

INDIAN RARE EARTHS LIMITED (IREL)



TENDER NO. OSCOM/SOP/19/O/00032 DATED 28/11/2016

Request for Proposal (RFP) for engagement of chartered accountant firms as Outsourced Internal Auditors' for Indian Rare Earths Ltd. OSCOM UNIT, ODISHA

Indian Rare Earth Ltd. (IREL), OSCOM, Matikhalo, Chatrapur, Ganjam, Odisha invites sealed public tenders for engaging Chartered Accountant Firms as Internal Auditors for OSCOM, Odisha unit of IREL for the year 2017-18 as per the following:

1	Office of issue	Chief Manager (Materials) & I/C Purchase, M/s. IREL, OSCOM, Odisha
2	Tender No.	<u>OSCOM/SOP/19/O/00032 DATED 28/11/2016</u>
3	Last date & Time of receipt of Tender	17/01/2017 at 14.30 Hrs.
4	Due date & time of opening of tender	17/01/2017 at 15:30 Hrs.
5	Validity of offer	60 days from the date of opening of tender
6.	Type of bidding	Two part bidding Envelop 1 (Techno-commercial bid) & Envelop 2 (Price bid containing filled in Price Schedule)

Interested parties may download the tender document containing all details from websites: <http://tenders.gov.in> or <http://eprocure.gov.in>. Any corrigendum/extension to above shall be hosted in above websites only.

For Indian Rare Earths Ltd.

Chief Manager (Materials) & I/c Purchase

Signature of tenderer

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(i) PREAMBLE

Indian Rare Earths Limited, a Mini Ratna-I company is a Govt. of India Undertaking under the Department of Atomic Energy & its Head Office is situated at Prabhadevi, Mumbai (Maharashtra) and is operating beach sand mining and mineral separation plants at Chavara (Kerala), Manavalakurichi (Tamil Nadu) & Orrissa Sands Complex (OSCOM), Chatrapur (Odisha), with installed capacity to produce 510,000 tons per annum of Ilmenite and also associated minerals such as Rutile, Leucoxene, Zircon, Silimanite, Garnet, etc. IREL also has its chemical unit at Rare Earths Division (RED) Aluva, Kerala which is associated with production of Rare Earth Compounds. Further, IREL has its Corporate Research Centre at Kollam (IRERC), Kerala. IREL has also commissioned a plant at OSCOM for production of Rare Earths Chloride and other associated chemicals from FY 2015-16.

This tender intends to take services from registered firms of Chartered Accountants/ Cost Accountants as Internal Auditors for OSCOM units, Odisha.

(ii) PRE-QUALIFICATION (PQ) CRITERIA

CA Firms possessing the following PQ criteria are invited to submit documentary evidences in support of the same as mentioned hereunder in sealed envelope with superscription "Engagement of Internal Auditors in IREL, OSCOM, Odisha+.

Sl. No.	PQ Criteria	Documents required
1	Firm should be a Partnership Firm or Limited Liability Partnership Firm (LLP)	(i) Copy of Firm Registration Certificate (FRC) issued by The Institute of Chartered Accountants of India or the Cost Accountants of India and, (ii) Copy of certificate of practice of all the partners/members of the firm.
2	Firm should have conducted either Statutory or Internal audit in PSUs (State PSU or Central PSU) during previous 5 years ending 31.03.2016.	(i) Copy of order received from clients in this regard and, (ii) Self certificate towards conducting the same either in progress or concluded.
3	Firm should not be less than three years old on date of tender.	(i) FRC issued by respective institute as referred in sl.no.1
4	The firm should have an exposure in handling tax matters during previous 5 years ending 31.03.2016.	(i) Copy of order received from clients in this regard and (ii) Self certificate with details on the subject to that effect.
5	Firm should have gross receipts exceeding Rs. 50 lakhs in a previous financial year i.e. 2015-16.	(i) Copy of financial statements for financial year 15-16 in support of gross receipts duly certified by

		practicing chartered accountant.
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Note:

- i) If any bidder not fulfilling any of the above PQ criteria need not submit bid as their bid shall be liable to be summarily rejected.
- ii) Overwriting /correction/erase and /or use of white ink should be avoided in the offer. However, if any overwriting/correction/erase is inevitable, the same should be authenticated with the signature & seal of the bidder.
- iii) All pages of tender documents and documents submitted in support of PQ criteria to be self attested by the bidder.

(iii) INFORMATION TO BE GIVEN BY THE BIDDER

- a. Name of the Bidder Firm :

- b. Name of the Partners/members :
- c. Address of the Firm :
- Telephone No. : Office :
- Mobile :
- FAX :
- E-mail ID :
- d. Registration particulars of the Firm & Date of Formation :

- e. Name/Designation /Address of the signatory of the bid with letter of authorization, if any. :

- f. Permanent Account Number (PAN) of the firm :
- g. Service tax Registration details :
- h. Details of Experience (In brief) :
- i. Details of professional Personnel/working staff :
- j. Details of Bank account for payment :

Certified that the information given above is true and if at any time this is found to be false or misleading the bid / contract shall be liable to be cancelled.

Name :

Signature :

(Capacity in which signed)

(iv) PREPARATION & SUBMISSION OF BID

1. The bidder shall fill in the particulars given in clause (iii) Information to be given by bidder) and submit the copies of self attested relevant documents as mentioned in clause (ii) in support of the PQ criteria.

Envelop 1 : Envelope shall contain all above documents including eligibility document meeting the PQ criteria and EMD. The Bid form with undertaking, deviation statement, audit calendar, scope of the work duly signed in all pages as a token of acceptance of all the conditions of the bid documents by the bidder shall be submitted in the said envelope.

Envelop 2 : *The second envelope shall contain filled in Price Schedule only.*

Both the envelopes shall be sealed and submitted together in a bigger envelope. If all the pages of the tender are not signed by the bidder, it shall be rejected.

2. The sealed envelope shall:

(a) Be addressed to M/s. IREL on the following address:

Chief Manager (Materials) & I/c Purchase, Indian Rare Earth Ltd., OSCOM, Matikhalo, Ghatrapur, Ganjam, Odisha . 761045.

(b) Bear the tender number and due date of opening of the tender.

3. The sealed envelope may also be dropped in the Tender Box at M/s. IREL, OSCOM, Matikhalo, Chatrapur, Ganjam, Odisha - 761045.

In case the envelope cannot be inserted in the tender box, the envelope duly sealed may be delivered to the office of Chief Manager (Materials) & I/c Purchase, OSCOM. The responsibility for ensuring that tenders are delivered in time would rest with the bidder.

4. IREL shall not be responsible if the bids are delivered elsewhere. If envelope is not sealed and/ nor superscribed as mentioned above, IREL shall not accept the bid.

(v) LATE BIDS

Any bid received by M/s. IREL after the prescribed deadline for submission of bids, shall be rejected.

(vi) BID OPENING AND EVALUATION

M/s. IREL shall open the bids in the presence of bidder/s or his authorized representatives, who choose to attend at 15:30 Hrs on the due date. The bidders' representatives, who will be present; shall sign in the attendance register, authority letter to this effect shall be submitted by the bidder before they are allowed to participate in bid opening. If the last date stipulated for receipt of bids

and/or for their opening happens to be a Holiday / unscheduled closure, it shall be deemed to fall on next working day at the same time.

The envelope containing PQ criteria shall be opened first and financial cum techno commercial bid shall be opened only for qualified bidders and date of opening of financial bid will be intimated later to only qualified bidders.

All the bids shall be evaluated based on the term & conditions of this tender to shortlist the qualified bidders. M/s IREL shall consider placement of order on the qualified bidder, whose offer shall be lowest i.e. sl.no.3 of the price bid format. In case of a tie with respect to the fees quoted as per price bid format, criteria for selection shall be in the order of :- (i) Gross receipt for FY 2015-16 (ii) Length of experience of the firm.

(vii) SCOPE OF WORK

1. Scope of work shall include carrying out the internal audit of IREL, OSCOM and submission of monthly audit report by end of next month. Detailed scope of audit is attached as Annexure-I
2. Audit Calendar: Audit calendar for carrying out the monthly audit shall be prepared by the successful bidder after receipt of order and submit to the management for consideration. Firm so appointed shall commence internal audit and submit monthly audit report by end of next month for FY 2017-18 i.e. 01-04-2017 to 31-03-2018.
3. As a result of study and evaluation of internal control and other auditing procedures, the auditor should inform the management regarding weakness in internal control, if any besides normal internal audit job as per scope.

(viii) DELIVERABLES

The successful bidder has to conduct the monthly internal audit as per the scope of work as mentioned in annexure-I and submit the monthly audit reports as per audit scope.

(ix) TRAVELLING, BOARDING & LODGING AND OUT OF POCKET EXPENSES

No travelling, boarding & lodging and out of pocket expenses will be paid. Payment of fee will be limited to as quoted in price schedule by the successful bidder.

(x) EARNEST MONEY DEPOSIT (EMD):

1. The bid shall be accompanied by EMD of Rs.5000/- (Rupees Five Thousand only) in the form of demand draft or bankers cheque drawn in favour of Indian Rare Earths Limited payable at Matikhalo.

2. No interest shall be paid on EMD. The offer without EMD in any form other than specified herein above is liable to be summarily rejected.
3. EMD shall be dealt with as follows:
 - a) In case of unsuccessful bidder it shall be returned without any interest immediately after finalization of order but not later than 30 days after finalization of order.
 - b) In case of successful bidder it shall be adjusted without interest as Security Deposit. (SD).
4. The EMD shall be forfeited if:
 - a) The bid is revoked during its validity period.
 - b) The tenderer changes the terms and conditions or prices or withdraw his quotation subsequent to the date of opening.
 - c) The tenderer fails to accept the order when placed or fails to commence work after accepting the order.
 - d) In case bidder submits false/fabricated documents.
 - e) In case bidder fails to be submit SD within 30 days of receipt of order.

(xi) SECURITY DEPOSIT (SD):

1. The successful bidder shall be required to furnish demand draft in favour of Indian Rare Earths Limited, for an amount equivalent to (5)% of the contract amount towards security deposit (inclusive of EMD) for the satisfactory performance of the contract, within 30 (thirty) days of receipt of the order.
2. The SD shall not bear any interest, and is liable to be forfeited for unsatisfactory completion or on abandonment of the work order.
3. SD shall be returned to the successful bidder after issue of ~~No Due Certificate~~+ by OIC duly countersigned by head of the department after ensuring that no amounts are recoverable from party.
4. The SD shall stand forfeited in favour of IREL, without any further notice to the party in the following circumstances:
 - a) In case of any failure whatsoever on the part of the party at any time during performance of his part of the contract including the extended periods of contract, where notice is given and time for rectification allowed.
 - b) If the party indulges at any time in any subletting/sub-contracting of any portion of work without approval of IREL.

(xii) GENERAL TERMS AND CONDITIONS OF CONTRACT

1. PAYMENT TERMS:

Payment for annual fee shall be released in two equal installments based on progress of the work as certified by the In-charge of Internal Audit department at OSCOM. The first installment shall be released in November and second and final installment shall be released after successful completion of total audit

assignment for the financial year. Payment shall be made within 30 days from the date of receipt of valid invoice.

2. VALIDITY OF OFFERS/FEEES

Bidders have to quote the fees strictly as per the Price Bid format. Fees quoted by the bidders in their bids shall remain firm and valid for the total contract period or till complete execution of the contract. However, statutory levies/taxes are payable by IREL as applicable on prevailing date of actual render of services on submission of invoice. The offered price should be valid for a period of 60 days from the date of opening of price bid.

3. PERIOD OF CONTRACT

The period of contract shall be one year i.e. financial year 2017-18. M/s IREL reserves the right to extend the contract on same terms & conditions for the next two financial years (2018-19 & 2019-20) subject to certain need based changes in the audit scope.

4. RIGHT TO ACCEPT OR REJECT ANY OR ALL BIDS:

M/s IREL reserves the right to accept or reject any bid, and to cancel the bidding process and reject all bids, at any time prior to award of contract without assigning any reason whatsoever and without thereby incurring any liability to the affected bidder or bidders on the grounds for the IREL's action.

5. RELATED PARTY:

Related parties should not quote for the tender separately. If it is noticed that related parties submitted separate quotation, the same shall be liable to be rejected. Parties are considered to be related if one or more partner/member be common.

6. INCOME TAX:

Income tax inclusive of surcharge and any other tax if applicable shall be deducted at source.

7. SERVICE TAX:

Service tax shall be paid extra as applicable on the date of actual render of service and billing on IREL has been made in terms of guidelines stipulated in the service tax rules. Any change in taxation during tenure of contract, will be as per applicable statute.

8. SECRECY:

The successful bidder shall not at any time during the tenure of contract or thereafter disclose any information furnished to them by the company or any drawings, designs, reports and other documents and information prepared for this work, without the prior written approval of the company except in so far as such disclosure is necessary for the performance of the party's work and service hereunder. Successful bidder will be required to enter into secrecy agreement with IREL, copy of which is enclosed.

(xiii) OTHER TERMS AND CONDITIONS

1. Successful bidder shall depute sufficient number of competent staff for audit work at their own cost.
2. Successful bidder shall submit draft monthly audit report to the In-charge of Finance department at OSCOM and the final report along with the views of the In-charge of Finance department at OSCOM shall be forwarded to Director (Finance) with copy to In-charge of Finance department at OSCOM & In-charge of (Internal Audit/IFC) department at OSCOM.
3. The audit staff may be advised to observe all safety precautions as applicable to the department in which the work is carried out.
4. The Company shall not be responsible for any accident caused to your personnel due to their negligence.
5. Every effort shall be made to complete the internal audit work strictly as per the audit scope.
6. Successful bidder shall be in constant touch with Director (Finance), In-charge of Finance department at OSCOM & In-charge of Internal Audit/IFC department at OSCOM.
7. Information made available during the course of audit shall be used only for bonafide work relating to audit of the company and not for any other purpose. The auditors shall not divulge the information made available by the Company or otherwise acquired during the course of audit to any other agency.
8. The Company reserve the right to accept /reject any or all the offers without assigning any reason whatsoever therefore.
9. Estimated cost of the tender is **Rs.2,50,000/-**

(xiv) FORCE MAJEURE

If at any time during the currency (tenure) of the order, it is not possible to execute any portion of the work stipulated in the order, due to reasons beyond the control of either IREL or the bidder, on account of emergency declared by government, reasons of go slow, strike or lockout at our / the bidder's office, war, civil commotion, earthquake, fire, storm, flood, acts of God, acts of any government, sabotage, riot, police action, revolution,

unforeseen circumstance or other hindrance beyond one's control, there shall be no liability on the part of the defaulting party for consequential losses.

(xv) FAILURE AND TERMINATION

If the bidder fails in the performance of the contract in the manner and within the time fixed or there is likelihood of an anticipatory breach of whole or part of the contract, the Company will have the right to rescind the contract and have it performed through other party at the risk and cost of the bidder.

(xvi) ARBITRATION AND LEGAL JURISDICTION

All disputes or differences whatsoever arising between IREL and bidders out of or relating to the construction, meaning and operation or effect of this tender shall be settled by the sole Arbitrator appointed by the Chairman & Managing Director of IREL and the award of such arbitrator shall be final and conclusive and binding. No objection shall be raised on the ground that the arbitrator so appointed is an employee of IREL. The seat of arbitration will be at Mumbai and only the appropriate court coming under the High Court of Mumbai will have jurisdiction to entertain all matters of litigation to the exclusion of all other courts.

(xvii) DEVIATION STATEMENT

Bidders have to submit the deviation statement as per the following format, if there is no deviation with tender conditions "NIL" statement must be submitted by the bidders.

Clause reference as per tender	Terms as per tender	Terms as offered by bidder

(xviii) ETHICS IN TENDERING & OTHER BUSINESS DEALINGS

IREL is a Government of India undertaking under the administrative control of Department of Atomic Energy is doing its business as per the rules and regulation of the Public sector undertaking and other statutory agencies. The business is done in an ethical, rational & impartial manner with good corporate governance.

In our endeavor to be more transparent in our dealings and to support our ideology all vendors, customers and business partners are requested not to provide any gift and/or inducement to any of our employees for securing/being granted favour in dealings with our company.

Report of any gifts and/or inducements sought by any employee of the company should be immediately reported to any one of the following.

Shri D. Singh Chairman & Managing Director Indian Rare Earths Ltd. 1207 VS Marg, Prabhadevi Mumbai - 400 028 Ph: 022 - 24225778	Shri. Sanjay Banga, Chief Vigilance Officer Indian Rare Earths Ltd. 1207 VS Marg, Prabhadevi Mumbai - 400 028 Ph. 022 - 24382042 Email: irelcvo@rediffmail.com
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We assure you that complaints if any made by you on the subject will be kept confidential and fair investigation will be conducted and appropriate action will be taken. Similarly, we expect your commitment to the undertaking and its violation will have consequences as per prevailing rule of the company.

For Indian Rare Earths Limited

Sd/-

CM (MATERIALS) & I/c Purchase, OSCOM

UNDERTAKING

Date:

To,

M/s Indian Rare Earths Limited

OSCOM, Matikhalo, Chatrapur, Ganjam

Odisha . 761 045

I/We _____ ._____ am/are as a service provider of Indian Rare Earths Limited (now on wards to be referred as Company). I/We agree and undertake:

1. Not to provide any gift and/or inducement to any employee of the Company in connection with securing/being granted favour(s) in my/ our dealings with the Company and its field units namely OSCOM at Orissa, MK unit at Tamilnadu, Chavara, IRERC and RED unit at Kerala.
2. To immediately report any gift and/or inducement sought by any employee of the company in exchange of the company and/ or its field Units granting favour(s) to me/ us in my/our dealing with the Company and/ or its field units.

We further declare that no bid has been submitted by any related party as defined under point (v) of the tender.

Signature: _____

Name: _____ ..

Capacity in which signed: _____ .

Name of the Firm& Address (With Seal): _____

PRICE BID FORMAT

PRICE SCHEDULE

Internal Auditor for the financial year 2017-18

Sl no	Particulars	Amount (Rs)
1	Annual fee of Internal Audit works as specified in Annexure-I,II and III	
2	Applicable Service tax	
3	Total (1+2) (Rupees 0 0 0 0 0 0 0 0 0 0 0 0 .. only)	

Signature of the

Authorized person or partner of the firm with seal

Notes:

1. Service tax shall be paid as prevailing rate at actual and if service tax is not applicable the bidder should mention clearly in the bid document.
2. Total price shall be indicated in both figures & words. In case there is any discrepancy between figures & words, words shall prevail.
3. If all the component of price bid is not quoted separately the bid shall be rejected.

Scope of the Internal Audit – Outsourced

Sr. no	Areas	Periodicity	Extent	Reporting requirement with specific emphasis on following issues
A	Cash & Bank Book			
1	Cash book	Monthly	100% to be checked with counterfoils of receipt, credit and debit vouchers.	1) To verify whether all supporting documents are attached and receipt/payment is approved by competent authority as per delegation of power.
2	Cash Verification	Monthly	Surprise check at least twice a month any time during the day.	1) Average daily holding of cash balance. 2) Insurance coverage of cash handling, if any 3) Whether denominations are entered on daily basis with counter signature of cash in charge. 4) Steps undertaken to reduce cash transactions.
3	Bank Book (All Banks)	Monthly	100% to be checked with counterfoils of bank receipts, debits and credit vouchers, cheque books, pay-in-slip, debit and credit advices, incoming cheques to be checked with register and receipts.	1) Electronic receipts and disbursements and associated internal control thereof towards inputting, authorising and approving as per delegation of power. 2) Frequency of operation of Suspense account and average time of its subsequent regularisation. 3) Loan/OD account with specific attention to its prudence and cost. 4) Accounting aspects-capital/revenue, current/prior period etc. With specific reference to respective orders and approved payment terms.
4	Bank reconciliation statements (All Banks)	Monthly	100%	To verify whether adjustment entries are passed and if not reasons for the same to be reported.
5	Stale cheque accounting	Monthly		To include in the monthly report.
6	Bank guarantee and LC	Quarterly	To verify whether the unit finance department has a system to inform Head Office on payment of LC in order to vacate LC margin and lien on FD.	1) To verify whether necessary register / data base is maintained by the unit. 2) To report the purpose for which the BG limit-fund based and non-fund-based limits are to be verified. In case of funds-based limits, to report whether the limits remain unutilised entailing avoidable cost to the company.
7	Term / fixed deposit	Monthly	To verify with all the original receipts	1) To verify whether the parking of fund is as per applicable DPE guidelines. 2) Whether the period of deposit is decided considering the cash budget of the company. 3) Availability of necessary approval for the investment. 4) To check interest calculation on all maturities and on accrual basis for income

				recognition at the end of period. 5) Whether applicable TDS exemption has been availed for the deposits.
8	Fund Availability, requisition for further fund & its utilisation alongwith daily movement of cash & bank	Monthly	To verify all the fund requisitions raised during the month.	1) To check daily movement of all operative bank accounts. 2) Head- wise requisition vis-a-vis actual utilisation of fund. Deviations are to be reported separately. 3) To report whether diversion of fund, if any has got the approval of competent authority.
9	Over Draft (OD) Demand Loan (DL) availed, if any	Quarterly	To verify with their respective approval note.	1) To verify whether financial prudence has been exercised while availing OD/DL. To check interest payable on OD/DL.
B	Sales including Inter unit transfer			
1	Domestic sales	Monthly	100% -To verify all invoices raised during the month with reference to delivery challan, sale order, availability of concession form, if applicable, and approved price list.	1) Levy of all applicable taxes and availment of CENVAT credit thereon. 2) Sales reporting for the month 3) Delay in raising invoice, if any. 4) To report whether finance department has copy of all approved price lists 5) Other accounting issues relating thereto.
2	Export sales	Monthly	100%- To verify all invoices raised during the month with reference to despatch documents, valid export sale order.	1) Levy of all applicable taxes and duties. 2) Export sales reporting for the month. 3) Delay in raising invoice if any, 4) Other accounting and reporting relating thereto.
3	Discounts and refunds on sales	100%	Complete verification with scheme announced by the company.	1) Validity of the scheme. 2) Calculation. 3) Accounting and reporting
4	Concession forms for sales	100%	To check whether all applicable	To report whether company's interest is protected as regards availability of concessional forms with specific reference to cases settled during the

			forms are available with finance department	period of audit.
5	Sundry debtor's ledger	Half yearly	To check whether balance confirmation system is in vogue.	1) Review and indicate the list of parties not having any transaction in the last three years. 2) To review age-wise analysis of debit balances of customers and action taken for balances for a period of more than three years.
6	Verification of debit and credit advices	Monthly	100%	To report on correctness of all such advices and their relevant accounting and ultimate realisation/ liquidation.
7	Inter unit transfer of Finished Goods/Intermediary product for further processing	Monthly	100%	1) Leviability of taxes thereon with correct application of accounting norms in this regards. 2) Transfer price application. 3) Reporting with/ without notional profit.
8	Status of sales tax, Entry tax, ED cases	Half Yearly	100%	To report on all such pending cases alongwith provisions/ disclosure as contingent liability relating thereto.
C	Purchases			
1	Purchase Orders (Pos)	Monthly	100% Post Audit exercise	Scrutiny of all Pos with specific reference to the following: 1) Compliance of purchase procedure and Dop of the company. 2) Budget provision and accounting aspects. 3) Relevant purchase advances with or without valid BG and their subsequent adjustments during the tenure of contract/execution of supply, as the case may be. 4) Other relevant issues there to.
2	Purchases Journal (PJ)	Monthly	100%	With reference to purchase orders receipt voucher and inspection reports.
3	VAT Returns	Quarterly	100%	1) To submit report whether unit has availed admissible credit and filed necessary returns of time under the Act and retaining documents for VAT audit. 2) Other applicable taxes as applicable during the
4	Verification of Entry Tax Returns (wherever applicable)	Quarterly		To submit report whether unit has availed admissible credit and filed necessary returns under the Act and retaining documents for Entry Tax Audit.
5	Sundry Creditor's ledger	Quarterly	100%	1) Review and indicate list of parties not having any transaction in the last three years along with age wise analysis. 2) Outstanding debit balance for more than 2 years along with action taken report by the unit concerned.
6	Review of purchase advances	Quarterly	100%	1) Age-wise advances. 2) Coverage by BG or otherwise 3) Recovery/ adjustment as per schedule of payment.
7	Confirmation of balances	Yearly	100%	Review and report.

D Establishment				
1	Pay rolls	Quarterly	100%	To be checked with last pay sheet, increments, attendance time cards etc.
2	Leave records	Yearly	100%	To be checked as per the extent rules of the company.
3	Unpaid wages registers and other establishment records / registers.	Half Yearly	100%	
4	Recovery of TDS from employees including perquisite valuation	Monthly	100%	To be checked as per Income-tax act.
5	Recovery of loans from employees	Monthly	100%	Recovered in terms of the guidelines/extant rule of the company.
6	Verification of LTC encashment and availed	As & when occurred	100%	To be checked as per the extant rules of the company.
7	Medical claims	As & when occurred	100%	Any three randomly selected months during the year.
8	TA Claims	As & when occurred	25%	To be checked as per the extant rules of the company.
9	Verification of leave encashment	As & when occurred	100%	To be checked as per the extant rules of the company
10	House building advances	As & when occurred	100%	To ensure that necessary hypothecation is done.
E JOURNAL				
1	Journal vouchers	Monthly	100%	To be checked as per the accounting policy of the company and applicable GAAP with all necessary supporting documents
2	Ledger and sub ledger scrutiny	Monthly	100%	1) In addition to offering your comments on various schedules specific attention is drawn on deposits made by the Unit and availability of documents in support and yearly confirmation from the agencies to be reported. 2) Action taken on recovery of the amount due to the company.
F Stores				
1	Verification of posting of Receipt vouchers (SRV/RV) and issue vouchers (IV) in bin card	Quarterly	100%	Compliance of valuation norm in line with the policy of company.
2	Scrutiny of non-moving items of stores.	Yearly	100%	1) Detail report explaining causes leading for accumulation of non . moving stores in the previous year to be submitted by September. 2) Further consumption from this.
3	Check of receipt voucher pricing (particularly of imported consignment)	Quarterly	100%	Test check once in each quarter.
4	Verification of issue price of capital items	Quarterly	100%	To verify and ensure that capital items are not issued at average price.
G Works contracts including shipping contracts				
1	Work orders value not	Post audit	100%	To list out purchases orders placed in violation of

	exceeding Rs.2lakhs for production items and Rs.1lakhs for non-production items			purchase procedure and DoP.	
2	Final bill of all contracts	Pre-audit	100%		
3	All civil works, electrical maintenance contracts, me	Post Payment audit Monthly	100%		
4	All shipping contracts	Post Payment audit	100%		
5	Recovery and deposit of TDS and works tax etc.	To verify that taxes at source has been recovered as per the stipulated rate and deposited with the appropriate authorities on time.			Any three months
H	Miscellaneous				
1	Excise audit (CENVAT)	Yearly		To verify whether Unit maintains all necessary documents and records in support of CENVAT credit and whether such credit has been taken in terms of provisions of the Act.	100%
2	Capital procurement including expansion programme				To verify capital job value exceeding Rs.2.00 lakhs
3	Royalty	All permitted deductions are taken into consideration in computation of royalty			Review
4	Sales of scrap and discarded assets	Whether Unit is making necessary TDS and TCS on all the transaction			100%
5	Guest house expenses	Monthly			Review and report
6	Deposit of statutory dues within stipulated time				Submit information in format used for tax audit purposes
7	List of assets discarded and held for disposal exceeding three years				Report to be submitted
8	Items wise undisputed statutory dues outstanding for more	Quarterly			To cover in quarterly report

	than six months at the close of financial year				
9	Item wise disputed statutory dues along with amount and forum where it is pending	Quarterly			To cover in quarterly report
10	Suspense account	Monthly			Review and report
11	Analysis of factory and administrative over heads	Quarterly			15% of the transactions.
12	Feed back on capital expenditure	CAPEX exceeding Rs.25 lakhs			Obtain feedback on actual exp. Vis-a-vis CBA as projected in Capital budget proposal.
I	Final accounts				
1	Verification of schedules			To ensure that detail schedule is prepared by the Unit	100%
J	Physical Verification				
1	Physical verification of Fixed Assets				Physical verification of FA at opening of FY by end of November & for additions during the year latest by 15 th April.
2	Physical verification of Stores and Spares	Yearly			
3	Physical Verification of Finished goods, Intermediates, Work-in-progress, DWUP/ SMP output, raw sand purchased from Societies, HUP, output	Quarterly			100% at the end of quarter.