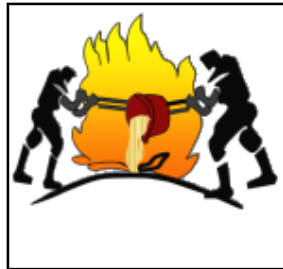


Tender for Appointment of Auditors for Pre-Auditing of Bills



The Hutti Gold Mines Co Ltd

**September
2018**

THE HUTTI GOLD MINES COMPANY LIMITED, HUTTI

1. INTRODUCTION

1.1 The Hutti Gold Mines Company Limited (HGML), a Government of Karnataka Undertaking has the unique distinction of being the only primary producers of gold in the country. The corporate office of the Company is at Bangalore and gold extraction plants at Hutti. HGML has been active in the process of exploration, development and exploitation of gold deposits occurring in Karnataka.

1.2 At present the company on an average extracts 2 metric tonnes of gold per year. The extraction capacity of gold may be increased to 3 tonnes in the next 2 years' time. HGML has huge reserves of gold and may take up further expansion in future.

1.3 Location of the Mines : Lingsugur Taluk, Raichur Dist, Karnataka State
Distance : 480 KM North of Bengaluru
300 KM Southwest of Hyderabad
80 KM West of Raichur
20 KM Northeast of Lingsugur
Railway Station : Raichur, south Central Railway – 80.km
History of Mining : a) Ancient Mining – 2000+ years old
(Pre-Ashokan era)
b) Modern Mining – Main Mine during
Nizam's period (1902 -1918)
c) Modern Mining – Rediscovery of parallel
Lodes and Mining from 1947 onwards.
Present Mine Depth : 26th Level, 842 Metres

1.4 The Company has four major Departments which play main roles in extraction of primary gold.

Mining Department
Exploration Department
Metallurgical Department
Engineering Department

1.5 Performance of the Company during last 3 years:-

(Rs. in lakhs)

Particulars	FY 2015-16	FY 2016-17	FY 2017-18
Production			
a) Ore treated (MT)	548237	569087	568692
b) Net recovery grade	2.39	2.78	2.88
c) Gold produced (kgs)	1310.00	1579.72	1638.16
Income / Turnover	43971.74	47882.46	43703.29
Profitability	679.15	3156.85	3043.19

1.6 Disclaimer

This Tender Document is not an agreement and is not an offer or invitation by The Hutti Gold Mines Co Ltd (HGML) to any party other than the one that qualifies to submit the Bid. The purpose of this Tender Document is to provide information to the potential bidders to assist them in responding to this Tender Document. Though this Tender Document is prepared with sufficient care to provide all required information to the potential bidders, they may need more information than what has been provided in this document. In such cases, the potential bidder is solely responsible to seek the information required from HGML. HGML reserves the right to provide such additional information at its sole discretion. In order to respond to the tender, if required, and with the prior permission of HGML, each bidder may conduct his own study and analysis, as may be necessary.

HGML makes no representation or warranty and shall incur no liability under any law, statute, rules or regulations on any claim the potential bidder may make in case of failure to understand the requirement and respond to the Tender document. HGML may, in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this Tender Document.

Scope of work for pre-Audit of Supplier's /Contractor's And Service Provider's Bills.

- 1) To pre-audit all the bills of suppliers, contractors, projects, Advance/Adjustments, EMD and SD refunds, valuing more than Rs. 25000/
- 2) The period of the pre-audit assignment is for 12 months from January to December 2019
- 3) The bills/claims needs to be audited with respect of provisions of purchase order/work order/agreement, tender documents, measurement books, certification by concerned executing department, certification/comments of independent consultants, statutory recoveries/recoveries of mobilisation advances, interest, penalty, security deposits, liquidate damages, recoveries towards issue of materials/cost of service, delay in completion of the work, compliance to various laws, required approvals/sanctions, supporting documents, tax invoices currency and sufficiency of bank guarantees admissible tax and duties, availing of input tax (ITC) benefits, statutory deductions, GST compliance/filling of returns and arithmetical accuracy etc.,
- 4) The pre-audit needs to be carried out three times in month at Hutt, i.e on 10th 20th, and 30th /31st of the concerned month. The finance department at Hutt will provide the bills with necessary supporting documents. The audit team, at the end of each visit, will have to prepare a list of cleared bills, showing gross admissible amount, deductions and net payable amount, for making the payment. The list with seal and signature shall be submitted to the General Manager (Co-ordination).
- 5) The remarks/comments for the rejected bills/claims, if any , shall also be addressed to the General Manager (Co-ordination), Hutt and shall be handed over before completion of each visit.
- 6) Verification of GST monthly returns such as GSTR1, GSTR3B, GSTR2, GSTITC04 and GST TDS returns. Monthly returns shall be checked with reference to statutory requirements and amounts shall be checked/reconciled

with bills, books of accounts and GST registers. This work shall be carried out once in month preferably in the second visit of the month and separate report shall be submitted.

INSTRUCTIONS TO BIDDERS

The Bidder is required to submit Covering Letter in **Form No. 1**. Following are the guidelines for bidders to submit Technical and Financial Bids for this assignment.

Bid Formats:

The bid shall consist of two parts i.e. Technical bid & financial bid.

The Technical bid shall contain all the documents and declaration/information with respect to compliance with pre-qualification criteria as per **Form No. 2**.

Technical Bid:

The technical bid document shall include specific responses addressing the requirements described below:

1. Understanding of Hutti Gold Mine's needs.
2. The bidder's organization profile
3. Relevant Experience of the firm.
4. The curriculum vitae of key team members to be associated with this study.

Note 1: Documentary evidences are to be submitted towards all the experiences claimed and clearly highlighting the relevant part in the document.

Financial Bid:

The Financial quote shall not be part of technical bid. The total amount /fees including TA/DA, out of pocket expenses and all taxes and duties shall be entered in the e-portal, financial bid approval format.

Others:

The company will arrange free of cost for the boarding and lodging at its mine sites.

MANDATORY ELIGIBILITY CRITERIAS

The following are the essential qualifying criterias' for the firms to qualify in Technical Bid.

- 1) The firm should have been registered with the Institute of Chartered Accountants of India **or** the Institute of Cost Accountants of India (ICAI/ICMAI)
- 2) The firm should have at least 3 Chartered / Cost Accountants as its partners
- 3) One of the partners should be a fellow member of the Institute of Chartered Accountants of India **or** the Institute of Cost Accountants of India.
- 4) The firm should have carried out pre-audit assignment or internal audit work in any state PSUs in Karnataka at least for one year during the previous 3 years.
- 5) The firm shall have minimum personnel strength of 5 assistants / article assistants
- 6) The firm should have its working office in or around Kalburgi, Bellari, Raichur, Hubballi, Dharward Belgavi or near district of Raichur.

Note: Documentary evidences are to be submitted towards compliance with Mandatory qualification criteria along with the technical bid.

EVALUATION CRITERIAS

Stage 1: Technical valuation

Stage 1 evaluation will be taken up for those bidders who have submitted bid through e-portal. The bid will be scrutinized with respect to the mandatory eligibility requirements. Only those bids who meet all the eligibility requirements shall be considered for further evaluation. The details of these parameters are given in Form No-2 (Technical Bid). Financial bid shall be opened for only those bidders, who qualify technically as per the Technical Bid.

Stage 2: Financial Evaluation

Bidders who qualify in stage 1, their financial bids shall be opened. The lowest bid amount as per e-portal, among the technically qualified bidders shall be taken for further consideration,

The amount to be entered in the e-portal financial bid shall be inclusive of all charges, fees, expenses, TA/ DA & out of pocket expenses and applicable taxes. The amount entered in the e-portal shall be final and binding.

The assignment/audit work shall be awarded after evaluation of the financial Bid.

OTHER TERMS AND CONDITIONS

HGML's right to accept/ reject the bids

Notwithstanding anything stated in the Tender Document or in any related correspondence, HGML reserves the right to accept or reject any Bid. It also reserves the right to cancel/annul the bidding process and reject all Bids at any time before the award of the Contract, without assigning any reason and thereby without incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders of the grounds for HGML's action/decision.

FAILURE TO ABIDE BY THE CONTRACT

The bidder is expected to strictly adhere to the terms specified in this Tender document as well as the LOI. Any violation of any of the terms could lead to immediate termination of the Contract at the risk and cost of such bidder without prejudice to the rights of HGML with such penalties as specified in the Tender Document and the LOI.

TERMS OF PAYMENT

HGML will release payments for execution of the Assignment based on milestones of work completion as indicated in **APPENDIX - 1**.

CONFLICT OF INTEREST

Neither the selected firm nor any of the firm's personnel shall engage in any personal business or professional activity which conflicts or could conflict with any of their obligations in relation to this project. The key members mentioned in the Tender document shall not be changed in any circumstances without the prior approval of the HGML. Failure to comply, the HGML will have the right to cancel the Contract at the risk and cost of such bidder without prejudice to the rights of HGML.

PRICE VALIDITY

The price quoted by the bidder should be valid for 90 days from the tender date.

Form 1: Cover Letter

To

Date:

The Deputy General Manager (Materials),
Hutti Gold Mines Co Ltd.,
Hutti-584115

Sub: Tender for Assignment of Pre Audit of bills for the period from January to December 2019

Dear Sir,

1. We, the undersigned, after having examined the terms and conditions mentioned In the tender document, submit our technical & financial proposals for the above Tender.
2. We have read the provisions contained in the tender document and confirm that these are acceptable to us.
3. We further declare that additional conditions, variations, deviations, if any, found in our proposal shall not be given effect to this tender.
4. We hereby declare that all the information and statements made in this Proposal is true and accepts that any misinterpretation contained in it may lead to our disqualification and without prejudice to other remedies available to HGML

Authorized Signatory (in full and initials):

Name and title of signatory:

Duly authorized to sign this Proposal for and on behalf of [Name of Consultants]

Name of Firm:

Address:

TECHNICAL BID

Sl. No.	Mandatory Criteria	Yes/No (To be filled by the Firm)	Required Documentary Evidence
1	The firm should have been registered with the Institute of Chartered Accountants of India <u>or</u> the Institute of Cost Accountants of India.		Certified copy of the Registration / certificate of incorporation
2	The firm should have at least 3 Chartered / Cost Accountants as its partners		Certificate of Registration.
3	One of the partners should be a fellow member of the Institute of Chartered Accountants of India or the Institute of Cost Accountants of India.		Certificate issued in this regard
4	The firm should have carried out pre-audit assignment or internal audit work in any state PSUs in Karnataka at least for one year during the previous 3 years.		Names of the companies with copies of work orders.
5	The firm shall have minimum personnel strength of 5 assistants / article assistants		Curriculum Vitae in brief.

(A) - The technical bid document should include specific responses addressing the requirements described below:-

1. Understanding of Hutti Gold Mine's needs.
2. The bidder's organization profile
3. Relevant Experience of the firm.
4. The curriculum vitae of key team members to be associated with this assignment.

Note 1: Documentary evidences are to be submitted towards all the experiences claimed and clearly highlighting the relevant part in the document.

(B) - Credentials related to the works / assignments completed/continuing for last 3 (Three) years.

Sl. No.	Name of the Client/ Organization with Address	Contacting person of Client with telephone Number	Scope of Services Provided by Bidder	Year of services provided	Value of Assignment (INR)	Period of Completion of Assignment

(C) - Qualifications and Experience of Key Personnel to be associated with the Assignment:

Particulars	Professional No.1	Professional No.2
Name and Designation		
Experience / Work History		
Educational / Professional Qualification(s)		
Expected Nature of Involvement (Specific roles / activities Full time/ part time)		

Terms of Payments

The following schedule will be adopted for the payment of fees:

Milestones	Schedule of Payment
Quarterly payment on submission of bills and certification by the concerned authority	25% of the total fees