



NATIONAL FERTILIZERS LIMITED
(A Government of India Undertaking)

CIN : L74899DL1974GOI007417

CORPORATE OFFICE

**A-11, Sector-24,
NOIDA-201301 (U.P.)**

REGISTERED OFFICE

**SCOPE Complex, Core-III,
7, Institutional Area,
Lodhi Road, New Delhi-110003**

Notice Inviting Expression of Interest (EOI) for Empanelment of Firms of Chartered / Cost Accountants for Conducting Internal Audit of NFL's Corporate Office, Central Marketing Office located at Noida, Manufacturing Units located at Nangal, Panipat, Bathinda, Vijaipur and Marketing Zonal Offices located at Chandigarh, Bhopal & Lucknow for the Financial Years 2018-19, 2019-20 & 2020-21.

EOI NO:	NFL/ INTERNAL AUDIT /2017-18/1
EOI Date	12.03.2018
EOI Beginning Date & Time	13.03.2018, 09.45 AM
EOI Closing Date & Time	16.04.2018, 05.30 PM

A duly completed filled set of EOI documents are to be submitted under sealed cover to the Chief General Manager (IA), NFL, CO at A-11, Sector-24, Noida 201301 (U.P.) on or before EOI Closing date & time.

Application format

1. Name of the firm
2. Firm registration No.
3. Registration Date
4. No. of years of firm experience
(cut-off date is 31.03.2017)
5. Firm's PAN (attach copy)
6. Firm's GST registration No. (attach copy)
7. Complete Office Address (including Branches, if any)

8. E-Mail ID of the Firm
9. The name, contact number & email ID of the Partner
who shall issue the Internal Audit Report
10. Manpower Details
 - (i) Details of Partners

S.N.	Name of Partner	Whether ISA/DISA Qualified	Location (HO/Branch) indicating City Name	Date of Joining in Firm	Specialization/ Area of Partner	Supporting Documents Page No.

- (ii) Details of Other Audit Staff

S.N.	Name of Audit Staff	Qualification	Location (HO/Branch) indicating City Name	Supporting Documents Page No.

(iii) Experience of Statutory/ Internal Audit assignment in Central Public Sector Enterprises (CPSEs)

S.N.	Company's Name	Type of assignment	Period of assignment	Supporting Documents Page No.

(iv) Experience of Statutory/Internal Audit assignment of Company Listed at BSE/NSE having minimum annual turn-over of Rs. 500 crores.

S. N.	Company's Details		Type of assignment	Period of assignment	Turnover of the Company for the FY 2016-17	Supporting Documents Page No.
	Name	CIN				

(v) Experience of Statutory/Internal Audit assignment of Urea manufacturing Company/Organization/Co-operative Sector.

S. N.	Company's Details		Type of assignment	Period of assignment	Turnover of the company for the FY 2016-17	Supporting Documents Page No.
	Name	CIN				

- vi) Professional Receipts of the firm for the FY 2016-17
(attached certified copy of firm Financial Statements)

11. Preference of ranking for Unit/Office

S.N.	Unit/Office	Preference of Ranking in number
1.	Vijaipur	
2.	CO & CMO	
3.	Panipat	
4.	Bathinda	
5.	Nangal	
6.	Chandigarh	
7.	Lucknow	
8.	Bhopal	

One rank should be given for each above mentioned unit/office.

We confirm that we have not taken any deviation from the specified terms & conditions of the EOI documents. A copy of complete EOI document duly signed and sealed on all pages as a token of acceptance of all terms and conditions as mentioned in attached annexure A.

We confirm that we will execute the Internal Audit Assignment at NFL unit/office from our nearest office/ branch office as mentioned in the copy of certificate of incorporation from ICAI.

It is certified that our audit firm is not debarred/disqualified/black listed by any regulatory/statutory body or Government entity.

Signature of Partner with Seal of the Audit firm

Date :

Annexure A

1. Selection Criteria for empanelment of Audit firms for Internal Audit will be as follows:

Sl. No.	Particulars	Points per criteria	Points	Supporting documents
1.	No. of years of firm experience (minimum 5 years)	5-10 years-5 points 10-15 years-10 points More than 15 years-15 points	15	Copy of certificate of incorporation issued by ICAI
2.	No. of Partners	2 point for FCA partner and 1 point for ACA partner	12	-do-
3.	No. of Qualified ISA/DISA/CISA/CIA partner or employee	2 point per qualified partner or 1 point per employee	4	-do-
4.	Experience of Statutory/ Internal Audit assignment in CPSEs in preceding five FYs. (No. of Assignments)	3 points per assignment	15	Appointment Letter issued by CPSE or C&AG as applicable
5.	Experience of Statutory/ Internal Audit assignment of Company Listed at BSE/NSE having minimum annual turn-over of Rs. 500 crores in preceding three FYs. (No. of Assignments)	3 points per assignment	15	Appointment letter issued by concerned company
6.	Experience of Statutory/ Internal Audit assignment of Urea manufacturing Company/Organization/ Co-operative Sector in preceding three FYs. (No. of Assignments)	3 points per assignment	15	Appointment Letter issued by concerned Company/Organization/ Co-operative Sector
7.	Professional Receipt of the firm (Minimum 25 lakh)	Rs. 25-50 lakh – 6 points More than Rs. 50 Lakh-100 lakh -9 points Above Rs. 100	12	Statement of Un-audited/ Audited Profit & Loss signed by the Member stating Membership no. of such firm.

		lakh-12 points		
8.	Offices Situated in following locations: 1. Delhi including NCR 2. Chandigarh/ Mohali / Panchkula 3. Bhopal /Indore /Gwalior 4. Lucknow/Kanpur	Per Location – 3 point	12	Copy of certificate of incorporation from ICAI.
	Total Points		100	

2. Selection Criteria & Other Terms and Conditions

- i) The top 30 audit firms in descending order securing 60 points (including ties, if any) and above awarded as per selection criteria mentioned above shall be considered for empanelment for a period of 3 years.

The work shall be assigned to the empanelled firm in the following ranking:

Location of Unit/Office	Ranking
i) Vijaipur	1
ii) CO & CMO at Noida	2
iii) Panipat	3
iv) Bathinda	4
v) Nangal	5
vi) Chandigarh	6
vii) Lucknow	7
viii) Bhopal	8

If any of the firm does not accept the assignment offer for any unit/office, assignment offer shall be given to the next firm of the empanelled list (i.e. from ranking 9 onwards) irrespective of the ranking of unit/office. However, in case of tie of the awarded points, preference would be given to the firm that was incorporated earliest.

Assignment shall be awarded to one applicant for one location only. However, any firm from the empanelled list can be assigned any one or two unit/office at the discretion of the NFL if no. of empanelled parties are less.

- ii) NFL, at its discretion, shall evaluate the Assignment of work for the FY 2018-19 & 2019-20 subject to satisfactory performance of the Internal Audit firms based on the following evaluation criteria:

S.N.	Evaluation Criteria	Point Obtained
1.	Commencement & Completion of phase wise internal audit as per time schedule mentioned at S. N. 4 or revised schedule as agreed mutually.	5 –With in time 4- 1 week delay of 3- Two week delay 2-Three week delay 1- Four week delay 0- More than four week
2.	Qualitative discussion of significant observations of audit with Head of Unit/ZO/CO/CMO and Finance Head in each phase	Up to 5

3.	Suggestions given for the improvement	Up to 5
4.	Submission of final report of phase wise internal audit as per time schedule mentioned at S. N. 4 or revised schedule as agreed mutually.	5 –With in time 4- 1 week delay of 3- Two week delay 2-Three week delay 1- Four week delay 0- More than four week
5.	Quality of phase wise Internal Audit report	Up to 5
Total		25

Internal Audit firms should obtain minimum 15 marks during the evaluation of assignment given in previous year (i.e. FY 2018-19 & FY 2019-20) for renewal of assignment for next year (i.e. FY 2019-20 & 2020-21).

3. Scope of Work: Major Areas to be covered during the Internal Audit of Units/CO/CMO/Zonal Offices

- i) Accounts including establishment accounts
- ii) Materials Department & Stores Accounts Section
- iii) Contracts, Works and Bills Payable Section
- iv) Capital Expenditure including Project initiation and approvals & Review of contracts
- v) Human Resource Departments
- vi) Operations
- vii) Township, Guest House, Hospital at all Units and Company funded School (Vijaipur Unit)
- viii) Record Retention & Long Term Storage
- ix) Direct & Indirect Tax Compliance
- x) Invoicing and Trade Receivables for Urea, Industrial Products
- xi) Appointment of Handling & Transportation Contracts
- xii) Import of fertilizers & other tradable items
- xiii) Freight Subsidy Claims
- xiv) CSR and Agricultural extension activities
- xv) Appointment of Dealers & Central Stockiest

Note : Details guidelines for the above areas are attached at annexure 'C'.

4. Time schedule: The Internal Audit for the FY 2018-19 has to be conducted as per Internal Audit Programme of NFL in the following 4 phases:

Phase	Period of Audit	Draft Audit Report by Auditors	Reply by the offices	Final Report to be Submitted by auditors
1 st	April to May	25-06-2018	09-07-2018	16-07-2018
2 nd	June to August	17-09-2018	26-09-2018	03-10-2018
3 rd	September to November	17-12-2018	24-12-2018	31-12-2018
4 th	December to March	10-04-2019	17-04-2019	24-04-2019

The above mentioned time schedule is to be maintained.

5. Deployment of Minimum Staff & Period of Working Days for conducting Internal Audit and Annual Audit Fees

S. No.	Units/ Offices	Minimum number of staff to be deployed & No. of working days in each phase for each Unit/Office	Annual Audit Fees for FY 2018-19 in Rs. (excluding GST)
1.	Vijaipur	i) One Chartered/Cost Accountant for 2 days ii) Four semi qualified persons/ article assistants for 10 days	1,60,000/-
2.	Corporate Office, Noida	i) One Chartered/ Cost Accountant for 2 days.	1,00,000/-
	Central Marketing Office, Noida	ii) Two semi-qualified persons /article assistants for 5 days.	
3.			
i)	Panipat	i) One Chartered/Cost Accountant for 2 days	1,20,000/-
ii)	Bhatinda	ii) Three semi qualified persons/ article assistants for 6 days.	1,20,000/-
iii)	Nangal		1,20,000/-
4.			
i)	Chandigarh	i) One Chartered/ Cost Accountant for 2 days.	90,000/-
ii)	Lucknow	ii) Two semi qualified persons/ articulated assistants for 5 days.	1,00,000/-
iii)	Bhopal		1,00,000/-
		Total	9,10,000/-

* The fee for the subsequent years (i.e. FY 2019-20 & 2020-21) shall be increased @10% p.a.

The Senior Partner/Partner of the firm should also visit the unit/office for 1 day during the II & IV phase audit for discussion of significant observations with the Head of Unit/Office and Finance Head.

In addition to audit fees mentioned above, re-imbursment of Travelling, Boarding, Lodging, Local transport expenses are given in the following manner:

Travelling Expenses	Local Transport	Lodging & Boarding (for non local firms only)
To-and-fro fare limited to 2nd AC Rail fare will be reimbursed against documentary proof for the journey performed by the team of auditors. However, if Partner visits, he may	Local transport at the touring station to and fro Railway Station/Bus Stand and Company's Guest House/Place of Stay to place of work at the units shall be provided	For Vijaipur /Bathinda/ Panipat & Nangal Unit: The lodging will be provided in NFL guest house free of charge. The partner of the firm shall be entitled for VIP accommodation.

<p>travel by rail/own vehicle and reimbursement shall be limited to AC 1st class rail fare. The re-imbusement of Travelling expenses is subject to payment of fare from Delhi/ Nearest firm office to concerned Unit/ Office or actual whichever is lower.</p>	<p>by the company. However, the local transport charges at the originating station, the reimbursement shall be limited to Rs.700/-for partner by Taxi and Auto charges of Rs.200/- for others audit team members.</p>	<p>However, boarding charges in NFL guest house will be reimbursed to the firm on submission of bill limited to Rs 200/- per audit team member per day and Rs 350/- for the partner per day.</p> <p><u>For ZO Bhopal/ Chandigarh/ Lucknow and CO & CMO:</u></p> <p>The lodging & boarding charges for partner will be Rs. 3000/- per day and Rs. 1300/- for other audit team members per day per person, or actual whichever is lower</p>
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Note : The charges for Travelling Expenses and Lodging & Boarding shall be reimbursed on submission of documentary evidence and Local Transport shall be reimbursed on submission of self certificate provided by individual team members.

6. **Payment Terms:** The payment of audit fee would be made in terms of percentage specified below on submission of final audit report and Invoice, phase- wise (as mentioned at Para 5). The payment will be verified and released by F&A Department of concerned Office/Units/Zone, subject to deduction of Income –Tax at source as applicable.

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

The payment would be released on Phase basis (for all the offices/units/Zones), as under:

S. N.	Phase/ Period	% of Total Fee Payable
1.	1st Phase. (April to May)	20 %
2.	2nd Phase (June to August)	25%
3.	3 rd Phase (Sept. to Nov.)	25%
4.	4 th Phase (Dec. to March)	30%

7. **Reporting Requirements**

Internal Audit Reports should be divided into following parts namely:

i) Part I- Significant Observations and Reservations:

This part should contain the internal auditor's comments on all such Significant Observations and Reservations, if any, for conducting the internal audit which the internal auditors should bring to the notice of management, along with their financial implications, if any and risk associated with the observation. This part should also bring out deviations or non compliance by Units/ZO/CO & CMO from policies, system and procedure prescribed by NFL. The observations should be self contained paras with appropriate titles and report should be as per annexure 1.

ii) Part II- Final Audit Report and Executive Summary:

This part should contain the internal auditor's observations on routine working indicating each area as mentioned in para 2 regarding scope of work along with compliances, if any, on the earlier period report. The observations should be self contained paras with appropriate titles and report should be as per annexure 2.

The report should also contain references to areas where no adverse observations have been noted. In respect of other areas, specific suggestions for improvement, if any, may also be highlighted for each area.

The report should be supplemented by a statement indicating particulars of records checked along with their volume and value as compared to the total volume and value of the transactions.

iii) Part III : This part should contain the internal auditor's report on

(a) Surprise Check on Weighment of Industrial Products (applicable to ZO only) - as per annexure 3

(b) Surprise Check of Rake at Unloading Point (applicable to ZO only) - as per annexure -4

(c) Surprise Check of Private Warehouse (applicable to ZO only) - as per annexure -5.

The following may also be kindly ensured by Internal Auditors:

- i) A detail indicating the audit staff deployed their designation and the period of audit in each phase.
- ii) The observations of audit should be discussed with Head of Unit/ZO/CO/CMO and Finance Head in each phase. The report should be prepared after duly taking in to account the additional information that may be provided/obtained during such discussions.
- iii) The reports are to be submitted in two copies for each phase of audit. One copy addressed to CGM(IA), C.O. at Noida and Second copy should be addressed to Head of Unit/ZO/CO/CMO. Soft Copy of the full report will also be mailed on the email-ids provided in due course.

8. GENERAL TERMS AND CONDITIONS

- i) This EOI is only for the purpose of empanelment of Firms and does not guarantee/assure allotment of Internal Audit/any other assignments.
- ii) Only empanelled firms will be intimated about the decision on empanelment.
- iii) The Company reserves its right to accept or reject any application(s) without assigning any reasons thereof. The decision of the NFL for empanelment of Firms shall be final and binding upon the firms participating in the process of empanelment.

- iv) The Internal Auditor will ensure that the information obtained in respect of the working /operation of the NFL is maintained in strict confidence and secrecy at all times, including after the completion of the assignment. All such information shall remain exclusive property of NFL at all the times. A certificate towards maintaining confidentiality is to be provided by the Audit firm at the time of acceptance of Audit assignment.
- v) If progress/performance of the audit team is not found satisfactory, NFL's management reserves the right to terminate the appointment of the Firm, without assigning any reason whatsoever.
- vi) No request for change of Office/Branch office shall be entertained during the assignment period.
- vii) The Audit Firm will be debarred from getting, in future, Internal Audit assignments in NFL in the following cases:
 - a. If the Firm obtains the appointment on the basis of misrepresentation of information / misstatement of facts at the time of submission of application/documents along with EOI.
 - b. The Audit Firm is found to have sub-contracted the work.
 - c. If the Firm does not take-up audit in terms of the appointment letter.
 - d. If the Firm does not submit the Audit Report, complete in all respects in terms of the appointment.
 - e. If an applicant resorts to any frivolous, malicious or baseless complaints/ allegations with an intent to hamper or delay the EOI process or resorts to canvassing/ rigging/ influencing the EOI process.

9. Requirements for application to be considered Valid.

- i) Application should be in typed format only.
- ii) Incomplete application would be summarily rejected. The application should be unconditional. Conditional application would be summarily rejected.
- iii) The applicant is not entitled to any compensation for the expenses incurred in connection with the preparation and submission of application.
- iv) NFL takes no responsibility for delays, loss or non-receipt of documents or any letters sent by post/courier either way and also reserve the right to reject any offer in part or full without assigning any reasons thereof.
- v) NFL shall always be at liberty to reject or accept any offer or offers or part thereof at its sole discretion. The submission of offer shall have no cause of action or claim against NFL for rejection of offer. The firm, whose offer is not accepted shall not be entitled to claim any costs, charges and expenses incidental to or incurred in connection with submission of offer or its consideration by NFL, even though NFL may opt to modify/withdraw the terms and conditions laid down in EOI or does not accept the offer or cancel the EOI as a whole.
- vi) No Firm engaged for Internal Audit work will be allowed to sub-contract the job awarded to it.

vii) All the documents should be signed by a Partner with his/her name under the seal of the firm.

viii) Applications must be submitted under sealed cover mentioning the EOI notice no. NFL/INTERNAL AUDIT/2017-18/1 & date 12.03.2018 and the words '**Application for empanelment of Internal Auditors for Financial Years 2018-19, 2019-20 & 2020-21**' addressed to CGM(IA), NFL, CO, A-11, Sector-24, Noida-201301 (U.P.). The name and address of the firm must also be indicated on the envelope itself.

10. Action against the Successful applicant

Failure to act according to EOI conditions, non-fulfillment of any or whole of the contract may entail de-listing of the firm in addition to taking other appropriate action against the Firm.

11. Arbitration

"Except where otherwise provided in the contract all matters, questions, disputes or differences whatsoever, which shall at any time arise between the parties hereto, touching the construction, meaning, operation or effect of the contract, or out of the matters relating to the contract or breach thereof, or the respective rights or liabilities of the parties, whether during or after completion of works or whether before or after termination shall after written notice by either party to the contract be referred to Chairman & Managing Director, National Fertilizers Limited for appointment of Arbitrator.

The Arbitration proceedings shall be governed by the Arbitration & Conciliation Act, 1996, The Arbitration & Conciliation (Amendment Act 2015) or any further statutory modification or re-enactment thereof and the rules made there under.

If the arbitrator to whom matter is referred, vacates his/her office by any reason whatsoever then the next arbitrator so appointed by the authority referred above may start the proceedings from where his predecessor left or at any such stage he may deem fit."

"It is agreed by and between the parties that in case a reference is made to the Arbitrator or the Arbitral Tribunal for the purpose of resolving the disputes/differences arising out of the contract by and between the parties hereto, the Arbitrator or the Arbitral Tribunal shall not award interest on the awarded amount more than the rate SBI PLR/Base Rate applicable to NFL on the date of award of contract.

12. Jurisdiction

In respect of all EOI conditions, the decision of NFL shall be final and binding. The venue of the Arbitration shall be Delhi & Delhi courts will have exclusive Jurisdiction.

Annexure -B

List of Documents to be attached along with the application/EOI

Interested firms are advised to go through the contents of the EOI documents carefully and submit the **self attested copies** of the following documents in proper sequence along with the EOIs as described hereinafter:

1. Typed Application to be filled & signed.
2. Latest Registration certificate of the firm issued by The Institute of Chartered Accountants of India/The Institute of Cost & Management Accountants of India
3. Certificate of DISA/CISA, if any, issued by the respective Institutes
4. Copies of Appointment letter showing experience of Statutory/ Internal Audit assignment in Central Public Sector Enterprises (CPSEs) in preceding five FYs.
5. Copies of Appointment letter showing experience of Statutory/Internal Audit assignment of Company Listed at BSE/NSE having minimum annual turn-over of Rs. 500 crores in preceding three FYs.
6. Copies of Appointment letter showing experience of Statutory/Internal Audit assignment of Urea manufacturing Company/Organization/Co-operative Sector in preceding three FYs.
7. Copy of profit & loss accounts of the firm for the year ended 31.03.2017 showing professional receipts of the firm
8. Copy of PAN
9. Copy of GST Registration

Annexure – 1

File No. _____

Dated: _____

Audit Committee of Board of Directors,
National Fertilizers Limited,
New Delhi.

**Subject: Significant Observations of Internal Audit in respect of
_____ (Unit/Office) for the period _____ to _____**

Non-Technical Audit

Sirs,

We have conducted the Internal Audit of _____ (Unit/Office) for the period
_____ to _____. The significant points observed during the Audit are
indicated below for kind information and necessary action :

S.N.	Audit Queries/Observations	Reply as given by the Auditee Unit/Office	Internal Auditor's final Comments/Suggestions	Associate Risk (High/Medium /Low)

Thanks,

Yours faithfully,

(Signature)

Name & Address of the Auditors/Firm

Annexure – 2

File No. _____

Dated: _____

**Final Audit Report and Executive Summary of _____ (Unit/Office) for the
Period _____ to _____.**

Non-Technical Audit

S.N.	Audit Queries/Observations	Reply as given by the Auditee Unit/Office	Internal Auditor's Final Comments/Suggestions

Signature

Name & Address of the Auditors/Firm

REPORT ON SURPRISE CHECK ON WEIGHMENT OF INDUSTRIAL PRODUCTS

Report No. _____

Dated: _____

1. Name of the Product :

2. i) D.I.No. and date :
ii) Qty. as per D.I. :

3. Date and time of Surprise Check :

4. Particulars of tanker/truck:
 - i) Tanker/Truck No. :
 - ii) Capacity of the tanker/truck
 - a) Gross Weight :
 - b) Tare Weight :
 - c) Net Weight Loaded :
 - iii) Weight found on surprise check :
 - iv) Discrepancy, if any :

5. Remarks if any :

(Signature)
NFL Representative

(Signature)
Driver

(Signature)
Internal Auditor

REPORT ON SURPRISE CHECK OF RAKE AT UNLOADING POINT

Report No. _____

Dated: _____

1. Name of the Rail Head :
2. State :
3. Wagon Particulars:
 - i) RR Number & Date :
 - ii) Wagon No. :
 - iii) Product :
 - iv) Quantity :
 - v) Date of Arrival :
 - vi) Weather Condition at the time of Unloading :
 - vii) Condition of Seal at the time of Unloading :
 - viii) Condition of the Wagon:
 - Roof
 - Floor
 - Door
 - Others causing damage to Bags
 - ix) Number of Bags Damaged :
 - x) Number of Bags Mended :
 - xi) Number of Bags Requiring Standardization :

(Signature)
NFL Representative

(Signature)
H&T Contractor

(Signature)
Internal Auditor

REPORT ON SURPRISE CHECK OF PRIVATE WAREHOUSE

Report No. _____

Dated: _____

1. Location :

2. Address :

3. Date of Inspection :

4. Observations:-

- i) Stack Size and Height
- ii) Physical Stock vs. Book Stock
- iii) Number of Empty Bags Available
No. of Bags _____ Since When _____
- iv) Quantity of Damaged Stock
- v) Standardization proposed to be taken up on
- vi) Material in transit

Details of RR Nos.	Date	Product	Qty. in MT

vii) Any leakage from the roof or sides

viii) Nature of Dunnage provided

5. Last report sent by Warehouse on :

6. Latest bill sent on :

7. Details of bills pending :

8. Overall Comments :

(Signature)
NFL Representative
Name:

(Signature)
Warehouse In-charge

(Signature)
Internal Auditor

Designation: