	Power of Attorney in favour of person signing Bid	As per clause 16.1	
s. no.	Particulars	Documents to submitted online in E-tender portal	whether documents uploaded Y/N
i	The Firm should be either Chartered Accountants or Cost Accountants Firm (Partnership/Limited Liability Partnership).	A latest constitution certificate issued by the Institute of Chartered Accountants of India / Cost Accountants of India is required to be furnished by the firm.	
ii	The Firm or any of its partners should not be associated with BSNL in any professional capacity.	A self- declaration certificate is required to be furnished by the firm.	
iii	The firm should be in existence for at least last 12 years.	A self- declaration certificate is required to be furnished by the firm.	
iv	There should be at least 4 partners and total strength of qualified persons (Partners + Assistants) should not be less than 10.	Latest Copy of constitution certificate issued by the Institute of Chartered Accountants/ Cost Accountants of India is required to be furnished by the firm.	
v	The Firm should have Internal Audit/Statutory Audit experience of at least 10 years.	<b>Firm is required to furnish the proof.</b>	
vi	The Firm should have Internal Audit/ Statutory Audit experience of public sector undertaking(s)/ Telecommunication Company(ies) having turnover of Rs. 200 crore or more for at least two years out of the latest 5 years.	<b>Firm is required to furnish the proof.</b>	

<b>vii</b>	The turnover of the Firm for the past three consecutive years i.e. 2015-16, 2016-17 & 2017-18 should not be less than Rs. 50 lakh p.a.	<b>Firm is required to furnish the proof.</b>	
<b>viii</b>	At least one office of the Firm should be located in the circle for which the Firm intends to apply.	A self- declaration certificate is required to be furnished by the firm.	
<b>ix</b>	<i>Preference will be given to the Firms having professional association across India (Branches across India).</i>	A self- declaration certificate is required to be furnished by the firm.	
<b>x</b>	Formats for submission of EOI i.e. Technical Bid and Price Bid (online).	Annexure- 1 & Annexure - 2 (online)	
<b>xi</b>	Declaration of confidentiality	Annexure- D	
<b>xii</b>	Details of offices/ Branches of the Firm	Annexure-E	

**Annexure 'H'**

**Cost of tender document for each Zone Wise Nodal Circle**

<b>ZONE</b>	<b>Nodal Circle</b>	<b>All Inclusive Indicative I.A. Fees P.A. for 2018-19 &amp; 2019-20</b>	<b>Estimated Cost of Tender ( IA Fees for Two Years)</b>	<b>Bid Document price in Rs. Including GST @ 18%</b>
1	2	3	4= Col. 3 X 2	5
WEST ZONE A	Gujarat Telecom	28,26,000.00	56,52,000.00	1180.00

**ACTION AGAINST BIDDER(S)/ VENDOR(S) IN CASE OF DEFAULT.**

S. No.	Defaults of the bidder / vendor.	Action to be taken
A	B	C
1(a)	Submitting fake / forged	i) Rejection of tender bid of respective Vendor.
	a) Bank Instruments with the bid to meet terms & condition of tender in respect of tender fee and/ or EMD;	ii) Banning of business for 3 years which implies barring further dealing with the vendor for procurement of Goods & Services including participation in future tenders invited by BSNL for 3 years from date of issue of banning order.
	b) Certificate for claiming exemption in respect of tender fee and/ or EMD;	iii) Termination/ Short Closure of PO/WO, if issued. This implies non acceptance of further supplies / work & services except to make the already received material work/ complete work in hand.
	and detection of default at any stage from receipt of bids till award of APO/ issue of PO/WO.	
	Note 1:- However, in this case the performance guarantee if alright will not be forfeited. Note 2:- Payment for already received supplies/ completed work shall be made as per terms & conditions of PO/ WO.	
1(b)	Submitting fake / forged documents towards meeting eligibility criteria such as experience capability, supply proof, registration with Goods and Services Tax, Income Tax departments etc and as supporting documents towards other terms & conditions with the bid to meet terms & condition of tender :	
	(i) If detection of default is prior to award of APO	i) Rejection of Bid & ii) Forfeiture of EMD.
	(ii) If detection of default after issue of APO but before receipt of PG/ SD (DD,BG etc.)	i) Cancellation of APO , ii) Rejection of Bid & iii) Forfeiture of EMD.
	(iii) If detection of default after receipt of PG/ SD (DD, BG etc.) .	i) Cancellation of APO ii) Rejection of Bid & iii) Forfeiture of PG/ SD. However on realization of PG/ SD amount, EMD, if not already released shall be returned.
	(iv) If detection of default after issue of PO/ WO	i) Termination/ Short Closure of PO/WO and Cancellation of APO ii) Rejection of Bid & iii) Forfeiture of PG/ SD. However on realization of PG/ SD amount, EMD, if not released shall be returned.

	Note 3:- However, settle bills for the material received in correct quantity and quality if pending items do not affect working or use of supplied items.	
	Note 4:- No further supplies are to be accepted except that required to make the already supplied items work.	
2	If vendor or his representative uses violent/ coercive means viz. Physical / Verbal means to threatens BSNL Executive / employees and/ or obstruct him from functioning in discharge of his duties & responsibilities for the following : a) Obstructing functioning of tender opening executives of BSNL in receipt/ opening of tender bids from prospective Bidders, suppliers/ Contractors. b) Obstructing/ Threatening other prospective bidders i.e. suppliers/ Contractors from entering the tender venue and/ or submitting their tender bid freely.	Banning of business for 3 years which implies Barring further dealing with the vendor for procurement of Goods & Services including participation in future tenders invited by BSNL for 3 years from date of issue of banning order.
3	Non-receipt of acceptance of APO/ AWO and SD/ PG by L-1 bidder within time period specified in APO/ AWO.	Forfeiture of EMD.
4.1	Failure to supply and/ or Commission the equipment and /or execution of the work at all even in extended delivery schedules, if granted against PO/ WO.	i) Termination of PO/ WO. ii) Under take purchase/ work at the risk & cost of defaulting vendor. iii) Recover the excess charges if incurred from the PG/ SD and outstanding bills of the defaulting Vendor.
4.2	Failure to supply and/ or Commission the equipment and /or execution of the Work in full even in extended delivery schedules, if granted against PO/ WO.	i) Short Closure of PO/ WO to the quantity already received by and/ or commissioned in BSNL and/ or in pipeline provided the same is usable and/or the Vendor promises to make it usable. ii) Under take purchase/ work for balance quantity at the risk & cost of defaulting vendor. iii) Recover the excess charges if incurred from the PG/ SD and outstanding bills of the defaulting Vendor.
5	If the vendor is declared bankrupt or insolvent or its financial position has become unsound and in case of a limited company, if it is wound up or it is liquidated.	i) Termination/ Short Closure of the PO/ WO. ii) Settle bills for the quantity received in correct quantity and quality if pending items do not affect working or use of supplied items. iii) No further supplies are to be accepted except that required to make the already

		<p>supplied items work.</p> <p>iv) In case of turnkey projects, If the material is commissioned and is usable without any degradation of performance, then settle bills for the acceptable equipment/ material (or its part).</p> <p>v) In case of turnkey projects, if the material is inducted in network &amp; it is not possible to return it and/ or material is acceptable with degraded performance, the purchaser may determine the price for degraded equipment (Financial penalty = Price - price determined for degraded equipment) himself and/ or through a committee. Undertake recovery of financial penalty from outstanding dues of vendor including PG/ SD.</p>
6	<p>In the event of the vendor, its proprietor, Director(s), partner(s) is / are convicted by a Court of Law following prosecution for offences involving moral turpitude in relation to the business dealings.</p>	<p>i) Termination/ Short Closure of the PO/ WO.</p> <p>ii) Settle bills for the material received in correct quantity and quality if pending items do not affect working or use of supplied items.</p> <p>iii) No further supplies are to be accepted except that required to make the already supplied items work.</p> <p>iv) In case of turnkey projects, If the material is commissioned and is usable without any degradation of performance, then settle bills for the acceptable equipment/ material (or its part).</p> <p>v) In case of turnkey projects, If the material is inducted in network &amp; it is not possible to return it and/ or material is acceptable with degraded performance, the purchaser may determine the price for degraded equipment (Financial penalty = Price - price determined for degraded equipment) himself and/ or through a committee. Undertake recovery of financial penalty from outstanding dues of vendor including PG/ SD.</p>
7	<p>If the vendor does not return/ refuses to return BSNL's dues:</p> <p>a) in spite of order of Arbitrator.</p>	<p>i) Take action to appoint Arbitrator to adjudicate the dispute.</p> <p>ii) Termination of contract, if any.</p> <p>iii) Banning of business for 3 years which implies barring further dealing with the vendor for procurement of Goods &amp; Services including participation in future tenders invited by BSNL from date of issue of banning order or till the date by which vendor clears the BSNL's dues, whichever is later.</p> <p>iv) Take legal recourse i.e. filing recovery suite in appropriate court.</p>

	b) in spite of Court Orders.	i) Termination of contract, if any. ii) Banning of business for 3 years which implies barring further dealing with the vendor for procurement of Goods & Services including participation in future tenders invited by BSNL from date of issue of banning order or till the date by which vendor clears the BSNL's dues, whichever is later.
8	If the Central Bureau of Investigation/ Independent External Monitor (IEM) / Income Tax/ Sales Tax/ Excise / Custom Departments recommends such a course	Take Action as per the directions of CBI or concerned department.
9	The following cases may also be considered for Banning of business: (a) If there is strong justification for believing that the proprietor, manager, MD, Director, partner, employee or representative of the vendor/ supplier has been guilty of malpractices such as bribery, corruption, fraud, substitution of tenders, interpolation, misrepresentation with respect to the contract in question. (b) If the vendor/ supplier fails to execute a contract or fails to execute it satisfactorily beyond the provisions of Para 4.1 & 4.2. (c) If the vendor/ supplier fails to submit required documents/ information, where required. (d) Any other ground which in the opinion of BSNL is just and proper to order for banning of business dealing with a vendor/ supplier.	i) Banning of business for 3 years which implies Barring further dealing with the vendor for procurement of Goods & Services including participation in future tenders invited by BSNL for 3 years from date of issue of banning order.
Note 5: The above penalties will be imposed provided it does not clash with the provision of the respective tender.		
Note 6:-In case of clash between these guidelines & provision of invited tender, the provision in the respective tender shall prevail over these guidelines.		
Note 7: Banning of Business dealing order shall not have any effect on the existing/ ongoing works/ AMC / CAMC which will continue along with settlement of Bills.		

## INSTRUCTIONS TO BIDDERS

Bharat Sanchar Nigam Limited (BSNL), A Govt. of India Enterprise, invites EOI / Proposal for appointment of Chartered / Cost Accountant Firms (for the purpose of this EOI the term 'Firm' includes 'LLP' also) for conducting Internal Audit in BSNL for the Financial Years 2018-19 & 2019-20.

BSNL provides Telecom Services throughout India (except Delhi and Mumbai Metro Districts), through its 24 Territorial Telecom Circles and 2 Metro Districts namely Chennai Phones and Kolkata Phones. Major services provided by BSNL are Landline (Fixed) phones, WLL (fixed and mobile), Leased Circuits, National Long Distance (NLD) including leased circuits; International Long Distance (ILD); Cellular Mobile Telephone Service, V-SAT, Internet (broadband and narrowband); Cable Landing Stations, Tower Hiring etc., as per licenses granted by the Department of Telecommunications, Govt. of India.

Apart from these 24 Territorial Telecom Circles and 2 Metro Districts, there are 21 non-territorial Circles providing training, quality assurance, maintenance and project services to these 26 Circles. These Territorial and non-territorial Circles have been grouped into 7 (seven) Zone for the purpose of Internal Audit.

### 1. DEFINITIONS

- a. "Agreement" means the terms and conditions agreed between the Chartered / Cost Accountant firms registered with The Institute of Chartered Accountant of India/ The Institute of Cost Accountant of India and Bharat Sanchar Nigam Ltd.
- b. "The Bidder" means the Chartered / Cost Accountant firms registered with The Institute of Chartered Accountant of India/ The Institute of Cost Accountant of India which is invited to participate in the tender and submits its bid.
- c. "The BSNL" means the Bharat Sanchar Nigam Limited (BSNL), New Delhi.
- d. "Chartered / Cost Accountant firms" means the firms registered with The Institute of Chartered Accountant of India/ The Institute of Cost Accountant of India which enters into contract with BSNL to provide Professional Services under the tender.
- e. "Partners" means Chartered Accountant or Cost Accountants having membership certificate and certificate of practice from The Institute of Chartered Accountant of India/ The Institute of Cost Accountant of India.
- f. "The Contract Price" means the price payable to the Chartered / Cost Accountant firms under the agreement for the full and proper performance of its contractual obligations.
- g. "The Circle" means territorial, and other functional (non-territorial) circles of BSNL.



- h. "Nodal Circle" means Circle(s) authorize to float EOI on behalf of allotted circles as mentioned in Annexure-B.
- i. "Zone" means Circle(s) and Nodal Circle(s) as mentioned in Annexure-B.
- j. "The DDO" means Drawing and Disbursing Officer responsible for collecting revenue and releasing payments, disbursing salaries and wages etc. of any of the SSAs/PAUs of BSNL.
- k. "The Circle IFA" means Internal Financial Advisor of a Circle.
- l. "The Business Areas (BAs)/ SSA" means Secondary Switching Area which is also called Telecom District and includes Primary Accounting Units (PAUs) like Civil, Electrical, Maintenance, Project Circle offices/Divisions as the case may be.
- m. Bidders are required to go through all the clauses of the bid document and before submission the Bid in BSNL it should be ensured that all the documents/ Annexure and EMD (Bank Guarantee) as mentioned under the bid document (vide compliance sheet/ check list- Annexure-G) are attached/enclosed properly.
- n. The Bidder is expected to examine all instructions and clauses, forms, terms and BSNL requirements in the Bid Document. Failure to furnish any information required as per the Bid Document or submission of the bids not responsive to the Bid Document in any respect shall be at the bidder's risk and may result in rejection of the bid.
- o. At any time, prior to the date of submission of Bids, Nodal Circle BSNL may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify bid document by amendments.
- p. The amendments shall be notified in writing or by Fax or e-mail to all prospective bidders at the address/ Fax number/ e-mail ID, intimated at the time of obtaining of the bid document from the Nodal circle and also be posted on the website. These amendments shall be binding on all prospective bidders.
- q. In order to afford prospective bidders a reasonable time to take the amendment into account for preparing their bids, the Nodal circle may, at its discretion, extend the time for the submission of bids suitably.