

## **FERRO SCRAP NIGAM LIMITED**

(A Govt. of India Undertaking, Mini Ratna-II, IMS Certified Company)

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### **TENDER NOTICE NO. TN-08/2016-17**

#### **TENDER DOCUMENT**

**For**

**ENGAGEMENT OF INTERNAL AUDITORS FOR THE  
FINANCIAL YEAR 2017-18, 2018-19 & 2019-20.**

<b>Annexure</b>	<b>Description</b>	<b>Page No.</b>
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LAST DATE FOR BID SUBMISSION 06.03.2017 TIME 1430 HRS.

(G.C. NAIDU)  
DGM (MM)

**SUBJECT: NOTICE INVITING TENDER FOR ALLOTMENT OF INTERNAL AUDIT  
FOR THE YEAR 2017-18, 2018-19 & 2019-20**

1. Ferro Scrap Nigam Limited(FSNL), a Government of India Undertaking having its Units at Bhilai(Chhattisgarh), Bokaro (Jharkhand), Burnpur, Durgapur (West Bengal), Duburi, Rourkela (Odisha), Visakhapatnam(Andhra Pradesh), Salem (Tamil Nadu), Bhadravati, Bengaluru(Karnataka), Mumbai(Maharashtra), Haridwar (Uttarakhand) and Corporate Office in Bhilai (Chhattisgarh) invites offer from reputed Audit Firms to provide service as Internal Auditor of FSNL for the financial years 2017-18, 2018-19 & 2019-20 on the same rate, terms & conditions.

- (i) The tender document that can be downloaded from FSNL's website: [www.fsnl.nic.in](http://www.fsnl.nic.in) will be available for download from : 04.02.2017
- (ii) Last date of Submission of Tender Document : 06.03.2017 at 1430 hrs.
- (iii) Date of opening of Techno Commercial Bid : 06.03.2017 at 1500 hrs.

2. **SCOPE OF WORK:**

The scope of Internal Audit of FSNL for the Financial Year 2017-18, 2018-19 & 2019-20, will be as per Annexure-III.

3. **FEES:**

Fees and out of pocket expenses should be quoted separately on lump sum basis per year. Fees should be quoted exclusive of Service Tax. The rates to be quoted as per Cluster mentioned in Annexure –IV & it should be kept firm for all the years (ie. 2017-18, 2018-19 & 2019-20).

4. **PAYMENT TERMS:**

Payment will be made on quarterly basis on submission of bill.

5. **ELIGIBILITY CRITERIA** (certified copy of testimonial to be enclosed):

- a) The Audit Firms shall be in existence for a minimum period of five years and have Annual Turnover of audit firm shall be at least Rupees Twenty Five Lakhs (Rs.25,00,000/-) .

For the purpose of ascertaining parameter of Turnover of the bidder, average turnover of the bidder for the previous three financial years shall be considered.

In the techno-commercial bid, the bidder shall submit a 'certificate of compliance' to the effect of the above.

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- b) Should have Headquarters/Branch Office in Bhilai/Durg/Raipur.
- c) No. of qualified Assistants (Chartered/Cost Accountants) employed in the firm should not be less than 2 persons. In case of Partnership firm Nos. of Partners can also be considered in this purpose.
- d) No. of semi-qualified Assistants (Chartered/Cost Accountants) employed in the firm should not be less than 4 persons.
- e) Firms need to quote on Cluster Basis as mentioned in Annexure IV.
- f) The Company reserves its right to accept or reject any bid(s) without assigning any reasons thereof. The decision of the Company will be final and binding upon the parties participating in the tender.

6. **TERMS AND CONDITIONS:**

- a) Validity of job order: The validity of the contract will be for a period of three years starting from financial year 2017-18 for conducting Internal Audit.
- b) Completion of Job: Time being the essence of the contract all the Internal Audit of each quarter shall be completed within the next month after completion of the each quarter. It is also expected that the Internal Audit has to commence w.e.f. the award of the work.
- c) Payment Terms: Payment shall be released within 30 working days from the date of submission of bill by the Firm(s) after issuance of Internal Audit Report to the satisfaction of FSNL. No advance payment shall be made.
- d) Acceptance/Rejection of Bids: The Management of FSNL reserves the right to reject all or any bids without assigning any reason whatsoever.
- e) Termination of contract in case of non-compliance of terms & conditions of engagement or non-submission of report in time or unsatisfactory performance. Evaluation of the firms will be made Cluster wise.
- f) Dispute: In case of any dispute arising during execution of contract, an amicable solution may be arrived at with discussion and reconciliation. However, in case of any dispute remaining unresolved, decision of Management of FSNL will be final and binding on both the parties to the Contract.
- g) Firms who fulfill the above minimum criteria may download the Tender Document from [www.fsnl.nic.in](http://www.fsnl.nic.in).
- h) Offer submitted without Integrity Pact will be summarily rejected without assigning any reason.

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- i) Audit firms to whom the work will be awarded shall not be allowed to subcontract the work to any other parties either in part or full.
- j) Reports are to be submitted to Deputy General Manager(F&A), FSNL as per scope of work.

7. **TENDER SUBMISSION:**

Tender will be submitted in 'TWO' separate sealed envelopes as below:

All the two (2) envelopes should be numbered clearly and super scribed with our Tender ref. number, date, Title, Bid opening Date and bidder's name and address. All the two (2) envelopes may be enclosed within a single envelope; however bidder should mention the related details on each envelope.

Envelope-I shall consist of forwarding letter in (Annexure-I) and Qualifying Requirement(QR)/Eligibility criteria documents, Technical offer, Name of firms where such services have been provided, PAN, Service Tax registrations& commercial terms & conditions in Annexure II. Envelope-I should be superscribed as "TECHNO-COMMERCIAL BID".

Envelope-II shall consist of Price Bid (as per Annexure-IV) duly superscribing as "PRICE BID".

Above two envelopes enclosed in the one envelop clearly superscribing Tender details and contents inside the envelope (Envelope-I & Envelope-II) details shall be submitted by the bidder on schedule date and time as indicated in Tender.

8. **TENDER OPENING:**

- a) Complete Schedule/Submission Schedule
  - (i) The tender document that can be downloaded from FSNL's website: [www.fsnl.nic.in](http://www.fsnl.nic.in) will be available for download from : 04.02.2017
  - (ii) Last date of Submission of Tender Document : 06.03.2017 at 1430 hrs.
  - (iii) Date of opening of Techno-Commercial Bid : 06.03.2017 at 1500 hrs.
  - (iv) Date of opening Price bid : (will be intimated separately)

Two part bidding system shall be followed for the subject Tender.

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**First Part of Opening:**

- b) Envelope-I : QR documents/Techno-Commercial offer will be opened at 1500 hours on 06.03.2017.

Note:

- (i) All the supporting documents should be certified/attested by the bidder.
- (ii) In case any bidder fails to submit the documents in support of qualifying requirements (QR), the offer of the bidder shall be rejected and his price bid shall not be opened.

**Second Part of Opening:**

Envelope-II: The Price bids (Annexure-IV) of only those bidders who qualified technically & commercially only shall be opened. Opening date will be informed separately.

Tenders shall be opened in presence of bidder/s, who may wish to be present.

- c) **Submission of Bid:** The Interested Firms may send their offer with all applicable attachments in sealed envelope marked with 'OFFER FOR WORK OF INTERNAL AUDITORS FOR FY 2017-18, 2018-19 and 2019-20' along with documentary evidences in support of their details furnished above to reach this office latest by 1430 hrs. on or before 06.03.2017. The offer should be submitted to the following address:

Dy.General Manager(MM),  
Ferro Scrap Nigam Limited,  
FSNL Bhawan,  
PB No.37,  
Equipment Chowk, Central Avenue,  
Bhilai-490 001 (C.G.)

Note: Application received after the above mentioned date will not be considered.

Bidders are requested to visit our website regularly for any amendment/addendum/corrigendum/extension until last date.

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9. **COMMERCIAL REJECTION CRITERIA:**

1. Bid should be submitted in Two Bid system in two separate envelopes. The offers of the bidders indicating/disclosing prices in techno-commercial bid (unpriced bid) or at any stage before opening of price bid shall be straightaway rejected.
2. Telex/Telegraphic/Fax/e-Mail/Xerox/offers and bids with scanned signature. Original bids which are not signed manually.
3. Offers which do not confirm unconditional validity of the bid for 90 days from the date of opening of bid.
4. Offers where prices are not firm during the entire duration of the contract and/or with any qualifications.
5. Non-submission of Integrity Pact, duly signed by the same signatory who signs the bids as required.

10. **TENURE OF THE CONTRACT:**

It will be for 3 Financial years i.e. 2017-18, 2018-19 & 2019-20.

11. **INTEGRITY PACT:**

Integrity Pact in Annexure – VI.

12. **RISK PURCHASE:**

In the event, the successful tenderer fails to execute the order, FSNL reserves the right to procure the job from other source and the extra landed cost, if any, incurred by FSNL on such account and the duties and taxes thereof shall be recoverable from the successful tenderer. Your offer shall be rejected if this Risk Purchase clause is not accepted.

13. **ARBITRATION:**

All disputes or differences whatsoever arising between the parties out of or relating to the meeting the job of this contract or the breach thereof shall be settled by arbitration in accordance with the Rules of Arbitration of the Indian Council of Arbitration and the award given in pursuance thereof shall be binding on the parties.

14. **JURISDICTION:**

Disputes, if any, arising out of this transaction are subject to provisions of competent court having jurisdiction over Durg.

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**ANNEXURE-I**

**(On letter head of Firm)**

**Format of Covering letter**

Date:

To

.....(Designation)

.....,(address)

**Sub: Quotation for.....**

Dear Sir,

We enclose herewith the Particulars and Details of the Firm, Techno-Commercial bid and price bids in connection with the above assignment.

We also state as follows:

- a. We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.
- b. The prices quoted by us in the price bid are valid for 90 days from the date of opening of bid. We confirm that this proposal will remain binding upon us.
- c. Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.
- d. We agree to bear all costs incurred by us in connection with the preparation and submission of the offer and to bear any further pre-contract costs.
- e. We understand that M/s.FSNL is not bound to accept the lowest or any proposal or to give any reason for award, or for the rejection of any proposal.
- f. I confirm that I have authority of.....(name of the firm) to submit the proposal and to negotiate on its behalf.

Thank you,

(Name of Authorised Signatory) and membership no.

Name of Firm.

## ANNEXURE-II

(On letter head of Firm)

PROFORMA FOR TECHNO COMMERCIAL BID (For conducting Internal Audit of FSNL for the Financial Years 2017-18, 2018-19 & 2019-20) containing the following details:

Sl. No.	PARTICULARS	Details (Supporting Documents where applicable are required to be submitted along with this form)
1.	Compulsory Conditions: i) Existence for a minimum period of five years. ii) Annual Turnover at least 25 lakhs. For the purpose of ascertaining parameter of Turnover of the bidder average turnover for the previous three financial years shall be considered.	
2.	Year of establishment of the Firm	
3.	Partners (details) as per ICAI Certificates as On 01.02.2017	
4.	Branch Office 1,2,3.....at our respective Branches (Particulars of each branch to be given)	
5.	Names of the Chartered Accountants/Cost Accountants employed with the firm.	
6.	Number of semi-qualified employees attached with the Firm (CA-Intermediate and/or Cost –Intermediate)	
7.	Exposure of the Firm in processing industry preferably under Central/State Government as Statutory/Internal Auditors (Name of the PSU, Year of audit and nature of audit Undertaken)	
8.	Exposure of the Firm in industries other than processing under Central/State Government as Statutory/Internal Auditors(Name of the PSU, Year of audit and nature of audit undertaken).	
9.	Service Tax registration certificate	
10.	RTGS/NEFT – mandate duly endorsed by your Banker	

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Sl. No.	PARTICULARS	Details (Supporting Documents Where applicable are required to be submitted along with this form)
11.	The applicant Firm of Chartered Accountants must have carried out in addition to Routine Audit, Internal/special Audits in the following areas: i) Direct Taxes ii) State related Taxes /VAT Audit. iii) Central Excise/Service Tax iv) Physical verification of Fixed Assets & inventory of Stores & Spares. The above are only illustrative and not Comprehensive.	
12.	Resume of the Firm	
13.	Registration Certificate issued by ICAI	

The above techno-commercial bid also includes:

1. Proposed Overall Incharge for the assignment Partner:
2. Proposed Completion Time (from the date of receipt of engagement letter): This should be in line with the time limit prescribed in the tender document.
3. Proposed Team for the assignment (keeping in view the scope of work, coverage etc.):

Level	Educational Qualification	Key Responsibilities Or Task Assigned	Number of Man-days
In-Charge	FCA/ACA	Finalisation	
Team Leader	FCA/ACA	Pre-Finalisation, Checking	
Team Member	Semi Qualified	Collation, Compilation, Consolidation	
Team Member	Support Staff/ Articled Clerk	Routine Checking	

4. Description of Approach & Work Plan
  - a. Technical Approach.
    - i) Note on Firm's Understanding of the assignment
    - ii) Books of Accounts/Registers/Records to be checked.
    - iii) Statements and Reports to be prepared
  - b. Work Plan.
5. Letter of Reference.

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**ANNEXURE –III**

**SCOPE OF WORK FOR INTERNAL AUDITORS**

The Internal Audit will be carried out on the following offices/units of the Company as per agreed audit plan:

OFFICES/UNITS	NOS.	FREQUENCY OF AUDIT	SUBMISSION OF REPORTS
CORPORATE OFFICE & LIAISON OFFICE	3	QUARTERLY	WITHIN THE NEXT MONTH OF EACH QUARTER
UNITS	12	QUARTERLY	WITHIN THE NEXT MONTH OF EACH QUARTER

The illustrative (but not exhaustive) list of tasks to be performed for Internal Audit by Practicing Chartered Accountants (CA) Firm Partnership/Proprietorship/Individual is given as under:-

A. Following would be the scope covered for Corporate & Liaison Office.

FUNCTION	AREAS	SUB-PROCESS
FIXED ASSETS	CAPITAL EXPENDITURE PLAN	APPROVAL OF COMPETENT AUTHORITY PROCUREMENT PROCEDURE  CAPITAL WORK IN PROGRESS / PROJECT AND SCHEDULE OF COMPLETION INSTALLATION AND COMMISSIONING MAINTENANCE AND UP-KEEP MAINTAINING AND UPDATING OF FIXED ASSETS REGISTER PROPER CAPITALISATION OF FIXED ASSETS CALCULATION AND ACCOUNTING OF DEPRECIATION SALE / DISPOSAL / TRANSFER / WRITE-OFF OF ASSETS INSURANCE OF FIXED ASSETS PHYSICAL VERIFICATION PROCESS OF FIXED ASSETS IDLE AND LONG BREAK DOWN OF FIXED ASSETS
FINANCIAL ACCOUNTS	GOODS & SERVICE TAX & INDIAN ACCOUNTING STANDARDS	ENSURING THE COMPLIANCE OF EXTANT ACTS & PROSPECTIVE ENACTMENTS LIKE GST LAW & INDIAN ACCOUNTING STANDARDS IN ACCOUNTING AND PREPARATION OF FINANCIAL ACCOUNTS.
PRODUCTION PLAN	UNIT WISE PRODUCTION TARGET	PRODUCTION PLAN COMPARED WITH ACTUAL ACHIEVEMENT
AWARDING OF CONTRACT TO OUTSIDE AGENCIES	TENDERING PROCESS FOR ENGAGING OUT SIDE AGENCY, PURCHASING POLICY FOR SPARE PARTS AND OTHER ITEMS, INTERNAL CONTROL PROCEDURE ON PURCHASES	SELECTION AND VENDOR REGISTRATION ENQUIRY, RECEIVING OF TECHNICAL AND FINANCIAL BIDS, PREPARATION OF CS AND NEGOTIATION.  ISSUING ORDERS AND FOLLOW-UP OF DELIVERY AND COMPLIANCE OF TERMS
ADVANCES TO SUPPLIERS AND CONTRACTORS	ADVANCES AGAINST PROFORMA INVOICE	PURCHASE PROCEDURE FOLLOWED BEFORE RECEIVING PROFORMA INVOICE RECEIPT OF ORIGINAL INVOICE ALONG WITH SUPPLIES. PROMPT ADJUSTMENT OF ADVANCES

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CASH MANAGEMENT	CASH AND BANK BALANCE AND  SHORT TERM LOAN FROM BANKS.	CASH PAYMENT AND RECEIPTS
		<p>CUSTODY OF PHYSICAL CASH AND CHEQUE BOOKS AND SIGNING AUTHORITY. PHYSICAL VERIFICATION PROCESS OF CASH</p> <p>ADJUSTMENT OF IMPREST TO EMPLOYEES FOR EXPENSES INSURANCE OF CASH IN SAFE CUSTODY AND IN TRANSIT</p> <p>BANK PAYMENT AND RECEIPTS BANK BALANCE RECONCILIATION FUND TRANSFER TO / FROM UNITS INTEREST EARNING ON SHORT TERM BANK DEPOSITS, TDS THEREON AND ACCOUNTING</p> <p>SHORT TERM LOANS REQUIREMENT FROM BANKS, UTILISATION, REPAYMENT AND INTEREST COST</p>
HR & PAYROLL	MANPOWER PLANNING, RECRUITMENT PLAN & PROCEDURE, FIXATION OF PAY AND TRAINING, SEPARATION AND TRANSFER POLICY	<p>UPDATION AND MAINTENANCE OF EMPLOYEES' PERSONAL FILES AND MASTERS PERFORMANCE APPRAISAL PROCESS ATTENDANCE OF THE EMPLOYEES LEAVE RECORDS OF THE EMPLOYEES PREPARATION OF PAY ROLL OTHER EMPLOYEES BENEFITS DEDUCTION OF PF AND PENSION FUND DEDUCTION OF INCOME TAX AT SOURCE GRANTING OF VARIOUS LOANS AND ADVANCES AS PER RULE DEDUCTION OF LOANS AND ADVANCES GRANTED. OTHER DEDUCTIONS. PROCESS OF FIXATION AND CALCULATION OF REVISION OF PAY SCALE, IF ANY</p> <p>PERFORMANCE RELATED PAYMENTS (PRP) CALCULATIONS EFB SCHEME AND IMPLEMENTATION</p>
SUNDRY CREDITORS	SUNDRY CREDITORS AGAINST SUPPLIES & SERVICES	<p>RECEIPT OF INVOICES ALONG WITH MATERIALS / SERVICES PROMPT PROCESSING OF INVOICES OF VENDORS</p> <p>PAYMENT AS PER STIPULATION AND WHERE APPLICABLE AS PER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2012</p> <p>PERIODICAL RECONCILIATION OF ACCOUNTS WITH VENDORS</p>
SECURITY DEPOSIT AND EMD FROM VENDORS	DEDUCTION, RELEASE AND LONG OUTSTANDING	<p>SD DEDUCTED AS PER TERMS</p> <p>RELEASE OF SD ON COMPLETION AS PER TERMS</p> <p>LONG OUTSTANDING SD &amp; EMD FROM VENDORS</p>
PROVISIONS	PROVISION FOR TAX, LEAVE SALARY, DIVIDEND, EFB SCHEME AND OTHER RETIREMENT BENEFITS	PROVISIONING AND QUANTIFICATION OF LIABILITIES.

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ADMINISTRATION	ADMINISTRATIVE EXPENSES	ADVERTISMENT EXPENSES PROFESSIONAL AND LEGAL FEES EXPENSES FOR NON-STAFF TRAINING EXPENSES REPAIR AND MAINTENANCE EXPENDITURE TOUR AND TRAVEL EXPENDITURE
		COST INCURRED ON TRANSFER / RELOCATION OF EMPLOYEES SECURITY SERVICE EXPENDITURE PRINTING STATIONERY AND COMPUTERS CONSUMABLE EXPENSES COMMUNICATION EXPENSES (TELEPHONE, POSTAGE AND COURIER EXPENSES)
		RATES, TAXES AND LICENCES CORPORATE SOCIAL RESPONSIBILITY MISCELLANIOUS EXPENSES
REGULATORY	LEGAL DEPARTMENT	REVIEW OF STATUS OF LEGAL PENDING CASES EMPANELMENT OF LAWYERS AND THEIR PAYMENTS
	EDP DEPARTMENT	REVIEW OF IT GENERAL CONTROLS AROUND DATA ACCESS DATA AND PHYSICAL SECURITY, BACK UP, HELPDESK
	HINDI DEPARTMENT	COMPLIANCE TO REGULATORY REQUIREMENTS OF ANNUAL PROGRAMME FOR TRANSACTING THE OFFICIAL WORK OF THE UNION IN HINDI ISSUED BY DEPARTMENT OF OFFICIAL LANGUAGE
	STAUTORY COMPLIANCES	DETERMINATION AND DEPOSIT OF ADVANCE INCOME TAX AND FILING OF INCOME TAX RETURN DEDUCTION AND DEPOSIT OF INCOME TAX AT SOURCE AND TCS FILING OF E-TDS / TCS RETURN CENVAT CREDIT AVAILED AND UTILISATION FILING OF SERVICE TAX RETURN DEPOSIT OF PROFESSION TAX DEPOSIT OF ROAD TAX FOR VEHICLES LICENCE SOFTWARE IN USE IN EDP DEPARTMENT
	CORPORATE SOCIAL RESPONSIBILITY	REVIEW OF CSR ACTIVITES AS PER CSR COMMITTEE
DISPOSAL OF SCRAP	DISPOSAL OF SCRAP AND OTHER USED MATERIALS	DISPOSAL OF EMPTY CONTAINER, TYRES AND OTHER SCRAP MATERIALS

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WORKS ACCOUNTING	WORK ORDER/PURCHASE ORDER ACCOUNTING	<p>SCRUTINIZE/VERIFY THE PAYMENT TO CONTRACTORS WITH REFERENCE TO CONTRACT &amp; ADJUSTMENTS AND COMMENTS ON TIMELY RECOVERY OF THE RELATED ADVANCES AND ALL OTHER STATUTORY DEDUCTIONS.</p> <p>CHECK AND COMMENT ON ADJUSTMENT FOR RETURNS, SHORTAGES, DAMAGES, UNSERVICEABLE STORES/MATERIAL AT SITES.</p> <p>CHECK AND MAKE SPECIFIC COMMENTS ON DELAY AND LEVIABILITY OF FINES FOR DELAY/SHORT DEPOSITS ETC.</p> <p>ALL STATUTORY COMPLIANCE BY THE CONTRACTOR TO BE CHECKED AND CORRECTIVE MEASURES, IF ANY, TO BE RECOMMENDED</p> <p>EXAMINE THE PROPOSALS WITH SPECIFIC REFERENCE TO FINANCIAL CONCURRENCE, RELEASE OF PAYMENTS, UPDATING OF ACCOUNTING RECORDS, AUTHORIZATION AS PER DOP.</p>
INTER UNIT ACTIVITIES	INTER UNIT TRANSACTIONS	RECONCILIATION OF INTER UNIT TRANSACTIONS

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B. Following would be the scope covered for the Units of FSNL.

<b>FUNCTION</b>	<b>AREAS</b>	<b>SUB-PROCESS</b>
LONG TERM AGREEMENT (LTA) WITH STEEL PLANTS	VALIDITY, SCOPE OF WORK AND PRICE ESCALATION	VALIDITY OF LTA SCOPE OF WORK CALCULATION OF PRICE ESCALATION AND BILLING
PURCHASES	PURCHASING POLICY FOR SPARE PARTS AND OTHER ITEMS, INTERNAL CONTROL PROCEDURE ON PURCHASES	APPROVED VENDORS LIST AND VENDOR REGISTRATION PROCESS ENQUIRY, RECEIVING OF QUOTATIONS, PREPARATION OF CS AND NEGOTIATION.  ISSUING ORDERS AND FOLLOW-UP OF DELIVERY AND COMPLIANCE OF TERMS  REPAIRING VIS-À-VIS RECON EXCHANGE OF ENGINES AND TRANSMISSION. EQUIPMENT SENT OUTSIDE FOR REPAIRING AND RECEIVING BACK AT UNIT.
PRODUCTION	STEEL PLANT'S REQUIREMENT AND PRODUCTION PLAN	COMPARISON OF PLAN AND ACTUAL PRODUCTION COMPARISON OF CURRENT PRODUCTION WITH SAME PERIOD OF PREVIOUS YEAR'S PRODUCTION.  REASONS OF INCREASE AND DECREASE IN PRODUCTION.
FINANCIAL ACCOUNTS	GOODS & SERVICE TAX & INDIAN ACCOUNTING STANDARDS	ENSURING THE COMPLIANCE OF EXTANT ACTS & PROSPECTIVE ENACTMENTS LIKE GST LAW & INDIAN ACCOUNTING STANDARDS IN ACCOUNTING AND PREPARATION OF FINANCIAL ACCOUNTS.
HIRING OF MODULE OF EQUIPMENT	SERVICE FROM OUTSIDE AGENCY AND HIRING OF MODULE OF EQUIPMENT	NEED AND TERMS OF ENGAGEMENT PRODUCTION RECORDS BILLING BY THE AGENCY PURPOSE OF HIRING AND NEED TERMS OF HIRING OF MODULE OF EQUIPMENT COMPLIANCE OF PURPOSE LOG BOOK OF EQUIPMENT
CONSUMPTION	DIESEL AND LUBRICANTS, TYRE AND TUBES, POWER AND FUEL AND SPARE PARTS FOR CRANES, DUMPER, DOZER, SEPARATORS AND IC ENGINES	PRODUCTION VIS-À-VIS CONSUMPTION COMPARISON EQUIPMENT OH PLAN  EQUIPMENT RUNNING LOG BOOK
HR & PAYROLL	ATTENDANCE AND LEAVE , PAY ROLL, PERFORMANCE INCENTIVE, DEDUCTIONS	ATTENDANCE OF THE EMPLOYEES LEAVE RECORDS OF THE EMPLOYEES  PREPARATION OF PAY ROLL  PERFORMANCE INCENTIVE  OTHER EMPLOYEES BENEFITS  DEDUCTION OF PF AND PENSION FUND DEDUCTION OF INCOME TAX AT SOURCE  GRANTING OF VARIOUS LOANS AND ADVANCES AS PER RULE DEDUCTION OF LOANS AND ADVANCES GRANTED.  PROCESS OF FIXATION AND CALCULATION OF REVISION OF PAY SCALE, IF ANY  OTHER DEDUCTIONS.

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SUNDRY DEBTORS	BILLING, REALISATION, BAD DEBTS	TIMELY BILLING AND COMPLIANCE OF SERVICE TAX LAW REALISATION AS PER TERMS OF AGREEMENT LONG OUTSTANDING DUES AND FOLLOW-UP THEREOFF
SECURITY DEPOSIT WITH STEEL PLANT AND EARNEST	DEDUCTION, REALISATION AND LONG OUTSTANDING	DEDUCTION OF SD AS PER TERMS OF LTA RELEASE OF SD BY STEEL PLANT AS PER TERMS
MONEY DEPOSIT		FOLLOW-UP OF LONG OUTSTANDING SD AND EMD
ADVANCES TO SUPPLIERS AND CONTRACTORS	ADVANCES AGAINST PI	PURCHASE PROCEDURE FOLLOWED BEFORE PI ORIGINAL INVOICE INVARIABLY ACCOMPANY THE SUPPLIES. PROMPT ADJUSTMENT OF ADVANCES
CASH MANAGEMENT	CASH AND BANK BALANCE	CASH PAYMENT AND RECEIPTS CUSTODY OF PHYSICAL CASH AND CHEQUE BOOKS AND SIGNING AUTHORITY. PHYSICAL VERIFICATION PROCESS OF CASH ADJUSTMENT OF IMPREST TO EMPLOYEES FOR EXPENSES INSURANCE OF CASH IN SAFE CUSTODY AND IN TRANSIT BANK PAYMENT AND RECEIPTS BANK BALANCE RECONCILIATION FUND TRANSFER TO / FROM CORPORATE OFFICE
INVENTORIES	HOLDING, REQUIREMENT, RECONCILIATION, MAINTENANCE, MOVING AND NON MOVING, PHYSICAL VERIFICATION PROCESS, INSURANCE AGAINST FIRE ETC.	HOLDING OF INVENTORY VS CONSUMPTION CURRENT PURCHASE AND ISSUE FROM STORE RECONCILIATION OF INVENTORY AS PER INVENTORY RECORDS WITH BOOKS OF ACCOUNT MAINTENANCE OF RECORDS AND CLEANLINESS OF INVENTORY STORAGE INSURANCE OF INVENTORY AGAINST FIRE AND THEFT IDENTIFICATION OF MOVING AND NON-MOVING INVENTORY PHYSICAL VERIFICATION PROCESS AND ACCOUNTING OF SHORTAGE / EXCESS
SUNDRY CREDITORS	SUNDRY CREDITORS AGAINST SUPPLIES & SERVICES AND GRN LIABILITIES	RECEIPT OF INVOICES ALONG WITH MATERIALS / SERVICES PROMPT PROCESSING OF INVOICES OF VENDORS PAYMENT AS PER STIPULATION AND WHERE APPLICABLE AS PER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2012 PROMPT ADJUSTMENT OF ALL GRN LIABILITY ON RECEIPT OF INVOICES PERIODICAL RECONCILIATION OF ACCOUNTS WITH VENDORS
SECURITY DEPOSIT AND EMD FROM VENDORS	DEDUCTION, RELEASE AND LONG OUTSTANDING	SD DEDUCTED AS PER TERMS RELEASE OF SD ON COMPLETION AS PER TERMS LONG OUTSTANDING SD & EMD FROM VENDORS

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ADMINISTRATION	ADMINISTRATIVE EXPENSES	REPAIR AND MAINTENANCE EXPENDITURE TOUR AND TRAVEL EXPENDITURE  COST INCURRED ON TRANSFER / RELOCATION OF EMPLOYEES SECURITY SERVICE EXPENDITURE  PRINTING AND STATIONERY EXPENSES  COMMUNICATION EXPENSES (TELEPHONE, POSTAGE AND COURIER EXPENSES) RATES, TAXES AND LICENCES  CORPORATE SOCIAL RESPONSIBILITY  MISCELLANIOUS EXPENSES
REGULATORY	EDP DEPARTMENT	BACK-UP OF DATA AND PHYSICAL SECURITY
	HINDI DEPARTMENT STAUTORY COMPLIANCES	COMPLIANCE TO REGULATORY REQUIREMENTS OF ANNUAL PROGRAMME FOR TRANSACTING THE OFFICIAL WORK OF THE UNION IN HINDI ISSUED BY DEPARTMENT OF OFFICIAL LANGUAGE
		DEDUCTION AND DEPOSIT OF INCOME TAX AT SOURCE AND TCS FILING OF E-TDS / TCS RETURN BILLING OF SERVICE TAX AND DEPOSIT CENVAT CREDIT AVAILED AND UTILISATION FILING OF SERVICE TAX RETURN DEDUCTION AND DEPOSIT OF PROFESSION TAX IF ANY FILING OF RETURN OF PROFESSION TAX DEPOSIT OF SALES TAX / VAT AND ENTRY TAX & GST AS PER GST LAW FILING OF SALES TAX RETURN FILING OF GOODS & SERVICE TAX RETURN (WHEN APPLICABLE) DEPOSIT OF ROAD TAX FOR VEHICLES EXPLOSIVE LICENCE FOR STORING DIESEL ETC.
	CORPORATE SOCIAL RESPONSIBILITY	REVIEW OF CSR ACTIVITES AS PER CSR COMMITTEE
WORKS ACCOUNTING	WORK ORDER/PURCHASE ORDER ACCOUNTING	SCRUTINIZE/VERIFY THE PAYMENT TO CONTRACTORS WITH REFERENCE TO CONTRACT & ADJUSTMENTS AND COMMENTS ON TIMELY RECOVERY OF THE RELATED ADVANCES AND ALL OTHER STATUTORY DEDUCTIONS.
		CHECK AND COMMENT ON ADJUSTMENT FOR RETURNS, SHORTAGES, DAMAGES, UNSERVICEABLE STORES/MATERIAL AT SITES.
		CHECK AND MAKE SPECIFIC COMMENTS ON DELAY AND LEVIABILITY OF FINES FOR DELAY/SHORT DEPOSITS ETC.
		ALL STATUTORY COMPLIANCE BY THE CONTRACTOR TO BE CHECKED AND CORRECTIVE MEASURES, IF ANY, TO BE RECOMMENDED
		EXAMINE THE PROPOSALS WITH SPECIFIC REFERENCE TO FINANCIAL CONCURRENCE, RELEASE OF PAYMENTS, UPDATING OF ACCOUNTING RECORDS, AUTHORIZATION AS PER DOP.
INTER UNIT ACTIVITIES	INTER UNIT TRANSACTIONS	RECONCILIATION OF INTER UNIT TRANSACTION

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**ANNEXURE-IV**

**PRICE – BID**

**(On letter head of Firm)**

**PROFORMA FOR PRICE BID (For conducting Internal Audit of FSNL for the  
Financial Year 2017-18, 2018-19 & 2019-20).**

<b>Sl.No.</b>	<b>Particulars</b>	<b>Rate (Rs.)/year</b>	<b>Amount in Words per year</b>
1.	Annual Fees for Audit Work for the period 2017-18, 2018-19 & 2019-20  a. Cluster I Burnpur, Durgapur, Bokaro & Rourkela Units.  b. Cluster II Visakhapatnam, Haridwar & Duburi Units.  c. Cluster III Corporate Office, Bhilai, RWF- Bengaluru, Bhadravati, Salem & Air India- Mumbai.		
2.	Out of Pocket Expenses payable at actual		
3.	Service Tax as applicable on fees only(in %)		
4.	TOTAL AMOUNT		

Signature\_\_\_\_\_

Name & Designation of the Authorized Signatory  
With membership No.\_\_\_\_\_

Seal of the Firm\_\_\_\_\_

Date \_\_\_\_\_ Place \_\_\_\_\_

**ANNEXURE - V**

**List of Offices of FSNL with address (Cluster wise).**

<b>Sl.No.</b>	<b>Name of Unit</b>	<b>Address</b>
	<b><u>Cluster-I</u></b>	
1.	Burnpur Unit	Ferro Scrap Nigam Limited, (Inside SAIL ISP), Post Bag No.20), Burnpur-713 325(West Bengal)
2.	Bokaro Unit	Ferro Scrap Nigam Limited, (Inside Bokaro Steel Plant), Bokaro Steel City, Bokaro (Jharkhand)
3.	Durgapur Unit	Ferro Scrap Nigam Limited, Inside Durgapur Steel Plant, Post Bag No.08, Dist.Burdwan, Durgapur-713 203(West Bengal)
4.	Rourkela Unit	Ferro Scrap Nigam Limited, Post Box No.19,(Inside RSP), Rourkela-769 011(Odisha)
	<b><u>Cluster-II</u></b>	
1.	Visakhapatnam Unit	Ferro Scrap Nigam Limited, C/o.Jaikamal Travel, Ukkunagaram, Sector-5, Shopping Complex, Visakhapatnam-530 031.
2.	Duburi Unit	Ferro Scrap Nigam Limited, Post Box No.39, Inside NINL Duburi Project, Jajpur Road, Dist.Jajpur Odisha-755 019.
3.	Haridwar Unit	Ferro Scrap Nigam Limited, SMS Office Building (1 <sup>st</sup> Floor), CFFP, BHEL Ranipur, Haridwar-249 403,Uttarakhand.
	<b><u>Cluster -III</u></b>	
1.	Corporate Office & Liaison Office	Ferro Scrap Nigam Limited, FSNL Bhawan, Equipment Chowk, Central Avenue, Post Box No.37, Bhilai-490 001 (CG)
2.	Bhilai Unit	Ferro Scrap Nigam Limited, Inside Bhilai Steel Plant, Post Box No.54, Bhilai-490 001
3.	Bengaluru Unit	Ferro Scrp Nigam Limited, 303, Kailash Tower, Doddabellapur Road, Yelahanka, Bengaluru 560 002, Karnataka.
4.	Bhadravati Unit	Ferro Scrap Nigam Limited, CP Yard, Inside VISL/SAIL, Bhadravati-577 301, Karnataka.
5.	Mumbai Unit	Ferro Scrap Nigam Limited, Inside Air India Scrap Yard, Old Airport premises, Kalina, Santacruz, East Mumbai, Maharashtra-400 029.
6.	Salem Unit	Ferro Scrap Nigam Limited, Inside Salem Steel Plant, Near Caster House SMS-SSP, Tamilnadu-636 030

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**ANNEXURE - VI**  
**INTEGRITY PACT**

Between

**FERRO SCRAP NIGAM LTD, hereinafter, referred to as "FSNL",**  
and

..... hereinafter referred to as "**The Bidder/Contractor**"

Preamble

FSNL intends to award, under laid down organisational procedures, contracts for.....FSNL values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness and transparency in its relations with its Bidder(s) and/or Contractor(s).

In order to achieve these goals, FSNL will appoint an External Independent Monitor (EIM) who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

**Section – 1 Commitments of FSNL**

(1) FSNL commits itself to take all measures necessary to prevent corruption and to observe the following principles :-

a) No employee of FSNL, personally or through family members, will in connection with the tender for, or the execution of a contract demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.

b) FSNL will, during the tender process treat all Bidder(s) with equity and reason. FSNL will in particular, before and during the tender process., provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.

c) FSNL will exclude from the process all known prejudiced persons.

(2) If FSNL obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, FSNL will inform its Vigilance Office and in addition can initiate disciplinary actions.

**Section – 2 Commitments of the Bidder(s)/Contractor(s)**

(1) The Bidder(s)/Contractor(s) commit themselves to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

i) The Bidder(s)/Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of FSNL's employees involved in the tender process or the execution of the contract or to any third person any material or immaterial benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

ii) The Bidder(s)/Contractor(s) will not enter with other Bidder(s) into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cauterisation in the bidding process.

iii) The Bidder(s)/Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s)/Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or documents provided by FSNL as part of the business relationship, regarding plans technical proposals and business details, including information contained or transmitted electronically.

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iv) The Bidder(s)/Contractor(s) will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.

v) The Bidder(s)/Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

### **Section – 3 Disqualification from tender process and exclusion from future contracts**

If the Bidder(s)/Contractor(s), before contract award or during execution, has committed a transgression through a violation of Section 2 above or in any other form such as to put his reliability or credibility in question, FSNL is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or to terminate the contract, if already signed, for such reason.

i) If the Bidder(s)/Contractor(s) has committed a transgression through a violation of Section 2 above such as to put his reliability or credibility in question, FSNL is entitled also to exclude the Bidder(s)/Contractor(s) from future tender processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder(s)/Contractor(s) and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.

ii) If the Bidder(s)/Contractor(s) can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, FSNL may revoke the exclusion prematurely.

iii) A transgression is considered to have occurred if in light of available evidence no reasonable doubt is possible.

### **Section – 4 Compensation for Damages**

1. If FSNL has disqualified the Bidder(s) from the tender process prior to the award according to Section 3 above, FSNL is entitled to demand from the Bidder(s) liquidated damages equivalent to 3% of the value of the offer or the amount equivalent to Earnest Money Deposit/Bid Security, whichever is higher.

2. If FSNL has terminated the contract according to Section 3, or if FSNL is entitled to terminate the contract according to Section 3, FSNL shall be entitled to demand and recover from the Bidder(s) liquidated damages equivalent to 5% of the contract value or the amount equivalent to Security Deposit/Performance Bank Guarantee, whichever is higher.

3. If the Bidder(s)/Contractor(s) can prove that their exclusion from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount of the liquidated damages, the Bidder(s)/Contractor(s) has to compensate only the damage in the amount proved. If FSNL can prove that the amount of the damage caused by the disqualification of the Bidder(s)/Contractor(s) before contract award or the termination of the contract after contract award is higher than the amount of the liquidated damages, it is entitled to claim compensation for the higher amount of damages.

### **Section – 5 Previous Transgression**

1. The Bidder declares that no previous transgressions occurred in the last 3 years with any other company in any country conforming to the anti corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.

2. If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

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## **Section – 6 Equal treatment of all Bidders/Contractors/Sub-contractors**

1. The Bidder(s)/Contractor(s) undertake(s) to demand from all sub-contractor(s) a commitment in conformity with this Integrity Pact, and to submit it to FSNL before contract signing.
2. FSNL will enter into agreements with identical conditions as this one with all Bidders, Contractors and subcontractors.
3. FSNL will disqualify from the tender process all Bidder(s) who do not sign this Pact or violate its provisions.

## **Section – 7 Criminal Charges against violating Bidder(s)/Contractor(s)/ sub-contractors**

If FSNL obtains knowledge of conduct of a Bidder, Contractor or Subcontractor or of an employee or a representative or an associate of a Bidder, Contractor or Sub-contractor which constitutes corruption, or if FSNL has substantive suspicion in this regard, FSNL will inform the same to the Vigilance Office.

## **Section – 8 External Independent Monitor**

1. FSNL appoints competent and credible External Independent Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
2. The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Managing Director of FSNL.
3. The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of FSNL including that provided by the contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/Contractor(s)/Subcontractor(s) with confidentiality.
4. FSNL will provide to the Monitor sufficient information about all meetings among the parties related to the project provided such meetings could have an impact on the contractual relations between FSNL and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
5. As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of FSNL and request the Management to discontinue or heal the violation, or to take other relevant action. The Monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
6. The Monitor will submit a written report to the Managing Director of FSNL within 8 to 10 weeks from the date of reference or intimation to him by FSNL and should the occasion arise, submit proposals for correcting problematic situations.
7. The Monitor will have status/benefits similar to those of Chief General Managers of FSNL and will be entitled to compensation @ Rs.4500/- for attending review meeting to be called by M.D., FSNL every quarter.
8. If the Monitor has reported to the M.D., FSNL a substantiated suspicion of an offence under relevant IPC/PC Act, and the M.D. has not within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
9. The word "**Monitor**" would include both singular and plural.

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**Section – 9 Pact Duration**

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made/lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged/determined by M.D., FSNL.

**Section – 10 Other Provisions**

1.This agreement is subject to Indian Law. Place of performance and jurisdiction is the Corporate Office of FSNL, i.e. Bhilai

2.Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.

3.If the Vendor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.

4.Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

For FSNL .....

For Bidder/Contractor.....

Place :.....

Place :.....

Date : .....

Date :.....

Witness 1 :.....

Witness 2 :.....

\*\*\*\*\*