

Himachal Pradesh General Industries Corporation Limited
(H.P. Govt. Undertaking)
Regd. Office: New Himrus Building, Cart Road,
Shimla-171001 (H.P.)

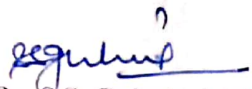
No:- HPGIC/F&A/IA-Vol-III-807

Dated: 23.07.2020

**EXPRESSION OF INTEREST (EOI)/TENDER FOR APPOINTMENT/
EMPANELMENT OF CHARTERED ACCOUNTANT / COST ACCOUNTANT
FIRMS FOR CONDUCTING INTERNAL AUDIT AND FINALIZATION OF
ACCOUNTS OF CORPORATION AND ITS UNITS FOR THE FINANCIAL
YEAR 2020-21.**

HPGIC Limited invites expression of interest/ tender for appointment/empanelment of Chartered Accountant / Cost Accountant Firms having registered office in Himachal Pradesh for Internal Audit and finalization of accounts of the Corporation with minimum three years of experience in internal audit and consolidation of accounts of companies. The scope of work along with detailed terms & conditions together with Annexure – I & II are available on the website www.hpgic.co.in which can be downloaded/ or can be collected from our office during any working day between 10.00 AM to 5.00 PM.

Interested firms (having requisite experience in Internal Audit and accounting of Central/State organisations / PSUs/limited Companies and having its registered office in Himachal Pradesh) may send their application in prescribed format in envelopes superscribing "*Appointment / Empanelment of Chartered Accountant / Cost Accountant Firms for conducting Internal Audit for the F.Y 2020-21*" so as to reach the office of the Managing Director HPGIC Ltd., New Himrus Building, Circular Road Shimla, Himachal Pradesh – 171001, latest by **5th August, 2020 by 05.00 pm**. The offer should be submitted strictly as per terms and conditions laid down in the document and accompanied with earnest money of Rs. 5,000/- in the shape of Demand Draft in favour of the Managing Director, HPGIC Ltd.


Dr. S.S. Guleria, IAS
Managing Director

HIMACHAL PRADESH GENERAL INDUSTRIES CORPORATION LIMITED
Shimla-171001

SCOPE OF WORK FOR INTERNAL AUDIT

Terms and Conditions for conducting the Internal Audit:-

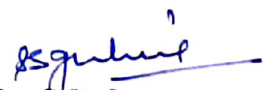
The details of Units are as under:-

<u>Sr. No.</u>	<u>Name of Units/Offices</u>
1.	Country Liquor Bottling Plant, Mehatpur, Distt. Una, HP;
2.	Country Liquor Bottling Plant, Parwanoo, Distt. Solan, HP;
3.	Nurpur Silk Mills, Nurpur, Distt.- Kangra, HP;
4.	Mining Project, Bilaspur, Distt.- Bilaspur, HP;
5.	Furniture Factory Bilaspur, Distt.- Bilaspur, HP;
6.	Furniture Factory Chambaghat, Distt.- Solan, HP;
7.	FFD Sale Shop, SDA Complex, Kasumpti, Shimla;
8.	Head Office, Shimla.

Terms and Conditions:-

1. The Internal Audit will be carried out at Head Office and in the Units of Corporation situated at different places.
2. Complete audit shall be conducted in depth keeping in view the nature and size of the business of the Corporation. All the Incomes and Expenditure should be accounted in the Books of accounts as per the requirement of Companies Act/Accounting Standards. The Revenue Expenditures in excess of budget be reported.
3. Trial Balance, Bank Reconciliation Statements and Stock Statements will be furnished by the Unit.
4. 100% Vouching of Cash & Journal Vouchers.
5. Complete checking of Sales, Purchase & Stock Records including production records. Credit Sales to private parties should be within approved system & purchases within delegated financial powers or sanction obtained. Deficiencies are to be reported.
6. Checking of Stock Inventories with financial reports and checking of Statement of Stock transferred to various Sale Shops/Emporium and Sale on consignment basis.
7. Checking of the compliance of statutory liabilities as imposed by the various acts i.e. Companies Act, Income Tax Act, Goods and Service Tax Act and other Taxation Acts as applicable to the Corporation.

8. Checking of purchases with store and financial record. A report on observing codal formalities be submitted.
9. Checking of job summary with stores/stocks and books of accounts.
10. Wherever shortages are detected, the same will be brought out in the report.
11. A report on compliance of mandatory Accounting Standards should be submitted and its compliance be ensured.
12. Checking the classification of Assets and Liabilities as per the requirements of the Companies Act, 2013
13. Details of Advances and Sundry Debtors which in the opinion of the auditors are doubtful for recovery will be incorporated in the Internal Audit Report. Deficiency in pursuing recovery be also brought out in the report.
14. To check security documents against loans and advances.
15. Checking of Cost Sheet of each item at the units and suggestions for improvement.
16. Checking of requirements as pointed out by AG-H.P.
17. Checking of the amount due to employees of the corporation i.e. Leave Encashment, Gratuity etc. as at the close of the year of all the employees at Head Office and Units.
18. Checking of TDS, TCS, GST, VAT and record of other levies deducted/collected/deposited and non-compliance, if any, shall have to be brought in the report.
19. Checking of the compliance of instructions issued by the Corporation to the units from time to time.
20. Any other work of Internal Auditors considers necessary keeping in view the nature of the activities in the particular unit.
21. All other allied work connected with the internal audit including review of previous internal audit reports and to incorporate the outstanding audit paras in the present internal audit report.
22. The Internal Auditors will discuss their observations with the unit Incharge with a view to get them settled before finalization of their report. The routine observation which can be settled at the spot should be avoided to be incorporated in the audit report.
23. The Internal Auditors will be required to change Balance Sheet and Profit & Loss Account in view of changes that may be suggested by the Statutory Auditors so as to meet the requirements of the Companies Act.
24. To provide assistance as and when required in connection with the preparation of replies to Statutory and C.A.G. Audit observations.


Dr. S.S. Guleria, IAS
Managing Director

Himachal Pradesh General Industries Corporation

Selection and Appointment of Internal Auditors

a) Introduction:

Himachal Pradesh General Industries Corporation was incorporated in 1988 as Himachal Pradesh state government undertaking. It is in the manufacturing business of Country Liquor under Brand name Una No.1, Furniture & Furnishing and manufacturing of Himachali Silk.

b) Scope of work:

- i. HPGIC is looking for engagement of eligible Chartered Accountant / Cost Accountant firm having registered office in Himachal Pradesh for carrying out the internal audit and finalization of accounts of its following units:-
 - a. Country Liquor Bottling Plant at Mehatpur, Distt. Una (HP).
 - b. Country Liquor Bottling Plant at Parwanoo, Distt. Solan (HP).
 - c. Furniture Factory at Chambaghat, Distt. Solan (HP).
 - d. Furniture Factory at Roura Sector, Bilaspur, Distt. Bilaspur (HP).
 - e. Mining Project at Roura Sector, Bilaspur, Distt. Bilaspur (HP). (Closed unit)
 - f. Furniture and Furnishing Division, SDA Complex, Distt. Shimla (HP).
 - g. Nurpur Silk Mills at Bodh, Nurpur, Distt. Kangra (HP).
 - h. HPGIC Head Office at Shimla.
- ii. Internal Audit shall be conducted in 2 phase (Phase – I covering April to September and Phase – II covering October to March). The commencement of Phase – I audit will be on/around 25th September and Phase – II will be on/around 15th March and the report of Phase – I & II are to be submitted by 15th November and 30th June respectively.
- iii. The finalization of accounts of the units and consolidation is required only once at the time of annual closing as on 31st March 2021. The audit shall be carried out as per schedule referred above, in line with the scope of work and the final Balance Sheets along with Profit & Loss Statements of each unit should be submitted separately and Consolidated Balance Sheet of the Corporation as on 31st March 2021, as a whole, shall be prepared, and signed under your proper seal and submitted in soft and hard copies by the above said dates of latest by 30th June 2021.
- iv. In view of the changes/corrections in the Balance Sheet(s) and the Profit/Loss account as and when suggested by the Statutory Auditors of the Corporation so as to meet the requirement of the Companies Act, 2013 and the Accounting Standards you will have to visit the units/head office of the corporation without any further charges.

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- v. You have also to provide assistance as and when required in connection with the preparation of replies to Audit Committee of the Directors of the Corporation, Statutory Auditors and the C.A.G. of India.
- vi. The Scope of work of Internal Auditors is attached at Annexure - I, which is indicative. The scope of work may increase/decrease depending upon the requirement of work.
- vii. Internal audit is to be conducted for the Financial Year 2020-21 (extendable for further two years based on performance).

c) Audit team:

Auditors should deploy suitable teams for undertaking the audit, after a thorough perusal of requirements of appointment letter, terms and conditions contained therein and the Detailed Guidelines for Internal Audit, ensuring that the size of the audit team commensurate with the size of auditee unit and the volume of work. The Unit Incharge will coordinate with the Audit team for smooth functioning of the audit. It should be ensured that the audit team is headed every time by a Chartered Accountant / Cost Accountant (who may be a partner) and consist of adequate number of qualified/semiqualfied audit assistants of the firm.

d) Proposed Audit Fee:

- i. The firm has to quote the fee in consolidated manner inclusive of TA/DA expenses and GST as applicable will be paid extra.
- ii. 30% of audit fees will be payable on completion of the 1st phase Audit on submission of compliance report, 30% will be payable on completion on submission of Compliance Report and consolidated financial statements of the corporation for the full F.Y. 2020-21 (i.e after submission of the audit report for the 2nd phase), and balance 40% shall be payable within 10 days on completion of Statutory Audit.
- iii. GST shall be paid extra as applicable on furnishing copy of the registration certificate.
- iv. Tax Deduction at Source (TDS) will be made as applicable.

e) Earnest money Deposit:-

The party applying for empanelment as internal auditor has to submit, EMD of Rs. 5,000/- (Rupees Five Thousand Only) in the form of Demand Draft in favour of "**Managing Director, HPGIC Ltd.,**" same will be adjustable against the security deposit and balance will be refunded.

f) Security Deposit:-

2% of award value exclusive of GST will be retained as security deposit. On successful completion of work same will be refunded.

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g) **Selection Criteria/evaluation:-**

The selection of the Internal Auditor shall be based on Lowest One Bidder(L1). In case two or more firms Quotes the same price the selection will be based on the experience of the firm.

h) **Other Terms & Conditions:-**

The appointment of Internal Auditors is subject to the following declarations:

- a. The Audit firm must not sub-contract the work. In case it is subsequently found at any stage of the appointment process / post appointment that outsourcing has been resorted to, the appointment will be liable for cancellation with immediate effect.
- b. The designated team will work in strict confidentiality and will ensure that the information in respect of the operation of the area/ unit is dealt in strict confidentiality and secrecy. A certificate towards maintaining confidentiality to be provided by the Internal Auditor before commencement of audit.
- c. Neither the firm nor its partner or associates have any interest in the business of the company.
- d. The auditor will be required to issue certificate of Independence before commencement of audit.
- e. The auditor / audit Firm must not be holding any assignment as Statutory Auditor of HPGIC.
- f. The partners holding certificate of Practice issued by the Institute of Chartered Accountant of India / Institute of Cost Accountants of India are in whole time practice.
- g. The Internal auditor shall ensure that data given to the Auditor by company and any information generated from the data provided shall not be used by the Auditor for any other purpose.
- h. **The Auditor / Audit Firm will be debarred/blacklisted from getting the Internal Audit in future in HPGIC limited in the following cases:**

- ❖ If the firm obtains the appointment on the basis of false information/ false statement.
- ❖ If the firm does not take up audit in terms of appointment letter.
- ❖ If the firm does not submit the audit report, complete in all respect in terms of appointment letter.
- ❖ If the Firm violates any of the stipulations from (a) to (h) referred above.

- a. **Arbitration Clause:** In case of dispute arises with regard to terms and conditions of appointment of internal auditor for FY 2020-21, then the matter will be referred to the Administrative Secretary (Inds.) to the Govt of HP, being the sole Arbitrator under The Arbitration and Conciliation Act, 1996.
- b. **Jurisdiction of courts:** The law of land as promulgated / modified / amended or replaces from time to time shall govern this EOI. Any dispute arising out of or in respect of the contract will be subject to the jurisdiction of Courts in Shimla (H.P) Only.

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- c. HPGIC reserves the right to accept or reject any or all responses and to request additional submissions or clarifications from one or more Applicant(s) at any stage or to cancel the process entirely without assigning any reason.
- d. In case the audit reports along with the Balance Sheet and the Profit & Loss Statements as required are not submitted within the prescribed time your fee for delay @5% of the fee for each week of delay subject to maximum of the total fee amount shall be deducted as penalty.

GENERAL INSTRUCTION TO AUDIT FIRMS AND DOCUMENT LIST

A. Instruction to Audit Firms

1. Format for Application must be completely filled in. Incomplete applications will be rejected out-rightly.
2. Please ensure that date of registration of Registered Office / Branch Office(s), date of joining of partners/qualified/semi-qualified assistants into the firm should be invariably indicated in the application.
3. All EOI will be evaluated on the basis of the documents furnished along with application only. No further documents will be called during the scrutiny of EOIs. Any additional documents received, after last date & time of receiving of EOI as stipulated in the notice inviting EOI, will not be entertained.
4. Attaching unsolicited information / documents may be avoided to enable processing of applications expeditiously.
5. All documents submitted should be signed by a partner with his name and under the seal of the firm.
6. Any application received after the stipulated date and time due to any reason whatsoever, will be rejected out-rightly.
7. Application on Fax, E Mail will not be considered.

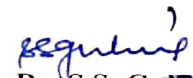
B. List of documents to be submitted along with the Applications / EOIs

Interested audit firm are advised to go through contents of EOI documents carefully and submit all attested copies of the following documents in proper sequence along with the EOI as described hereinafter:

- 1) Registration certificate of the firm issued by the Institute of Chartered Accountants of India / Institute of Cost Accountants of India. Information related to year of establishment of Head Office & Branch Office(s), addresses, details of partners and their membership nos. as indicated in the Certificate will be treated as conclusive and final information for evaluation of EOIs.
- 2) Membership certificate of the Partners / Qualified Assistants issued by the Institute of Chartered Accountants of India / Cost Accountants of India.
- 3) Certificate/Mark sheets issued by the ICAI/ICMAI in evidence of qualification of Semi-Qualified Assistants.
- 4) Copies of appointment orders for statutory audit / internal audit in HPGIC/ company audits and PSUs (Central/State) in evidence of experience.

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- 5) Copy of PAN Card.
- 6) Copy of GST Registration.
- 7) Details of bank account and bank in which Fee payments will be made.
- 8) A copy of complete EOI documents duly signed and documents are to be signed by the partner/owner of the firm along with seal of the firm as a token of acceptance of all terms and conditions.


Dr. S.S. Guleria, IAS
Managing Director

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Annexure-II

Format of Application

1.	Name of the Firm	
2.	Registration No. of firm:- (Institute of Chartered Accountant of India/Institute of Cost Accountant of India)	Respective Page no. of the document

3.	Date of Establishment of the firm	Page No.
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4. Details of Head Office & operative Branch Office (s):-

Head Office:-				
Address	Date of Establishment	Contact No.(s)/Fax	E-mail	Page No.

Operative Branch Office(s):-

Address	Date of Establishment	Contact No.(s)/Fax	E-mail	Page No.

5. Details of Partners in the Firm/ Limited Liability Partnership:-

Sr. No.	Name of the Partner	Membership No.	Membership Status ACA/FCA/ACMA/FCMA	Date of Joining of the firm as partner	Respective page no. of the document

6. Details of Qualified Assistants:-

Sr. No.	Name of the Qualified Assistants	Membership No.	Whether CA/CMA Intermediate	Date of Joining of the firm as Qualified Assistants	Respective page no. of the document

7. Details of Semi- Qualified Assistants:-

Sr. No.	Name of the Semi- Qualified Assistants	Membership No.	Whether CA/CMA Intermediate	Date of Joining of the firm as Semi- Qualified Assistants	Page no.

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8 Details of Experience in PSUs Center/ State/Company Audits

Sr. No.	Name of the Company/ Unit	Year of Audit	Type of Audit- whether Statutory / Internal Audit	Page No.

9.	PAN No. of the firm:-		Page No.
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10.	GST Registration No.:-		Page No.
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11. Bank details for NEFT:-

i.	Bank Name	
ii.	Branch Name, Address & Pin Code	
iii.	Type of account (saving or current account)	
iv.	IFSC Code No.	

12. Whether Internal/ statutory/ of HPGIC Ltd. has been conducted earlier. If yes, then details of financial years for which the internal/statutory has been conducted shall be given as per table given below:-

Type of assignment	Period of Audit
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Declaration:-

I/We.....Partner/owner of the Firm.....hereby declare that the above information furnished is true & correct to the best of my knowledge and I will abide by the Terms & Conditions set by the company for the Appointment / Empanelment as Internal Auditors

**Signature of Partner with
Name & Seal of the Audit Firm**

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