



INTERNAL AUDIT DEPARTMENT

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED  
(A Government of India Undertaking)

REGISTERED OFFICE  
UDYOGAMANDAL, ELOOR, KOCHI,  
KERALA 683501.

TENDER NO: -01/FACT/INTERNAL AUDIT /2019-22

Tender for Appointment as Internal Auditors for  
Non-technical function in FACT

Last Date & Time of Receipt of Tender: 11.00 am on 20.03.2019

Date and Time of Opening of Bid Documents : 11.00 A.M on 21.03.2019

At Venue: Registered Office

THE FERTILISERS AND CHEMICALS TRAVANCORE LIMITED,  
Udyogamandal, Eloor, Kerala 683501.

CIN L24129KL1943GOI000371

GSTIN : 32AAACT6204C1Z2

Phone: 0484 – 2545022/2567340

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INTERNAL AUDIT DEPARTMENT  
NOTICE INVITING TENDER

1.0 FACT Profile:

The Fertilizers and Chemicals Travancore Limited., popularly known as FACT set up the first large scale Nitrogenous factory in the country in 1944, on the banks of Periyar at udyogamandal, near the Cochin Port. From a single product fertilizer plant of the forties, FACT has through the years grown into a large multi-product, multi-divisional corporation today - a legend of our times and triumph of the public sector.

FACT's two fertilizer manufacturing divisions at [Udyogamandal](#) and [Cochin](#) together have so far produced and distributed millions of tonnes of fertilizer nutrients, which has helped farmers to produce over 50 million tonnes of food grains.

[FACT's marketing division](#) has a well-organised sales network, which ensures that even the farmer in the remotest village is fully benefitted through its agronomy and rural development services.

The rich fund of expertise, experience and skills gained over the years in manufacturing units of FACT were pooled together in the mid-sixties to form two separate engineering divisions, [FACT Engineering & Design Organization \(FEDO\)](#) & [FACT Engineering Works \(FEW\)](#). These two divisions between them cover the entire spectrum of consultancy and engineering services and have contributed a great deal to attain self-reliance in fertilizer and chemical technology in the country.

In 1990, FACT further diversified into the field of petrochemicals by setting up a [Carprolactam unit](#). Today, FACT is on the threshold of further diversification and backward integration.

The Registered office is situated at Udyogamandal, Eloor, Cochin.

1.2 FACT is a leading producer and marketer of Complex fertilizers and Ammonium Sulphate industrial products in India. FACTAMFOS (20:20:0:13) is the flagship brand of the company. The Company also manufactures and markets AMMONIUM SULPHATE fertilizers under the brand name FACT Ammonium Sulphate, Bio-fertilizers in addition to traded products like Urea, MOP and a wide range of industrial products like Caprolactum, Nitric Acid, etc.

1.3 FACT is a listed company with an authorized share capital of Rs.1000crore and paid up capital of Rs.647.07 crore. The shares of the company are listed at National Stock Exchange (NSE).

1.4 FACT operates under the administrative control of the Ministry of Chemicals & Fertilizers, Department of Fertilizers, Government of India.

1.5 Further details regarding the operational and financial performance of the company including Annual Reports of the Company is available on company's website [www.fact.co.in](http://www.fact.co.in).

### **1.6 Financial Accounting & Reporting Systems at FACT:**

FACT maintains Books of Accounts as required under the applicable regulations and statutes. The Company's books of accounts are maintained in SAP ERP systems and FACT has implemented various SAP modules i.e. FI/CO, MM, PP, PM, SD, HR/Payroll etc. The accounts of the Company are prepared Profit Centre / Cost Centre wise, with each Profit Centre / Cost Centre representing areas of operation like Head office, Udyogamandal Division, Cochin Division, Petrochemical Division, FEDO, FEW and Marketing divisions and Corporate Office based on which the accounting and operations are recorded and controlled. The company prepares Interim and Annual financial results as per the Companies Act 2013 and the listing Agreements with the Stock Exchanges.

### **1.7 Present scenario of Internal Audit**

The Company has a well-defined Internal Control System that is adequate and commensurate with the size and nature of its business comprising an in-house Audit Department, which conducts internal audit of various operational and financial matters on on-going basis.

As required by the Companies Act, 2013, the Audit Committee has formulated the Scope, Functioning, Periodicity and Methodology for conducting the Internal Audit.

### **1.8 Reporting to Audit Committee:**

The significant observations along with suggestions made in the audits performed, replies received from the auditees and Internal Audit department's further comments are put up to the Audit Committee for their review and further directives, if any, on quarterly basis. The directives received from the Audit Committee are communicated to the concerned departments for compliances.

The Action Taken Reports by the concerned section in respect of directives are also put up to Audit committee. The performance of the Audit department as regards to the audits conducted during the previous quarter is also reviewed by Audit Committee.

## **2.0 Tender:**

2.1 Sealed bids are invited in two bid system (Technical and Financial/Price bids) by The Fertilizers and Chemicals Travancore limited from the firms of Chartered Accountants/ Cost Accountants Firms or LLPs for Pre-qualification and Appointment as Internal Auditors for the period from 01.04.2019 to 31.03.2022 for audit of the following areas:

(i). Head Office (including review of Annual Accounts), Udyogamandal Complex (UC), Marketing Head Office and FEDO situated in Udyogamandal, Cochin Division (CD) situated in

Ambalamedu (30 Kms from Udyogamandal) and FEW situated in Palluruthy (25 Kms from Udyogamandal).

(ii) Outside Marketing offices of Marketing Division. The list of Storage points with Zonal Wise Marketing Area offices is enclosed at **Annexure I**

2.2 The Pre-qualified firms would remain valid for a period of three years.

### **3.0 Eligibility Criteria for pre-qualification:**

Eligibility for prequalification is limited to CA/CMA firms on Partnership/LLP. The pre-qualification criteria for the firms are given below:

#### **A. MANDATORY:**

3.1 The firm (Partnership/LLP etc.) should be in practice for the **past 10 years** as on the date of submission of Tender. (Supported by date of Incorporation certificate issued by Institute of Chartered Accountants of India/ Institute of Cost Accountants of India).

3.2 The firm should have **at least 3 full time** Chartered Accountants / Cost Accountants, (inclusive of two full time partners/directors) as on the date of submission of Tender (supported by copy of Constitution certificate of the firm issued by Institute of Chartered Accountants of India/ Institute of Cost Accountants of India)

3.3 The firm should have **at least 3(Three) semi-qualified** assistants as on the date of submission of Tender (supported by institute documents)

3.4 The firm should have **at least 10(Ten) Audit staff/assistants / Article clerks** as on the date of submission of Tender.

3.5 The firm should have experience in conducting Statutory Audit or Internal Audit for **at least 10(Ten) companies** (Registered under Companies Act) as on the date of submission of Tender.

3.6 (a). Out of the 10 Companies as mentioned at 3.5 above, for getting eligible for the area mentioned at 2.1(i) above, i.e., Corporate Head office, Udyogamandal, the firm should have experience in **at least 3(Three) manufacturing companies having Annual Turnover of at least Rs. 500 Crore each during last 7 years** and out of these 3 manufacturing companies, **at least one** should be a **listed company**.

(b). Out of the 10 Companies as mentioned at 3.5 above, for getting eligible for the area at 2.1(ii) above, i.e., Outside Marketing offices of Marketing division, the firm should have experience in **at least 3 companies having Annual Turnover of at least Rs.500 Crores each during last 7 years** and out of these 3 companies, **at least one** should be a **listed company**.

## **B. NON-MANDATORY**

3.7 The firm have experience in conducting audit in **SAP ERP system (MM, SD & FICO module)** in **at least 1 manufacturing company/ organization/co-operative** having Annual Turnover of at least Rs. 500 Crore each during last 7 years (to be supported by documents by the firm).

3.8 The firm having experience in conducting Statutory Audit or Internal Audit in **at least one fertilizers manufacturing Company/organization/co-operative** having Annual Turnover of Rs. 500 Crore or more each during last 7 financial years will be given weightage in selection.

3.9 The firm having experience in the area of Direct, Indirect taxation, GST and IND AS will be given weightage in selection.

3.10 The firm having Registered / Head office or Branches in the Southern states i.e., Kerala, Tamil Nadu, Karnataka, Andrapradesh and Telangana will be given weightage in selection.

**The firms, which are not fulfilling any of the mandatory pre-qualification criteria, will not be considered.**

### **4.0 Submission of Bids**

4.1 **Part A - PRE-QUALIFICATION- BID** shall contain the following

- a) Annexure A – Scanned copy of General Terms & conditions duly signed with seal towards acceptance.
- b) Annexure B –Scanned copy of Declaration sheet duly signed with seal.
- c) Annexure C—unpriced bid
- d) Annexure E – Application form for Internal Audit Assignment along with Annexures E1 to E9 duly signed with Seal.
- e) Annexure F-Scanned copy of Undertaking duly signed with Seal.
- f) Annexure G-Scanned copy of List of Documents to be attached.
- g) Scanned copy of Documents in support of Pre-Qualification Bid mentioned at Para 3 above duly signed with seal.

### **4.2 Part B Price Bid:**

a) Price Bid i.e. Bill of Quantity (BoQ ) attached to the enquiry shall be uploaded after filling all relevant information such as name of The bidder in Financial Bid, lump sum fee that is inclusive of Travelling, Boarding, Lodging and all other expenses but excluding Taxes for conducting the assignments are to be quoted.

b) The priced BoQ shall be uploaded strictly in the format attached with the enquiry, failing which the offer is liable to be rejected. Renaming or changing format of the BoQ sheet will not be accepted by the System.

c) Please fill-in all the relevant fields. Blank fields in the uploaded BoQ shall be taken as that particular tax / duty / charge is not applicable or as included in the basic price. No claim afterwards will be entertained.

d) Prices shall be quoted only in the prescribed BoQ and those indicated elsewhere, if any, shall not be considered.

e) BoQ shall be uploaded only in Part B

f) Bidders shall quote the unit prices in figures strictly in the order of serial numbers and units as per the Price Bid (BOQ). The rates of all applicable taxes/duties shall be clearly indicated. The prices shall be firm without any escalation on any account till the order is completely executed.

g) Both Part-A and Part-B of the Bid shall be uploaded with all relevant documents before due date & time in the above portal. The system does not allow submission of bids or any other document forming part of the bid after the due date & time of bid submission. Non-submission of any document or submission of incomplete documents may result in rejection of offers.

h) Timely submission of offers along with all the relevant documents online is the responsibility of the bidders. The bids shall be submitted well in advance to avoid last minute issues like non availability of internet, server etc., FACT shall not be held responsible for bidder's inability to submit documents in time due to power failure, non-availability of internet etc., and for incomplete submission of offers or non-submission of any documents forming part of the offers.

### **5.0 Bid Opening**

a) Part-A of the bids of all bidders who submit their Bid as per the instructions by the due date and time as above and which are in conformity with the instructions specified in the enquiry documents shall be opened online, on the specified bid opening date & time.

b) Part-B - Price bids of bidders whose Part-A bid is found acceptable based on pre-qualification evaluation only will be opened on a subsequent date. Price bid opening date & time shall be intimated to the qualified bidders by email through the system.

c) . In Financial Bid, lump sum fee that is inclusive of Travelling, Boarding, Lodging and all other expenses but excluding Taxes for conducting the assignments are to be quoted.

6.0 The scope of work, extent and periodicity of checking, reporting formats etc. are mentioned in Annexure-D enclosed. It may be noted that the scope as given under this Annexure is **only indicative and not exhaustive**. The Audit Plan for the year 2019-20 will be finalized with some replacement/ addition/deletion etc. The number of Audit reports can vary by +/-10%. The firm may be asked to look into any other activity as may come to the notice during the course of audit and/or render any advice/opinion in the area of audit.

7.0 Time schedule: The Internal Audit has to be conducted as per Audit Plan of FACT (Placed at Annexure D) in the following 12phases:

- Phase I April 2019 to June 2019
- Phase II July 2019 to September 2019
- Phase III October 2019 to December 2019
- Phase IV January 2020 to March 2020
- Phase V April 2020 to June 2020
- Phase VI July 2020 to September 2020
- Phase VII October 2020 to December 2020
- Phase VIII January 2021 to March 2021
- Phase IX April 2021 to June 2021
- Phase X July 2021 to September 2021
- Phase XI October 2021 to December 2021
- Phase XII January 2022 to March 2022

The Audit Reports are required to be submitted as per following schedule:

#### Time Schedule for Phase Audit Reports

Period of Audit	Draft Audit Report submission by Auditors	Reply by FACT Offices	Final Report along with draft significant observations to be submitted by auditors
SApril to June 2019	On or before 7th day of July 2019	Within 15 days from receipt of draft report.	Within 7 days from date of reply of draft report
July to September 2019	On or before 7 <sup>th</sup> day of October 2019	--DO--	--DO--
Oct to Dec 2019	On or before 7th day of Jan 2020	--DO--	--DO--
Jan to Mar 2020	On or before 7th day of April 2020	--DO--	--DO--
Apr to June 2020	On or before 7th day of July 2020	--DO--	--DO--
July to Sept 2020	On or before 7th day of Oct 2020	--DO--	--DO--
Oct to Dec 2020	On or before 7th day of Jan 2021	--DO--	--DO--
Jan to Mar 2021	On or before 7th day of April 2021	--DO--	--DO--
Apr to June 2021	On or before 7th day of July 2021	--DO--	--DO--
July to Sept 2021	On or before 7th day of Oct 2021	--DO--	--DO--
Oct to Dec 2021	On or before 7th day of Jan 2022	--DO--	--DO--
Jan to Mar 2022	On or before 7th day of April 2022	--DO--	--DO--

- a. The Final audit reports with Executive Summary and Significant observations of Auditors (**Attachment 4 & 5 to ANNEXURE – D**) are to be submitted to FACT Head of Internal Audit Department for issue to concerned Auditee department.
- b. The replies to the reports will be received by FACT Head of internal Audit department and forwarded to the concerned Internal Audit firm.
- c. All the working papers during course of audit will be the property of the FACT and handed over to Head of Internal Audit (FACT) on submission of final audit report.

8.0 The selected firms would have to deploy sufficient number of Chartered Accountant/ Cost Accountant, semi-qualified persons and article assistants / Audit staff for reasonable duration of time for conducting and completion of each Audit report.

The indicative chart of expected deployment of minimum staff / man-days for conducting Internal Audit is given below.

Sl. No	Units / Offices	Minimum No. of Staff	Minimum No. of Man-days
1	Corporate Head office	i) One Chartered/Cost Accountant. ii) One semi-qualified person. iii) Two Audit staff / article assistants.	10 Man-days in 3 months period
2	Udyogamandal Complex	i) One Chartered/Cost Accountant. ii) Two semi-qualified person. iii) Two Audit staff / article assistants.	55 Man-days in 3 months period
3	Cochin Division / FEW	i) One Chartered/Cost Accountant. ii) One semi-qualified person. iii) Two Audit staff / article assistants.	20 Man-days in 3 months period
4	Marketing Head office	i) One Chartered/Cost Accountant. ii) One semi-qualified person. iii) Two Audit staff / article assistants.	10 Man-days in 3 months period
5	Marketing State / Zonal / ASC / SPD / Pvt Warehouses	i) One Chartered/Cost Accountant. ii) Two semi-qualified person. iii) Two Audit staff / article assistants.	60 Man-days in 3 months period

### 9.0 Coverage of Audit Period:-

For Head office, Udyogamandal complex, Cochin Division, FEW and Marketing Head office the period of audit will be **previous 12 months** (one year period) for each program and with respect to Marketing outside offices **previous 3 months for every quarter** for all the State / Zonal / ASC / SPD / Private Warehouses.



## 10.0 Payment Terms:-

The details of minimum total audit reports to be covered during 2019-20 are given at **Attachment 1 to ANNEXURE – D**. The minimum number of audit reports to be evenly phased out and covered during each phase will be **21** and **167** reports for the areas of Head office and Marketing outside offices respectively for the year 2019-20. Similarly, based on Audit Plan for 2020-21 and 2021-22, the minimum number of audit reports are to be evenly phased out during each phase within the respective years. The payment of audit fees would be made in terms of percentage specified below within 30 days from submission of these minimum number of final audit reports, summarized executive reports and significant observations pertaining to that phase along with tax Invoice. The tax invoice will be verified and certified by FACT Internal Audit Department and payment will be released by Finance Department, subject to deduction of Income –Tax at source as applicable from time to time.

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

The payment would be released on Phase basis (for both the areas), as under:

S. No.	Phase/ Period	% age of Total Fee Payable
1	April 2019 to June 2019	8.33%
2	July 2019 to September 2019	8.33%
3	October 2019 to December 2019	8.33%
4	January 2020 to March 2020	8.33%
5	April 2020 to June 2020	8.33%
6	July 2020 to September 2020	8.33%
7	October 2020 to December 2020	8.33%
8	January 2021 to March 2021	8.33%
9	April 2021 to June 2021	8.33%
10	July 2021 to September 2021	8.33%
11	October 2021 to December 2021	8.33%
12	January 2022 to March 2022	8.33%

**110 Period of Contract:** The period of contract will be from 01.04.2019 to 31.03.2022.

### 10.0 General:

**a. Tender Ref. No. : 01/FACT/INTERNAL AUDIT /2019-22**

**b. Last Date and Time for receipt of offer: 11.00 am on 20.03.2019**

**c. Date and Time of opening of Technical Bid: 11.00 a.m. on 21.03.2019**

**d. VALIDITY OF BIDS: Validity period of Bids should be up to 31.05.2019. No revision in the bids would be allowed during the validity period of the bids.**

e.The Applicants can apply / quote for one or both the areas as per para 2.1 above, however, assignment shall be awarded for only one area to an applicant / bidder.

f.The tender documents are available at FACT website [www.fact.co.in](http://www.fact.co.in) and CPP portal at [www.eprocure.gov.in](http://www.eprocure.gov.in) / <https://eprocure.gov.in/eprocure/app> . The tender has to be uploaded through online in the cpp portal(Only Online Tender Bid Submission).  
Helpline Number : 9497334230/04842568374

g. Every page & supporting document forming part of the tender need to be numbered, signed & sealed by the bidders.

For further details log on to [www.fact.co.in](http://www.fact.co.in) & [www.eprocure.gov.in](http://www.eprocure.gov.in)

In case of requirement of any further information, please feel free to contact the undersigned.

**M. Aravindan**  
**Asst. Gen. Manager (IA)**

Encl:

1. General Terms & Conditions (**Annexure-A**)
2. Declaration Sheet (**Annexure-B**)
4. Scope of work, Quantum, periodicity and Reporting Formats (**Annexure-D**)
5. Application form for Internal Audit Assignment (**Annexure E along with its proforma under Annexure E1 to E9**)
6. Undertaking format (**Annexure F**)
7. List of documents to be attached (**Annexure G**)