



Ref :EOI/IA/01/2025

Notice inviting Expression of Interest (EOI) by Chartered Accountants / Cost Accountant Firms for selection and appointment as Internal Auditors for the years 2025-26 with option of renewal till 2027-28.

EXPRESSION OF INTEREST (EOI)

Garden Reach Shipbuilders & Engineers Ltd (GRSE) invites Expression of Interest (EOI) from experienced Chartered Accountant / Cost Accountant Firms having specialisation in Internal Audit & Controls for selection / empanelment and appointment as Internal Auditors, initially for the Financial Years 2025-26. The company reserves the right to extend the appointment on yearly basis, maximum for further two years, if performance of the firm is found to be satisfactory.

The format of application along with information on selection criteria, areas of coverage, reporting requirements, terms of reference, etc., are enclosed herewith. The EOI document will be hosted on the GRSE website www.grse.in under the 'EOI (Current)' tab under the 'Other Links' section / menu (url: www.grse.in/index.php/EOI-current). The same will also be displayed on the Notice Board of the EIRC of The Institute of Chartered Accountants / Cost Accountants of India. Any updates to the EOI Documents shall be hosted on website. Interested firms are requested to ensure that all updates are considered while submitting the EOI.

Interested Firms may send their applications in the prescribed format (to be dropped in Internal Audit Department, 61 Park Unit) along with annexures under sealed cover addressed to Addl. General Manager-Internal Audit, Garden Reach Shipbuilders & Engineers Ltd. at 61, Garden Reach Road, Kolkata – 700024 **latest by 18 th March, 2025, 15.00 hours (due date)**.

Contact details for any queries:
Srikanta Sahoo (Senior Manager-IA),
Mobile:7603056562
Email id: sahoo.srikanta@grse.co.in

DATED: 19.02.2025
Kolkata



Notice inviting Expression of Interest (EOI) by Chartered Accountants / Cost Accountants Firms for selection and appointment as Internal Auditors for the years 2025-26 through 2027-28

A. SCOPE OF WORK

1. The Scope of work of this EOI consists of Internal Audit in respect all the Divisions / Departments / units of the Company spread across Kolkata and Ranchi. The Scope of work also includes testing & validating of procedures relating to Financial Controls. SOW is enclosed as **Annexure -1**
2. All Internal Audit assignments would be carried out as per Internal Audit Programme for the year, to be circulated separately. The Management reserves the right to add any other area to the Audit Program within the scope of work or increase the number of audit assignments.

B. DETAILS ABOUT THE COMPANY

The Company is a Govt. of India undertaking ('Miniratna' status Schedule-'A' CPSE) under the Ministry of Defence and primarily engaged in the manufacture of warships for Indian Navy, Coast Guard and export as well. The Company is listed on the Stock Exchanges (BSE/NSE). The Company also has an engineering division which manufactures ship-deck equipment (at Taratala Unit) and portable steel bridges (Bailey Bridge) at 61 Park unit. In addition, the Company has a ship repair department at Taratala and a unit at Ranchi, engaged in the overhauling, assembly & testing of marine propulsion diesel engines along with fabrication of Bailey Bridges. The shipbuilding production activities are carried out at Main unit, Fitting-out-jetty (FOJ) unit and Rajabagan Dockyard (RBD) unit. Further details are available on the Company's website www.grse.in

C. ELIGIBILITY CRITERIA

Existing Internal Audit firm/s or their affiliates are not eligible to participate in the EOI.

1. The Firms should have Head Office in Kolkata and should have **at least Seven Partners**.
2. The Firms should be in existence for a minimum period of fifteen years and have experience of carrying out minimum three Internal / Statutory Audits of any Central Public Sector Undertaking (CPSU) having a turnover of at least Rs. 100 Crores during any of the five preceding financial years till 2023-24 (i.e 2019-20 to 2023-24) [if firm executed internal / statutory audit of same CPSU for continuous 03 years it will be considered as 01 Audit]. To this effect, firm should submit copies of respective contracts, along with documentary evidence in respect of satisfactory execution of each of those contracts.
3. The firm should have executed Internal Audit in any CPSE during the last 05 financial years till 2023-24 (i.e 2019-20 to 2023-24) which is having SAP as its ERP platform, and the firm has to provide Job completion certificate from the appointing authority, for this purpose.
4. Annual turnover of audit firm shall be at least Rupees Seventy-Five Lakhs (Rs. 75,00,000/=). For the purpose of ascertaining parameter of Turnover of the firm, average turnover for the previous three financial



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years till 2023-24 (i.e. 2021-22 to 2023-24) shall be considered (copies of audited financial statements / other documentary evidence in support thereof to be enclosed).

D. **BID SUBMISSION**

Submission of offer in Two Bid System:

- The offer/bid must be submitted in two parts, Part - I (Techno-Commercial Bid) & Part – II (Price Bid), The technical bid and the financial bid should be sealed in separate cover duly super-scribed and both these are to be put in a bigger cover which should also be sealed and duly super-scribing the Tender No, Due date & Time and addressed to Addl. General Manager, (Internal Audit), GRSE LTD., 61, Garden Reach Road Kolkata 700024 and should be submitted in the tender box kept at Internal Audit Department, 1st Floor of 'A' Block, on or before tender **18 th March , 2025 at 15:00 hours (Due Date)**.
- The technical bids are to be opened at the first instance and evaluated by a competent committee or authority
- At the Second stage financial bids of only those technically acceptable offers will be opened after intimating to the technically eligible bidders about the date and time of opening the financial bid

Part-I -Techno-Commercial Bid: This part should contain the following:

Details of the Firm (as per Application Format provided under sl. 'E') along with self-attested copies of all supporting documents and certificates.

Note:

- i) GRSE has a right to verify authenticity of the documents with respect to original submitted against this tender.
- ii) The bidder is requested to ensure that only those documents asked for are submitted and same are clear, legible & duly signed (i.e. self-attested),. The bidder is also requested not to submit unnecessary documents not asked for.

Part-II - Price Bid: In this part, bidders are requested to fill the PRICES for each of the listed items strictly in the prescribed format provided in the Tender document.

SCORING : Further to the above eligibility criteria, firms will be evaluated based on the scores achieved as per parameter-score matrix provided below

Parameters/Scoring Criteria		Maximum Score 60% (60 Marks)		Individual Firm Score(Marks)
01	Past experience of the CA/CMA Firm (Track Record)			
A	Years of existence of CA/CMA Firm (Min. 15yrs)	1 point for every year over and above 15 years [Counted from the date of constitution of the firm with one full time FCA/FCMA or date of joining of the firm by the existing partner having the longest association with the firm whichever is later.] (Eg.: if Period for such experience comes 26 Years than score will be 11.)	20%	12
B	Experience as Internal Auditors of a Central Public Sector companies (CPSU) having turnover exceeding	5 points for each such internal audit per company irrespective of the years. for example if firm executed audit of same corporation for continuous 03 years then only 05 marks will be assigned for the same (falling within five financial years immediately preceding 2023-24)	50%	30



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		Rs.100 crore	(Eg.: if there are 04 company audited score will be 20.)			
	C	Experience of Statutory Audit of Central Public Sector companies (CPSU)	03 points for each such audit per company irrespective of the years. for example, if firm executed audit of same corporation for continuous 03 years then only 03 marks will be assigned for the same falling within five financial years immediately preceding 2023-24) (Eg.: if there are 02 company audited score will be 6 Marks.)	30%	18	
02		General Profile of qualification , experience and number of Partner/Qualified Members (AS ON 31.12.2024)		40% (40 Marks)		
	A	No. of Partners (<u>at least 7</u>)	01 point each for each partner (including FCA/FCMA partners) from 7th partner onwards. (Eg.: if there are 10 partners, score will be 03)	20%	08	
	B	No. of Partners with FCA/FCMA as applicable	02 points each for each partner	40%	16	
	C	Full Time CA/CMA Employees	01 point for each CA/CMA Employee	20%	08	
	D	CISA or CIA or DISA Qualified Partners / employees (dual qualification for the same person will be considered as one)	02 point each for each such partner / employee	20%	08	
			TOTAL SCORE	100%	100	

1. From amongst the firms who have responded to the EOI and satisfied all pre-qualification criteria, the firms will be allotted scores as per scoring parameter specified in above table. Firms having technical score of minimum 75 marks will be called for technical discussion and considered for opening of price bid.

*** In case the number of available (technically qualified) firms are less than 05 then marks criteria will be relaxed to 65 Marks for getting more participation.**

2. **Bid Evaluation Criteria:**

Lowest Bidder (L1) will be determined on the basis of total quoted value (excluding Taxes) for the entire quantity of tender. The lowest bidder (L1) will be considered for further processing for placement of order. Taxes are excluded for the purpose of ranking of price bids to determine L1 Bidder. Taxes as applicable would be paid at actuals. In case of tie in L1/L2 rate, the firm with higher **technical** score will be considered.

3. If the Price quoted by a firm found to be freak low, the price bid shall not be considered

E. **BID INFORMATION Part I : Technical Bid**

The Chartered Accountants / Cost Accountants firm is to provide the following information per pro-forma given below



'APPLICATION FORMAT'

1. Name of CA / CMA Firm :
2. Status of Firm (LLP etc) :
(Firm Composition certificate to be attached)
3. Registration No. :
4. Date of Establishment / Registration :
5. Name & Address of Principal Office & Branch Office (s) [Please attach ICAI's certificate / ICMA certificate]

Office type (HO/Reg.Office/Branch)	Address	Year of Establishment	Contact details: In-charge Name, Tel., Fax, Email.

6. Particulars of Partners

Sl.	Name	CA / CMA Membership No.	Membership Status (Fellow/Assoc)	Date of joining firm as partner & branch office attached to	DISA/CISA or CIA or other qualification	Other qualifications job/specialisation & experience

7. Particulars of qualified assistants.

Sl.	Name	CA / CMA Membership No.	Membership Status (Fellow/Assoc)	Date of joining firm	DISA/CISA or other qualification	Other qualifications job/specialisation & experience

8. Income Tax PAN (attach copy of PAN Card):

9. GST Registration No. (attach copy of Registration Document):

10. PF Registration details (attach copy of Registration Document):

11. ESI registration details (if any, attach copy of Registration Document):

12. Internal Audit experience (immediate five preceding financial years till 2023-24) in Central Public Sector Undertaking (CPSU) having turnover exceeding Rs.100 crores, specifying nature of the assignment, year of audit and name of the company.



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Name of Company	Unit / Plant	Period of Audit	Total Experience (Yrs.)

(Attach documentary evidence in support of the above data which should be corresponding to information given under D-01/B)

13. Statutory Audit experience (immediate five preceding financial years till 2023-24) of Central Public Sector Undertaking (CPSU)

Name of Company	Co. Turnover	Period of Audit	Total Experience (Yrs.)

(Attach documentary evidence in support of the above data which should be corresponding to information given under D-01/C)

14. Assignment as Internal Auditor (immediate five preceding financial years till 2023-24) of Central Public Sector Undertaking (CPSU) where CPSE having SAP as its ERP platform

Name of Company	Co. Turnover	Period of Audit	Total Experience (Yrs.)

(Attach documentary evidence in support of the above data which should be corresponding to information given under C-02/B)

15. Readiness for Audit under SAP environment and proficiency in extracting audit-data / information from SAP system (prior knowledge of SAP TCODES IS COMPULSORY) to be assessed in TNC.



UNDERTAKING

1. It is confirmed that all the information provided above are true and comply with requirements the EOI.
2. We confirm that we have not made any deviation from the specified terms & conditions of 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 is attached.

Signature of Partner with Name
& Seal of Audit Firm



F. Part II : PRICE BID

**Format for Price Bid
(to be given on Firm Letterhead)**

We M/s, Chartered Accountants / Cost Accountants hereby quote our professional fees at Rs.....(Rupees.....only) plus taxes/GST extra per annum for the Internal Audit Assignment to be carried out as per Audit plan given in this EOI, in respect of the Corporate Division, Shipbuilding Division (MW,FOJ,RBD), Engineering Division (TU,61Pk, Ranchi). The above fees are all inclusive and no out of pocket expenses will be payable for Kolkata Unit assignment. For Ranchi, out of pocket expenses to be reimbursed based on actual train fair (II AC or ACC) & accommodation in 3* hotel for personnel deputed for audit . For partners Air fare (Y class) will be allowed from Kolkata .

Signature of Partner with Name
& Seal of Audit Firm



TERMS OF REFERENCE

The terms and conditions for conducting Internal Audit are indicated hereunder: -

1. **Reporting & Timeframes :**

Internal Audit shall be conducted on a continuous basis and to be reported on quarterly / half-yearly / yearly basis. The activity is required to commence from start of respective quarter, For RBD, FOJ, 61Park and Taratala Unit the audit will be required to be done on half-yearly basis. For Ranchi Unit, the audit will be done on yearly basis covering major portion of the financial year. For Main & Corporate Division on quarterly basis. For Ranchi Unit, the audit will be done on yearly basis covering major portion of the financial year.

The preliminary audit observations shall first be discussed with the Auditees and to be finalised progressively after joint deliberation with the Section / Department / Unit In-Charges. The salient observations and audit findings firmed-up to be communicated to the communicated to the/Division-In-Charge and Audit Head of GRSE so that timely Auditees response/corrective action may take.

After joint deliberation with concerned Department / Unit Head and Audit Head of GRSE, final signed report to be submitted within two weeks from the end of the quarter / half year / year. In case of any delay on submission of report as mentioned in above Para, penalty @ 0.5% per week, maximum 5% will be levied on the bill amount.

Internal Audit Reports would be divided into the following parts: -

A. Part I : Important Observations/ Findings :

This part shall contain all such significant discrepancies observed during the current audit and observations in which, the auditor feels immediate attention of management specifying the financial implications, if any. The Auditor shall bring out the important areas requiring improvement and their recommendation, if any. Furthermore, the Auditor will also report any lack of policy, observations on deviations from policies, systems and procedures of the Company

B. Part II: Compliance (follow-up) Report:

This part shall cover the comments of the Auditors on the adequacy of the compliance and action taken for rectification of errors/ discrepancies pointed out earlier. It shall also contain the confirmation regarding the implementation of policies, systems, controls etc to avoid recurrence of such irregularities in future. It may be ensured that the compliance report on audit observations pointed out in reports relating to earlier audits is made and corrective actions taken on those points are furnished in the Audit Report.



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2. Audit Team:

The firm is required to deploy suitable teams for undertaking the audit as per deployment requirement given in the table below

Sl.No	Area of Coverage	Deployment of Manpower	Qualification
01	Main (Corporate) and Shipbuilding (Main , FOJ, RBD)	05	Semi-Qualified (CA/CMA Inter)
		01	CA/CMA Qualified
02	Engineering Department (TU , 61 Park & Ranchi)	03	Semi-Qualified (CA/CMA Inter)
		01	CA/CMA Qualified

The deployment shall be on continuous basis from commencement of audit till finalization of audit), after a thorough evaluation of the requirements, terms and conditions contained therein, general guidelines for Internal Audit, ensuring that the size of the audit team is commensurate with the volume of work involved in the auditee Unit/Division. The Finance-I/C of the respective units (i.e. 61 Park, Taratala, FOJ, RBD & Ranchi) and the Audit-head of the Company will co-ordinate with the Audit team for smooth functioning of the audit. It should be ensured that the audit team is led & supervised by a Chartered Accountant (designated engagement manager / partner) on regular basis. A person with technical qualification may be included in the team when such need arises for conducting any specific audit area.

3. Extent of coverage of Internal Audit (indicative)

As per SOW attached Annexure-A and Any other matter which may be decided by the Audit Committee/ Management

4. Payment Term: The fees shall be pro-rated quarterly upon performance of the assigned jobs as per given scope of work. Fees (quarterly) will be paid after completion of work assigned / allocated in terms of the scope of the work and submission of signed report as per timelines specified earlier. In the event of any area is of SoW is not covered during the audit, proportionate amount will be deducted. For delay in submission of report, penalty will be levied @0.5% per week (max. 5%) on the bill amount.

5. Tenure : The offer for carrying out assignments would initially be given for one year i.e. for the FY 2025-26. Management keeps the right to extend the tenure for further two years i.e., 2026-27 and 2027-28 depending upon the performance of the Firms. Management also keeps the right for pre-mature termination of the appointment.

G. GENERAL TERMS AND CONDITIONS

- (i) Firms are to fill in all relevant particulars / information in appropriate places and submit documentary evidence (attested by a partner) where specifically asked for.
- (ii) This EOI is only for the purpose of short-listing/empanelment of Firms and does not carry any assurance for allotment of Internal Audit Assignments.
- (iii) Only successful firms will be intimated about their selection in due course.
- (iv) The Company reserves its right to accept or reject any application(s) without assigning any reasons. The decision of the Company for empanelment of the Firms will be final and binding upon the parties participating in the short-listing/ empanelment.
- (v) The Internal Auditor will ensure that the information obtained in respect of the Unit is maintained in strict confidence and secrecy. A certificate towards maintaining confidentiality is to be provided by the Internal Auditor at the time of acceptance of Audit Assignment.



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- (vi) To complete the assignment as per scope of Audit the firm has to engage sufficient manpower as mentioned earlier for timely completion of the assignment.
- (vii) Final signed report to be submitted within two weeks from the end of the quarter. In case of any delay on submission of report, penalty @ 0.5% per week, maximum 5% will be levied on the bill amount.
- (viii) The appointment of the Audit Firm will be initially for 2025-26. The Company reserves the right to extend the appointment on yearly basis, maximum further two years if performance of the firm is found to be satisfactory.
- (ix) If progress/ performance of audit is not found to be satisfactory, the Company reserves the right to terminate the appointment of the Firm.
- (x) No extras / out of pocket expenses will be payable on any account whatsoever.
- (xi) The firm will be debarred in future, from getting any assignment in Garden Reach Shipbuilders' Ltd in the following cases :
 - a) The Audit Firm obtains the appointment on the basis of false information/ statement at the time of submission of application/ documents for the EOI.
 - b) The Audit Firm is found to have sub-contracted the work.
- (xii) The Company being a defence establishment, firms appointed as Internal Auditors may be required to provide commensurate credentials / photographs /ID proof etc. for obtaining entry-passes in respect of its personnel who would be deployed to conduct the audits; frequent interchange of personnel should be avoided.
- (xiii) The Firm is required to provide insurance cover to its representatives deputed to GRSE for conducting the audit or else provide an undertaking that the Company shall not be liable for any incident/eventuality (within GRSE premises) causing sufferings to the personnel deputed from the audit firm.



SCOPE OF INTERNAL AUDIT WORK 2025-26

CORPORATE DIVISION

Sl.#	Particulars	Coverage	Periodicity
FINANCE : TREASURY			
1.	BANK – Receipts / Payments (Employees, Vendors and Statutory payments etc.)	<ul style="list-style-type: none">• Check all receipt and Payments recorded are accurate and timely in the Books (incl. all online transactions).• All receipts and payments are authorized as per Schedule of Authority.• Bank Charges levied by the Bank as per agreement with the Bank/s. (BG/LC/CC etc.).	Monthly
2	Bank Reconciliation Statements	<ul style="list-style-type: none">• Checking BRS (prepared monthly) & whether reviewed and approved independently.• To ensure the BRS statement does not contain any un-related Debits/Credits.• Scrutiny of JVs passed in all Bank Accounts.• Balance Confirmation from Banks are obtained periodically and matches with Books of accounts.• Scrutiny of NEFT Returns and re-execution of such NEFT	Quarterly
3.	Review of Bank Guarantee and LC register	<ul style="list-style-type: none">• Whether the Bank guarantees are directly received from Bank or Deposited by the Vendor (Separate Confirmation has to be obtained for latter).• Proper intimation has been served for Extension/Encashment.• In case of non-receipt of extension, Invocation / Encashment has been done.• Check LC register entries with corresponding PO T&C & subsequent clearing of import consignment & accounting entries of transaction• Import clearance – review of clearance of imported material – all consignments and reporting for abnormalities (demurrage & detention charges etc.)	Qtrly (2Qtrs BG 2Qtrs LC)
4.	Cash Operation	<ul style="list-style-type: none">• Physical verification of Cash (where applicable).• Random Verification of Imprest Account with Imprest holder & Scrutiny of expenses.• Surrender of Imprest card on transfer / Separation from service	Half yearly
5	Investment of surplus fund / investible surplus Accounting for income from investments	<ul style="list-style-type: none">• Check whether the investment made are as per Board authorization / approval.• <u>Check complete investment procedure i.e. Full (initiation to completion) investment procedure incl. Transaction Audit (sample one month every half year.)</u>• Verification of investment certificates/documents• Calculation and accounting treatment of	Half Yearly



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Sl.#	Particulars	Coverage	Periodicity
		Interest on FD, Dividend from MF(including Redemption), Unrealized income (NAV based).	
Finance : Account Payables, Taxation, Compliances & other areas			
1.	Payments to vendors/ contractors and checking procurements. (Verification of payment of bills) <ul style="list-style-type: none"> ➤ Suppliers' (Mtl) bills ➤ Sub-contractors' (Project) bills ➤ Service Providers' bills 	<ul style="list-style-type: none"> • Check the transactions related to payments to Contractors / vendors. • The sample size and list of vouchers considered for checking should be based on a scientific sampling tool/ assessment. The auditors should indicate the details of the same in the report. • The number vouchers to be selected of different types/ categories and value of payments. • Verification/Vouching of bills (sample size for payments) <ul style="list-style-type: none"> ➤ Payments above Rs. 100 lakh – 100% sample ➤ Payment between Rs 50 lakh - Rs. 100 lakh payment – 25% sample ➤ Payment between Rs10 lakh - Rs. 50 lakh – 10% sample ➤ Payment below Rs1 lakh -4% sample • To refer the Accounts manual, Works manual, Purchase manual and outsourcing manual and ensure payments are in line with the laid down procedures and applicable circulars from Corporate Office. 	Quarterly
2	Vendor Advance	<ul style="list-style-type: none"> • To review the creditors and Advances outstanding. An analysis of old outstanding advance (sample basis) with supplier to be made and reported (if more than 02 year) • Review Creditors balances with ageing of open items with last balance confirmation (sample basis). • It is to ensure that confirmation of balances have been obtained in a periodic manner to cover all the vendors during the financial year. • Advance to Domestic Vendors, Foreign Vendors with Scrutiny of Subsidiary Ledger of Creditors. • Whether advance is as per the stipulation/s in the corresponding vendor agreement. Review of movement of advances – given vs adjustment with bill payments / material supplies. Special emphasis on import of supplies / services. • Identify the cases where both credit and debit balances are lying against any vendor, reasons thereof. • Vendor payments made for which items have been rejected (post payment) are to be transferred to Claims Receivable. 	Annually
3	Security Deposit / Other Deposits &	<ul style="list-style-type: none"> • Checking of advances / deposits to Miscellaneous Organization / Service 	Annually



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Sl.#	Particulars	Coverage	Periodicity
	Advances	<p>Provider / SD deposited by GRSE.</p> <ul style="list-style-type: none"> • Verify Confirmation of balances obtained periodically to cover all the advances (existing balances and fresh cases in financial year). • <u>Scrutiny of Advance (Employee related) Account</u> <ul style="list-style-type: none"> a) TA/DA/Medical Advance b) Other Advance 	Quarterly
4	Scrutiny of service/ works contract/ Job vis-à-vis bill raised/paid.	<ul style="list-style-type: none"> • Maintenance Job- <ul style="list-style-type: none"> ➤ Mechanical Equipment / Electrical Equipment (AMC & other maintenance job) • Office support service : PO review with WDC and Service entry in SAP & Bill payment. 	Q3
5	Review of GL a/c	<ul style="list-style-type: none"> • GR/IR clearing a/c, Other major expenses & Liability a/c 	Annually
6	Fixed Assets, CWIP, Investment Property & Intangible Assets (incl. under development)	<p>a) <u>Capitalization</u></p> <ul style="list-style-type: none"> ○ Receipts, installation & commissioning (where ever required) and acceptance, date of put to use certificate and capitalization w.r.t. to the Assets to be checked as per company policy. ○ Updation of Fixed Asset Register w.r.t. additions, deletions / transfer etc. to be checked for correctness. ○ Accounting of cases involving leases, Financial assistance, borrowings, subsidiary from Govt. etc. <p>b) <u>Depreciation/ Amortization:</u> Completeness and correctness in accounting depreciation / amortization based on policy.</p> <p>c) <u>Impairment</u> Impairment to be checked in line with Company policy & accounting standards/ IND AS and valuation effect</p> <p>d) <u>Verification:</u> Check whether Physical verification of Fixed Assets are conducted by the Division periodically in a manner covering entire fixed assets over the stipulated period time. Check for differences identified are reviewed and all corrections are adequately approved & accounted.</p> <p>e) <u>CWIP</u></p> <ul style="list-style-type: none"> • The items which are under CWIP and not capitalized to be analyzed in details item-wise and bring out reasons for non- completion/ capitalization, the EDC etc. Any abnormal delays to be highlighted. • All CWIP lying for more than one year to be reviewed & reported individually including reason for non-capitalization. • Verify the process of conversion of CWIP to FA – basis of conclusion of “Available for Use” <p>f) Check whether capital expenses are being</p>	Annually



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Sl.#	Particulars	Coverage	Periodicity
		<p>passed off as maintenance (review of maintenance GL etc.)</p> <p>g) Check the Fixed Asset entry / accounting for intangible assets procured during the year (Software, License etc.) as well as those existing to be used.</p>	
7	Sale of Scrap & Condemned Capital Assets.	<ul style="list-style-type: none"> • Review of compliance with SOP for scrap disposal, • Full audit of Scrap Collection & disposal thru E-auction transactions, and normal auction disposals 	Annually
8	Insurance	<ul style="list-style-type: none"> • Review of Risks Coverage vis-à-vis asset insured • Identification of assets as per proper asset class and compare with insurance register. • Scrutiny of Insurance Claims lodged & outstanding • Checking of Marine Insurance (Transit insurance) for movement of goods to sub-contractors • CST/FMT (voyage) related PA (personal accident) insurance • Builders Risk Insurance (BRI) for ship construction projects. 	Annually
9	Compliance of statutory Law	<ul style="list-style-type: none"> • Compliance of TDS-as per IT Act., P. Tax/ PF / ESI / LWF deposits/LIC Premium (SSS) Deductions • Compliance related to deduction at appropriate rates, Deposit within in Due dates, submission of Returns etc. 	All Quarters
10	Taxation / Indirect Tax – GST/Direct Tax	<ul style="list-style-type: none"> • Returns , Records as per statutory provisions; Input credit on (procurement or payments) and payment of GST • Review of Assessments and status of Refunds/Demand (as applicable); GST Reverse charge liability & payment • Deposit of Advance Tax w.r.t. Quarterly Profits etc • Review of pending tax cases both Direct & indirect (demand / refunds sub-judice) report yearly YE March 	Half-yrly
11	Payroll Audit (Employee Benefit Expenses)	<ul style="list-style-type: none"> • Employee Master - Updation of employee master accurately and on timely basis(Check procedure followed & documentation) • Audit of entire payroll process with review of Controls (One Month) and Reports generated. Payment & Recovery of Advances, Monitoring for unrealized recoveries/advances. • Long absenteeism and payroll generation, Validity of Payment to separated employees through Payroll. • Verify authorizations for OT (sample selection for high OT earners); attendance recording (Normal time & OT hrs) manual mode, validity of OT on O/S duty; reporting exceptionally high 	Q4



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Sl.#	Particulars	Coverage	Periodicity
		<p>OT; OT amount / rates remunerated vs clock-in/out times;</p> <ul style="list-style-type: none"> • Verification of Hurt-on-duty cases wrt accident report vs medical dept. documents. • Addition of employees to the Roll to be verified from the Appointment order of New Joining. • Processing of Salary - Updation of inputs for processing of salary i.e. attendance, Leave, OT Hours, recoveries, Misc. payments etc. within the time lines. • Payment of Salary & other Recoveries - Accurate and timely Payment of salary and advances and remittance of recoveries. Review outstanding loans and advances to employees and to be reported. 	
12.	PF & related	<ul style="list-style-type: none"> • Monthly Collections (Thru payroll) & investments & settlements; monthly fund-flow planned & actual, idling of funds to check. • Loans disbursed (type, eligibility & documentation) and settled (monthly realisations & F/F on separation). • Verification of investments held & matured (based on copies of statements) • Compliance with PF guidelines regarding furnishing RC & investment pattern (MF, Bonds, Securities). • Interest calculation on balances (yearly). • Taxability of Interest to fund members after separation and payabilty . 	Half yearly
HR, Establishment & Administration Matters			
1.	Canteen & related	<ul style="list-style-type: none"> • Audit of Contractor Worker's Canteen. PO with service vendor, control aspects over issue of canteen coupons and Co's liability for expenses. 	Annually
3	Transport dept.	<ul style="list-style-type: none"> • Owned vehicles and hired vehicles • Process review and audit of engagement of Contractors, adherence to NIT / SOTR terms • Requisition & Deployment of cars, recording usage / utilization of cars vs billing by contractors. • Certification process of bills and payment thereafter (verification of 1 months bills) 	Annually
4.	<p>Medical Expenses Officers , Staffs and Operatives (including post-retirement medical benefit) & CISF personnel</p> <p>b)Procurement of medicines & stock verification of medicine</p>	<ul style="list-style-type: none"> • System/Process review and Full transaction audit of all payment to empanelled Hospital (on account of Medical expenses of employees and CISF personnel & dependents vs. beneficiary master list), recovery of claims / disallowed non-medical expenses from salary of employees. • Physical verification of medicine (pharmacy stock) recording of expired medicines and disposal thereof. 	Annually



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Sl.#	Particulars	Coverage	Periodicity
5	CSR Activities	<ul style="list-style-type: none">Review & Transaction Audit of all CSR activities & expenses (after closure of CSR Project)Review of nomenclature of the expenses with CSR activity	Annually
6	Corporate Communications) 61 Park)	<ul style="list-style-type: none">Advertisement & Publicity expenses. PO for event management & website maintenance.	Annually
7	Guest House	<ul style="list-style-type: none">Proper record of guest register, inventory & receiptsManagement approval for expenses & proper accounting of bills.	Annually
8	Other Expenses	<ul style="list-style-type: none">All write offs to be examined whether done with the approval of competent authorityVouching & verification of expenditure being booked under Miscellaneous Operating Expenses.Whether any project related expenses like travel, training, etc. has been identified and accounted for in the books of accounts correctly.	Quarterly on continuous basis
9	GeM Procurements	<ul style="list-style-type: none">O/s balance in GeM Pool a/c of designated bank. Reconciliation of such balance w.r.t. open PO & closed PO in GeMTo examine (based on list prepared by Commercial Dept.) all procurement through GeM and other than GEM duly verifying the non-availability in GEM.	Annually (Q2) All Qtrs.
10	Related party transactions	<ul style="list-style-type: none">To examine all related party transactions of the Company and to check pre-approval taken from Competent Authority, if applicable.	Annually
11	Adequacy of Internal control	<ul style="list-style-type: none">Overall adequacy of Internal controls including computerized information system control and security.	Annually

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SHIPBUILDING DIVISION : Main Works, FOJ Unit & RBD Unit.

Sl. No	Particulars	Coverage	Periodicity
1	Capacity utilization of machines of plate preparation shop (MW).	<ul style="list-style-type: none"> Labour-hours worked v/s standard output (Reporting Operating efficiency) Scrap generation and recording Review of work done in-house vis-à-vis outsourcing of work. Review process flow and check records of transactions. % of scrap generated w.r.t. inputs. (sample 3 months analysis). 	Annually
2	Audit of Project Consumable Materials (production related)	<ul style="list-style-type: none"> Review & Audit of issue of consumable items to production (electrodes and welding consumables , welding Gas) Sub-stock Inventory-holding, and relation thereof with actual consumption in respect above 	Annually
3.	Job Execution by sub-contractors (on-site): against sub contract PO issued	<ul style="list-style-type: none"> To check job execution for block fabrication , erection , plumbing , electrical job on-board ship w.r.t PO & SOTR, Checking of records maintained for quantity of job performed for billing measurement , corresponding WDC, Material (issued by GRSE) consumed, Hindrance register and LD imposition etc. Recommend process improvement measures. 	Quarterly
4.	Job Execution by job-workers (off-site)	<ul style="list-style-type: none"> Compliance with GST requirements wrt movement of materials Checking of records for materials movement , material consumed, scrap generated & material lying with job-workers. 	Half-yearly
5	Stores : Main,FOJ Material Receipts & Issue (Coverage -04 Store of Main Unit / 02 Store of FOJ)	<ul style="list-style-type: none"> Gate Receipt vs DMR Entry-date vs SAP-GR Date identifying abnormal time gaps ICGRN Pending cases : Review with ageing and exception Issue of materials against SIR / Loan slip, Check for issue pending SAP-updation Open SIR : Ageing and reporting thereon 	Q3
6.	Stores : Main, FOJ Incoming material rejected (RIC)	<ul style="list-style-type: none"> Review of the process and allied control for storage/ replacement/ recovery of payment ,if any, against rejected materials. Verify payments if any made against such rejections. Verify high value rejected items & nature of such rejection. 	Q3
7.	Scrutiny of Purchase Proposals – 1) NCM (Project Purchase) Department 2) Purchase Department 3) Procurement under Single Vendor Nomination	<p>Scrutiny and review.</p> <ul style="list-style-type: none"> 100% sample size for PO value above Rs. 5 cr 20% sample size for PO value above Rs.1 cr upto 5 cr 10% sample size for PO value above Rs.0.50 cr upto 1 cr 10% sample size for PO value below Rs. 0.50 	Quarterly



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Sl. No	Particulars	Coverage	Periodicity
	basis 3) Sub-contract PO	cr 1% sample size for PO value up to Rs. 0.50 cr Check for terms agreed in CNC & TNC & PNC and stated in Purchase Proposal are incorporated in PO.	
8.	Revenue from Operation Stage Billing for Shipbuilding Projects, AMC Billing for FB Dept , MoD billing for job done	<p><u>Accounting:</u></p> <ul style="list-style-type: none"> • Raising of bills per contract, AMC Billing, realization and accounting entries for bills. (GST compliance). • MOD job under execution, status reporting and billing thereof. • Other aspects of accounting i.e. guarantee repair provision , Liquidated Damages etc.to be checked. • Proper/ suitable adjustment and accounting of Advances received from Customers at the time of setting up of sales. <p><u>Invoicing:</u></p> <ul style="list-style-type: none"> • Invoices are raised with proper documents & supporting and issued to the Customers on timely basis • To check the status of invoicing for the sales set up and deliveries made against various orders. • To highlight invoices not raised after sales set up with reasons and time taken after setting up sales. <p><u>Accounts Receivables:</u></p> <ul style="list-style-type: none"> • Reconciliation and analysis of outstanding Debtors for which sales have set up but invoices could not be raised for want of documentation (e.g. Customer order, Customer certified work done report,) • Review the Provisions for doubtful debts whether made on a timely basis with approval of Competent Authority. • Ageing of Trade Receivables & examine follow-up for realisation • Verification of Valuation of WIP 	Quarterly
8.	Booking of Labour to the jobs in relation with attendance – Main unit / FOJ / RBD	<ul style="list-style-type: none"> • Checking of labour hours (NT & OT) booked to job by shops and examine whether same is in conformity with attendance records. Three major shops / cost-centres for each unit. 	Q3
9	Operations of FIB divn.	<ul style="list-style-type: none"> • System / Process study of AMC of MHA boats being serviced from Main unit; Contracts with service providers and procurement of service materials; • review of non-operability of boats and impact on AMC bills 	Q3

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ENGINEERING DIVISION:

a) 61 Park UNIT (BAILLEY BRIDGE) & TARATALA UNIT (Deck Machinery & ship repair)

Sl. No	Particulars	Coverage	Periodicity
1.	Job-work wrt GST	<ul style="list-style-type: none"> Movement of materials to sub-contractors and corresponding status of delivery challans (>365 days out standing cases to be reported, for proper action to ensure return within GST stipulated period) 	Half-yearly (Full YTD coverage)
2	Despatch of Materials	<ul style="list-style-type: none"> Check for despatch of materials against manual despatch document / GST invoice if any. 	Half-yearly
3	Sales Order Review, Sales Accounting & Debtor Management :	<ul style="list-style-type: none"> Review new sales order created in SAP vs customer agreement, open sales orders (old), modification of sales orders. <p><u>Sales Accounting</u></p> <ul style="list-style-type: none"> Revenue recognition & Raising bills as per contract, accounting entries thereof done with Compliance of GST requirements vis-à-vis dispatch of goods Checking of all bills against Dispatch of Goods through GST Invoice and entry in system Reviewing & reporting collections from debtors (vis-à-vis bill dates) and ageing of debtors based on Bill date Invoices are raised with proper documents & supporting and issued to the Customers on timely basis To check the status of invoicing for the sales set up and deliveries made against various orders. To highlight invoices not raised after sales set up with reasons and time taken after setting up sales. <p><u>Accounts Receivables:</u></p> <ul style="list-style-type: none"> Analysis of outstanding Debtors for which dispatches made up but invoices could not be raised for want of documentation (e.g. Inspection Note, Customer certified work done report, etc.) Review the Provisions for doubtful debts whether made on a timely basis with approval of Competent Authority. Check Ageing of Trade Receivables. Examine follow-up for realization and report adequacies. 	Half-yearly (Full YTD coverage)
4	Scrutiny of Purchase/ sub-contracting Proposals	<ul style="list-style-type: none"> Review of procurement/job-work proposals, whether commensurate with stock levels and material requirement against firm / expected orders. <p>Transaction audit and review.</p> <ul style="list-style-type: none"> All (100% sample for the below category)- <ul style="list-style-type: none"> above Rs 1 cr Single vendor nomination / RSVS cases Modified /Amended PO 20% sample size for PO value above Rs.1 cr upto 5 cr 10% sample size for PO value above Rs.0.50 cr upto 1 cr 5% sample size for PO value upto Rs. 0.50 cr 	Half-yearly (Full YTD coverage)



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Sl. No	Particulars	Coverage	Periodicity
5.	Incoming material (from job-worker & others) i) Time taken for ICGRN ii) Materials rejected after delivery	<ul style="list-style-type: none">Abnormal Delay reporting and validity of grounds;Reason for rejection , action & time taken for rectification	YTD
6	Selling Agent's Commission	Full audit of commission paid / payable to marketing agent with checking of agreement provisions, rates decided wrt individual BB orders received and approvals obtained.	Annually (Full YTD coverage)
7	Project profitability	<ul style="list-style-type: none">Price quoted for project vs cost incurred (detailed calculation with supporting document /Cost sheet (Completed Projects) etc., elements of cost including Transportation and agency commission.Major ongoing project order and new orders received	Half-yearly (YTD)
8	Work-in-progress	<ul style="list-style-type: none">Verification / valuation of WIP	Half-yearly (YTD)

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ENGINE DIVN.: DEP, Ranchi

Sl.#	Particulars	Coverage	Periodicity
FINANCE : TREASURY (CASH & BANK BALANCES) – See Corporate Section for our comments			
1.	BANK – Receipts / Payments (Employees, Vendors and Statutory payments etc.)	<ul style="list-style-type: none"> • Check all receipt and Payments recorded are accurate and timely in the Books as compare to online payments. • All receipts and payments are authorized as per Schedule of Authority. • Bank Charges levied by the Bank as per Consortium agreement with the Bank. (BG/LC/CC etc.). 	Annual (Full YTD coverage)
2	Bank Reconciliation Statements	<ul style="list-style-type: none"> • BRS is prepared on monthly basis. • BRS is prepared, reviewed and approved independently. • To ensure the BRS statement does not contain any un-related Debits/Credits. • Scrutiny of JVs passed in all Bank Accounts. • Balance Confirmation from Banks are obtained and matches with Books of accounts. • Scrutiny of NEFT Returns and re-execution of those NEFT 	Annual (Full YTD coverage)
3.	Cash Operation	<ul style="list-style-type: none"> • Physical verification of Cash (if any). • Verification of Imprest Account with Imprest holder & Scrutiny of expenses. • Surrender/W/o of Imprest card on transfer / Separation from service 	
Finance & Accounts			
1.	Payments to vendors/ contractors and checking procurements. (Verification of payment of bills) <ul style="list-style-type: none"> ➤ Suppliers' (Mtl) bills ➤ Sub-contractors'(Project) bills ➤ Service Providers' bills 	<ul style="list-style-type: none"> • Check the transactions related to payments to Contractors / vendors. • The sample size and list of vouchers considered for checking should be based on a scientific sampling tool/ assessment. The auditors should indicate the details of the same in the report. • The number vouchers to be selected of different types/ categories and value of payments. • Verification/Vouching of bills (sample size for payments) <ul style="list-style-type: none"> ➤ Payments above Rs. 10 lakh – 50% sample ➤ Payment between Rs.05 lakh - Rs. 10 lakh payment – 25% sample ➤ Payment between Rs1 lakh - Rs. 05 lakh – 5% sample ➤ Payment below Rs1 lakh -1% sample • To refer the Accounts manual, Works manual, Purchase manual and outsourcing manual and ensure payments are in line with the laid down procedures and applicable circulars from Corporate Office. 	Annual (Full YTD coverage)
2	Vendor Advance	<ul style="list-style-type: none"> • To review the creditors and Advances outstanding an analysis of old outstanding advance with supplier to be made and reported (if more than 02 year) • Review Creditors balances with ageing of 	Annual (Full YTD coverage)



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Sl.#	Particulars	Coverage	Periodicity
		<p>open items with last balance confirmation</p> <ul style="list-style-type: none"> • It is to ensure that confirmation of balances have been obtained in a periodic manner to cover all the vendors during the financial year. • Advance to Domestic Vendors, Foreign Vendors with Scrutiny of Subsidiary Ledger of Creditors • Review of movement of advances – given vs adjustment with bill payments / material supplies. Special emphasis on import of supplies. • Advances outstanding for which items have been rejected are to be transferred to Claims Receivable. 	
3	Security Deposit / Other Deposits & Advances	<ul style="list-style-type: none"> • Checking of all advance account to Miscellaneous Organization / Service Provider where SD is deposited by GRSE • It is to ensure that confirmation of balances have been obtained in a periodic manner to cover all the advances (old balances and during the financial year). • <u>Scrutiny of Advance (Employee related) Account</u> <ul style="list-style-type: none"> a) TA/DA/Medical Advance b) Other Advance 	Annual (Full YTD coverage)
4	Job Contract / Support Service: Scrutiny of service/ works contract/ Job vis-à-vis bill raised/paid	<ul style="list-style-type: none"> • Maintenance Job- AMC & other maintenance, Civil Maintenance, Canteen services • House Keeping, Office support service • Transport Hiring 	Annual
5	Fixed Assets, CWIP, Investment Property & Intangible Assets (<i>incl. under development</i>)	<ul style="list-style-type: none"> a) <u>Capitalization</u> <ul style="list-style-type: none"> • Receipts, installation & commissioning (where ever required) and acceptance, date of put to use certificate and capitalization w.r.t. to the Assets to be checked as per company policy. • Updating of Fixed Asset Register w.r.t. additions, deletions / transfer etc. to be checked for correctness. b) <u>Disposal:</u> Examine disposals made/proposed during the period under review whether done with proper authorization/ approval with adequate justification and documentation. c) <u>Physical Verification:</u> <ul style="list-style-type: none"> • Check whether Physical verification of Fixed Assets to be conducted by the Division/ Office periodically in a manner covering entire fixed assets over a period of three years. • Differences identified are reviewed and all corrections are adequately approved & accounted. 	Annual (Full YTD coverage)
6	Sale of Scrap & Condemned Capital Assets.	<ul style="list-style-type: none"> • Review of compliance with SOP for scrap disposal, 	Annual (Full YTD)



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Sl.#	Particulars	Coverage	Periodicity
		<ul style="list-style-type: none"> Full audit of Scrap Collection & disposal thru E-auction transactions, and normal auction disposals. 	coverage)
7	Insurance	<ul style="list-style-type: none"> Review Marine Insurance Coverage vis-à-vis Stock/ Material movement. 	Annual (Full YTD coverage)
8	Compliance of statutory Law	<ul style="list-style-type: none"> Compliance of TDS-as per IT Act., P. Tax/ PF / ESI / LWF deposits. Compliance related to deduction at appropriate rates, Deposit within in Due dates, submission of Returns etc. 	Annual (Full YTD coverage)
9	Taxation / Indirect Tax – GST	<ul style="list-style-type: none"> Returns, Records as per statutory provisions, Input credit on (procurement or payments) and payment of GST Review of Assessments and status of Refunds/Demand (as applicable); GST Reverse charge liability & payment. 	Annual (Full YTD coverage)
10	Payroll Audit (Employee Benefit Expenses)	<ul style="list-style-type: none"> Employee Master - Updating of employee master accurately and on timely basis (Check procedure followed & documentation) Long absenteeism and payroll generation, Validity of Payment to separated employees through Payroll. Verify authorizations for OT (sample selection for high OT earners); attendance recording (Normal time & OT hrs) manual mode, validity of OT on O/S duty; reporting exceptionally high OT; OT amount / rates remunerated vs clock-in/out times; 	Annual (Full YTD coverage)
11.	Medical Expenses Officers, Staffs and Operatives (including post-retirement medical benefit)	<ul style="list-style-type: none"> System/Process review and Full transaction audit of all payment to Nursing Home/ Hospital (on account of Medical expenses of non-officers & dependents vs. beneficiary master list), recovery of claims / disallowed non-medical expenses from salary of employees. 	Annual (Full YTD coverage)
12	Other Expenses	<ul style="list-style-type: none"> Vouching & verification of expenditure being booked under Miscellaneous Operating Expenses. 	Annual (Full YTD coverage)
13	Sales Order Review, Sales Accounting & Debtor Management:	<ul style="list-style-type: none"> Review new sales order created in SAP vs customer agreement, open sales orders (old), modification of sales orders. <u>Sales Accounting</u> Revenue recognition & Raising bills as per contract, accounting entries thereof done with Compliance of GST requirements vis-à-vis dispatch of goods Checking of all bills against Dispatch of Goods through GST Invoice and entry in system Reviewing & reporting collections from debtors (vis-à-vis bill dates) and ageing of debtors based on Bill date Invoices are raised with proper documents & supporting and issued to the Customers on timely basis To check the status of invoicing for the sales set up and deliveries made against various orders. To highlight invoices not raised after sales set up with reasons and time taken after setting up 	Annual (Full YTD coverage)



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Sl.#	Particulars	Coverage	Periodicity
		sales. Accounts Receivables: <ul style="list-style-type: none">• Analysis of outstanding Debtors for which dispatches made up but invoices could not be raised for want of documentation (e.g. Inspection Note, Customer certified work done report, etc.)• Review the Provisions for doubtful debts whether made on a timely basis with approval of Competent Authority.• Check Ageing of Trade Receivables.• Examine follow-up for realization and report adequacies.	

NB:

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