



इंडियन रेअर अर्थ्स लिमिटेड Indian Rare Earths Ltd.

(भारत सरकार का उपक्रम - परमाणु ऊर्जा विभाग)

(A Govt. of India Undertaking - Dept. of Atomic Energy)

प्लॉट नं. 1207, वीर सावरकर मार्ग, सिद्धि विनायक मंदिर के पास, प्रभादेवी, मुंबई - 400 028.
Plot No. 1207. Veer Savarkar Marg, Near Siddhi Vinayak Temple, Prabhadevi, Mumbai - 40 0028.

Web Site : <http://irel.co.in>

फोन : 2438 2042
Tel. : 2421 1630
2421 1851
2422 0230

फैक्स :
Fax : 2422 0236



ISO 9001:2008 & ISO14001:2004 Company

Request for Proposal (RFP) for Engagement of Internal Auditors for Indian Rare Earths Ltd. Head Office, Mumbai for the financial year 2019-20

Indian Rare Earths Ltd. (IREL), Head Office (HO), Mumbai invites sealed public tenders for engaging Internal Auditors at Head Office, Mumbai of IREL for the year 2019-20 as per the following:

| | | |
|---|---------------------------------------|--|
| 1 | Office of issue | GM (Projects), M/s. IREL, HO, Mumbai |
| 2 | Tender No. | IRE/HO/PT/IA/05/2019 dated 23.01.2019 |
| 3 | Last date & Time of receipt of Tender | 14-02-2019 up to 1430 Hrs. |
| 4 | Due date & time of opening of tender | 14-02-2019 at 1500 Hrs. |
| 5 | Validity of offer | 60 days from the date of opening of tender |

Interested parties may download the tender document containing all details from websites: <http://irel.co.in> or <http://eprocure.gov.in/epublish/app>. Any corrigendum/extension to above shall be hosted in above websites only.

For Indian Rare Earths Ltd.

General Manager (Projects)

TABLE OF CONTENTS

| Clause | Title | Page No |
|--------|--|---------|
| 1 | Preamble | 3 |
| 2 | Pre-qualification(PQ) Criteria | 3-4 |
| 3 | Information to be given by the Bidder | 5 |
| 4 | Preparation & Submission of Bid | 6 |
| 5 | Late Bids | |
| 6 | Bid Opening & Evaluation | 7 |
| 7 | Scope of work | |
| 8 | Deliverables | |
| 9 | Travelling, Boarding and Lodging and out of pocket Expense | |
| 10 | Earnest Money Deposit (EMD) | 8 |
| 11 | Security Deposit (SD) | |
| 12 | General Terms & Conditions of Contract | 9-10 |
| 13 | Other Terms & Conditions | 10 |
| 14 | Force Majeure | 11 |
| 15 | Failure & Termination | |
| 16 | Arbitration and Legal Jurisdiction | |
| 17 | Deviation Statement | |
| 18 | Ethics in tendering & other business dealings | 12 |
| 19 | Undertaking | 13 |
| 20 | Price bid format | 14 |
| 21 | Detailed scope of work – Annexure 1 | 15-20 |
| 22 | Performa for secrecy agreement- Annexure 2 | 21-23 |

(i) PREAMBLE

Indian Rare Earths Limited, a Mini Ratna-I company is a Govt. of India Undertaking under the Department of Atomic Energy & its Head Office is situated at Prabhadevi, Mumbai (Maharashtra) and is operating beach sand mining and mineral separation plants at Chavara (Kerala), Manavalakurichi (Tamil Nadu) & Orissa Sands Complex (OSCOM), Chatrapur (Odisha), with installed capacity to produce 510,000 tons per annum Ilmenite and also associated minerals such as Rutile, Leucoxene, Zircon, Silimanite, Garnet, etc. IREL also has its chemical unit at Rare Earths Division (RED) Aluva, Kerala which is associated with production of Rare Earth Compounds. Further, IREL has its Corporate Research Centre at Kollam (IRERC), Kerala. IREL has also commissioned a plant at OSCOM for production of Rare Earths Chloride and other associated chemicals from FY 2015-16.

This tender intends to take services from firms of Chartered Accountants/Cost Accountants as Internal Auditors for Head office, Mumbai.

(ii) PRE-QUALIFICATION (PQ) CRITERIA

Firms possessing the following PQ criteria are invited to submit documentary evidences in support of the same as mentioned hereunder in sealed envelope with superscription "Engagement of Internal Auditors in IREL, HO, Mumbai".

| Sl. No. | Pre qualification criteria | Documents required (Self Attested) | Basis for awarding of points | Max points |
|---------|--|--|--|------------|
| 1 | Firm should be a Partnership Firm or Limited Liability Partnership Firm (LLP) and should not be less than three years old on date of tender. | Copy of Firm Registration Certificate (FRC) issued by The Institute of Chartered Accountants of India or The Institute of Cost Accountants of India and Copy of certificate of practice of all the partners/members of firm. | 3 points and additional 1 Point for additional year of Firm's Registration. | 10 |
| 2 | Firm should have conducted during previous 5 years ending 31.03.2018 either Statutory or Internal audit of PSUs (State PSU or Central PSU excluding Bank & Insurance Co.) having turnover of at least Rs 350 crore during the relevant year. | Copy of appointment order/letter received from clients in this regard along with self certificate towards conducting the same. Further the copy of financials of the client in support of turnover. | 5 Point for each completed Statutory or Internal audit of PSU having turnover of at least Rs. 350 crore. | 20 |

| | | | | |
|---|--|---|---|----|
| 3 | No. of partners/ Members | Copy of Firm Registration Certificate (FRC) as mentioned at sl. No. 1 above and Membership number issued by The Institute of Chartered Accountants of India or The Institute of Cost Accountants of India of each partner/member. | 2 Point for each Associate member and 3 points for each fellow member | 10 |
| 4 | Firm should have gross receipts at least Rs. 50 lakhs in a previous financial year i.e. 2017-18. | Copy of financial statements for financial year 2017-18 in support of gross receipts duly certified by practicing chartered accountant. | 2 Point for turnover of 50 lacs and additional 2 Point for every additional turnover 50 lacs. | 10 |
| | | | Total | 50 |

Note:

- i) If any bidder not fulfilling any of the above PQ criteria need not submit bid as their bid shall be liable to be summarily rejected.
- ii) Overwriting /correction/erase and /or use of white ink should be avoided in the offer. However, if any overwriting/correction/erase is inevitable, the same should be authenticated with the signature & seal of the bidder.
- iii) All pages of tender documents and documents submitted in support of PQ criteria to be self attested by the bidder.
- iv) Clear and complete details in separate sheets, for determination of Points in support of information against Sl. No. 1 to 4 above are to be furnished.
- v) The Firms securing at least 60% marks based on above system shall be considered as qualified and eligible for opening of price bid.

(iii) INFORMATION TO BE GIVEN BY THE BIDDER

- a. Name of the Bidder Firm :
- b. Name of the Partners/members :
- c. Address of the Firm :
Telephone No. : Office :
Mobile :
FAX :
E-mail ID :
- d. Registration particulars of the Firm &
Date of Formation :
- e. Name/Designation /Address of the signatory
of the bid with letter of authorization, if any. :
- f. Permanent Account Number (PAN) of the firm :
- g. GST Registration No. of the firm :
- h. Details of Experience (In brief) :
- i. Details of professional Personnel/working staff :
- j. Details of Bank account for e-payment :

Certified that the information given above is true and if at any time this is found to be false or misleading the bid / contract shall be liable to be cancelled.

Name :

Signature :

(Capacity in which signed)

(iv) PREPARATION & SUBMISSION OF BID

1. The bidder shall fill in the particulars given in clause (iii) (Information to be given by bidder) and submit the copies of self attested relevant documents as mentioned in clause (ii) in support of the PQ criteria.
One envelope shall contain all above documents including eligibility document meeting the PQ criteria and EMD.
The Bid form with undertaking, deviation statement, scope of the work duly signed in all pages as a token of acceptance of all the conditions of the bid documents by the bidder shall be submitted in second envelope.
The second envelope shall contain techno commercial cum financial bid as per price bid format attached. Both the envelopes shall be sealed and submitted together in a bigger envelope. If all the pages of the tender are not signed by the bidder, it shall be rejected.
2. The sealed envelope shall:
 - (a) Be addressed to M/s. IREL on the following address:
GM (Projects), Indian Rare Earths Ltd., Plot No. 1207, Veer Savarkar Marg, Near Siddhi Vinayak Temple, Prabhadevi, Mumbai - 400 028.
 - (b) Bear the tender number and due date of opening of the tender.
3. The sealed envelope may also be dropped in the Tender Box at M/s. IREL, Plot No. 1207 Veer Savarkar Marg, Near Siddhi Vinayak Temple, Prabhadevi, Mumbai - 400028.
In case the envelope cannot be inserted in the tender box, the envelope duly sealed may be delivered to the office of GM (Projects) & I/c Purchase, Mumbai. The responsibility for ensuring that tenders are delivered in time would rest with the bidder.
4. IREL shall not be responsible if the bids are delivered elsewhere. If envelope is not sealed and/nor superscribed as mentioned above, IREL shall not accept the bid.

(v) LATE BIDS

Any bid received by M/s. IREL after the prescribed deadline for submission of bids, shall be rejected.

(vi) BID OPENING AND EVALUATION

M/s. IREL shall open the bids in the presence of bidder/s or his authorized representatives, who choose to attend at 1500 Hrs on the due date. The bidders' representatives, who will be present; shall sign in the attendance register, authority letter to this effect shall be submitted by the bidder before they are allowed to participate in bid opening. If the last date stipulated for receipt of bids and/or for their opening happens to be a Holiday / unscheduled closure, it shall be deemed to fall on next working day at the same time.

The envelope containing PQ criteria shall be opened first and financial cum techno commercial bid shall be opened only for qualified bidders and date of opening of financial bid will be intimated later to only qualified bidders.

All the bids shall be evaluated based on the term & conditions of this tender to shortlist the qualified bidders. M/s IREL shall consider placement of order on the qualified bidder, whose offer shall be lowest i.e. sl.no.3 of the price bid format. In case of a tie with respect to fees quoted as per price bid format, criteria for selection shall be in the order of points as per PQ criteria.

(vii) SCOPE OF WORK

1. Scope of work shall include carrying out the internal audit of IREL, Head Office and submission of monthly audit report by end of next month. Detailed scope of audit is attached as Annexure-I
2. Audit Calendar: Audit calendar for carrying out the monthly audit shall be prepared by the successful bidder after receipt of order and submit to the management for consideration. Firm so appointed shall commence internal audit and submit monthly audit report by end of next month for FY 2019-20 i.e. 01-04-2019 to 31-03-2020.
3. As a result of study and evaluation of internal control and other auditing procedures, the auditor should inform the management regarding weakness in internal control, if any besides normal internal audit job as per scope.

(viii) DELIVERABLES

The successful bidder has to conduct the monthly internal audit as per the scope of work as mentioned in annexure-I and submit the monthly audit reports as per audit scope.

(ix) TRAVELLING, BOARDING & LODGING AND OUT OF POCKET EXPENSES

No travelling, boarding & lodging and out of pocket expenses will be paid. Payment of fee will be limited to as quoted in price schedule by the successful bidder.

(x) EARNEST MONEY DEPOSIT (EMD):

1. The bid shall be accompanied by EMD of Rs.5000/- (Rupees Five Thousand only) in the form of 'demand draft' or 'bankers cheque' drawn in favour of Indian Rare Earths Limited payable at Mumbai.
2. No interest shall be paid on EMD. The offer without EMD in any form other than specified herein above is liable to be summarily rejected.
3. EMD shall be dealt with as follows:
 - a) In case of unsuccessful bidder it shall be returned without any interest immediately after finalization of order but not later than 30 days after finalization of order.
 - b) In case of successful bidder it shall be adjusted without interest as Security Deposit. (SD).
4. The EMD shall be forfeited if:
 - a) The bid is revoked during its validity period.
 - b) The tenderer changes the terms and conditions or prices or withdraw his quotation subsequent to the date of opening.
 - c) The tenderer fails to accept the order when placed or fails to commence work after accepting the order.
 - d) In case bidder submits false/fabricated documents.
 - e) In case bidder fails to be submit SD within 30 days of receipt of order.

(xi) SECURITY DEPOSIT (SD):

1. The successful bidder shall be required to furnish demand draft in favour of Indian Rare Earths Limited, for an amount equivalent to (5)% of the contract amount towards security deposit (inclusive of EMD) for the satisfactory performance of the contract, within 30 (thirty) days of receipt of the order.
2. The SD shall not bear any interest, and is liable to be forfeited for unsatisfactory completion or on abandonment of the work order.
3. SD shall be returned to the successful bidder after issue of "No Due Certificate" by OIC duly countersigned by head of the department after ensuring that no amounts are recoverable from party.
4. The SD shall stand forfeited in favour of IREL, without any further notice to the party in the following circumstances:
 - a) In case of any failure whatsoever on the part of the party at any time during performance of his part of the contract including the extended periods of contract, where notice is given and time for rectification allowed.
 - b) If the party indulges at any time in any subletting/sub-contracting of any portion of work without approval of IREL.

(xii) GENERAL TERMS AND CONDITIONS OF CONTRACT

1. PAYMENT TERMS:

Payment for annual fee shall be released in two equal installments based on progress of the work as certified by the In-charge of Finance department at HO. The first installment shall be released in November and second and final installment shall be released after successful completion of total audit assignment for the financial year. Payment shall be made within 30 days from the date of receipt of valid invoice.

2. VALIDITY OF OFFERS/FEEES

Bidders have to quote the fees strictly as per the Price Bid format. Fees quoted by the bidders in their bids shall remain firm and valid for the total contract period or till complete execution of the contract. However, statutory levies/taxes are payable by IREL as applicable on prevailing date of actual render of services on submission of invoice. The offered price should be valid for a period of 60 days from the date of opening of price bid.

3. PERIOD OF CONTRACT

The period of contract shall be one year i.e. financial year 2019-20. M/s IREL reserves the right to extend the contract on same terms & conditions for the next two financial years (2020-21 & 2021-22) subject to certain need based changes in the audit scope.

4. RIGHT TO ACCEPT OR REJECT ANY OR ALL BIDS:

M/s IREL reserves the right to accept or reject any bid, and to cancel the bidding process and reject all bids, at any time prior to award of contract without assigning any reason whatsoever and without thereby incurring any liability to the affected bidder or bidders on the grounds for the IREL's action.

5. RELATED PARTY:

Related parties should not quote for the tender separately. If it is noticed that related parties submitted separate quotation, the same shall be liable to be rejected. Parties are considered to be related if one or more partner/member be common.

6. INCOME TAX:

Income tax inclusive of surcharge and any other tax if applicable shall be deducted at source.

7. GST:

GST shall be paid extra as applicable on the date of actual render of service and billing on IREL has been made in terms of guidelines stipulated in the GST rules. Any change in taxation during tenure of contract, will be as per applicable statute.

8. SECRECY:

The successful bidder shall not at any time during the tenure of contract or thereafter disclose any information furnished to them by the company or any drawings, designs, reports and other documents and information prepared for this work, without the prior written approval of the company except in so far as such disclosure is necessary for the performance of the party's work and service hereunder. Successful bidder will be required to enter into secrecy agreement with IREL. Format of secrecy agreement is attached as annexure 2.

(xiii) OTHER TERMS AND CONDITIONS

1. Successful bidder shall depute sufficient number of competent staff for audit work at their own cost. Further the minimum man days spent for monthly audit work are as under, which has to be followed by the successful bidder strictly:
 - i. Partner/qualified staff : 03 man days per month
 - ii. Other Audit staff : 07 man days per month
2. Successful bidder shall submit draft monthly audit report to the In-charge of Finance department at HO and the final report along with the views of the In-charge of Finance department at HO shall be forwarded to Director (Finance) with copy to In-charge of Finance department at HO.
3. The audit staff may be advised to observe all safety precautions as applicable to the department in which the work is carried out.
4. The Company shall not be responsible for any accident caused to your personnel due to their negligence.
5. Every effort shall be made to complete the internal audit work strictly as per the audit scope.
6. Successful bidder shall be in constant touch with Director (Finance), In-charge of Finance department at HO.
7. Information made available during the course of audit shall be used only for bonafide work relating to audit of the company and not for any other purpose. The auditors shall not divulge the information made available by the Company or otherwise acquired during the course of audit to any other agency.
8. The Company reserve the right to accept /reject any or all the offers without assigning any reason whatsoever therefore.
9. Estimated cost the tender is Rs. 2,50,000/-

(xiv) FORCE MAJEURE

If at any time during the currency (tenure) of the order, it is not possible to execute any portion of the work stipulated in the order, due to reasons beyond the control of either IREL or the bidder, on account of emergency declared by government, reasons of go slow, strike or lockout at our / the bidder's office, war, civil commotion, earthquake, fire, storm, flood, acts of God, acts of any government, sabotage, riot, police action, revolution, unforeseen circumstance or other hindrance beyond one's control, there shall be no liability on the part of the defaulting party for consequential losses.

(xv) FAILURE AND TERMINATION

If the bidder fails in the performance of the contract in the manner and within the time fixed or there is likelihood of an anticipatory breach of whole or part of the contract, the Company will have the right to rescind the contract and have it performed through other party at the risk and cost of the bidder.

(xvi) ARBITRATION AND LEGAL JURISDICTION

All disputes or differences whatsoever arising between IREL and bidders out of or relating to the construction, meaning and operation or effect of this tender shall be settled by the sole Arbitrator appointed by the Chairman & Managing Director of IREL and the award of such arbitrator shall be final and conclusive and binding. No objection shall be raised on the ground that the arbitrator so appointed is an employee of IREL. The seat of arbitration will be at Mumbai and only the appropriate court coming under the High Court of Mumbai will have jurisdiction to entertain all matters of litigation to the exclusion of all other courts.

(xvii) DEVIATION STATEMENT

Bidders have to submit the deviation statement as per the following format, if there is no deviation with tender conditions "NIL" statement must be submitted by the bidders.

| Clause reference as per tender | Terms as per tender | Terms as offered by bidder |
|--------------------------------|---------------------|----------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

(xviii) ETHICS IN TENDERING & OTHER BUSINESS DEALINGS

IREL is a Government of India undertaking under the administrative control of Department of Atomic Energy is doing its business as per the rules and regulation of the Public sector undertaking and other statutory agencies. The business is done in an ethical, rational & impartial manner with good corporate governance.

In our endeavor to be more transparent in our dealings and to support our ideology all vendors, customers and business partners are requested not to provide any gift and/or inducement to any of our employees for securing/being granted favour in dealings with our company.

Report of any gifts and/or inducements sought by any employee of the company should be immediately reported to any one of the following.

| | |
|--|--|
| Shri D. Singh Chairman & Managing Director Indian Rare Earths Ltd. 1207 VS Marg, Prabhadevi Mumbai - 400 028 Ph: 022 - 24225778 | Shri. Sanjay Banga, Chief Vigilance Officer Indian Rare Earths Ltd. 1207 VS Marg, Prabhadevi Mumbai - 400 028 Ph. 022 - 24382042 Email: cvo@irel.co.in |
|--|--|

We assure you that complaints if any made by you on the subject will be kept confidential and fair investigation will be conducted and appropriate action will be taken. Similarly, we expect your commitment to the undertaking and its violation will have consequences as per prevailing rule of the company.

For Indian Rare Earths Limited

Sd/-

GM (Projects), HO

UNDERTAKING

Date:

**To,
M/s Indian Rare Earths Limited
1207 VS Marg, Prabhadevi
Mumbai - 400 028**

I/Weam/are as a service provider of Indian Rare Earths Limited (now on wards to be referred as Company). I/We agree and undertake:

1. Not to provide any gift and/or inducement to any employee of the Company in connection with securing/being granted favour(s) in my/ our dealings with the Company and its field units namely OSCOM at Orissa, MK unit at Tamilnadu, Chavara, IRERC and RED unit at Kerala.
2. To immediately report any gift and/or inducement sought by any employee of the company in exchange of the company and/ or its field Units granting favour (s) to me/ us in my/our dealing with the Company and/ or its field units.

We further declare that no bid has been submitted by any related party as defined under point 5 of clause (xii) of the tender.

Signature:

Name:

Capacity in which signed:

Name of the Firm& Address (With Seal):

PRICE BID FORMAT
(To be submitted in separate envelope)

Internal Auditor for the financial year 2019-20

Name of the Firm:

| Sl. no. | Particulars | Amount (Rs) |
|---------|---|-------------|
| 1 | Annual fee of Internal Audit works as specified in Annexure-I | |
| 2 | Applicable GST or any other tax in lieu of | |
| 3 | Total (1+2) (Rupees..... only) | |

Signature of the

Authorized person or partner of the firm with seal

Notes:

1. GST shall be paid as prevailing rate at actual and if GST is not applicable the bidder should mention clearly in the bid document.
2. Total price shall be indicated in both figures & words. In case there is any discrepancy between figures & words, words shall prevail.
3. If taxes are not quoted separately it is assumed that price is inclusive of GST.

Annexure- 1

| Sr. No. | Scope of the Internal Audit-Outsourced HO | | | |
|----------|--|-------------|---|--|
| | Areas | Periodicity | Extent | Reporting requirement with specific emphasis on following issues |
| A | Cash & Bank Book | | | |
| 1 | Cash book | Monthly | 100% to be checked with counterfoils of receipt, credit and debit vouchers | 1) To verify whether all supporting documents are attached and receipt/payment is approved by competent authority as per delegation of power. |
| 2 | Cash verification | Monthly | Surprise check at least twice a month any time during the day. | 1) Average daily holding of cash balance 2) Insurance coverage of cash handling, if any 3) Whether denominations are entered on daily basis with counter signature of cash in charge. 4) Steps undertaken to reduce cash transactions |
| 3 | Bank book (All Banks) | Monthly | 100% to be checked with counterfoils of bank receipts, debits and credit vouchers, cheque books, pay-in-slip, debit and credit advices, incoming cheques to be checked with register and receipts | 1) Electronic receipts and disbursements and associated internal control thereof towards inputting, authorising and approving as per delegation of power. 2) Frequency of operation of Suspense account and average time of its subsequent regularisation 3) Loan/OD account with specific attention to its prudence and cost 4) Accounting aspects-capital/revenue, current/prior period etc. with specific reference to respective orders and approved payment terms. |
| 4 | Bank reconciliation statements (All Banks) | Monthly | 100% | To verify whether adjustment entries are passed and if not reasons for the same to be reported |
| 5 | Stale cheque accounting | Monthly | | To include in the monthly report |

| | | | | |
|----------|--|-----------|---|---|
| 6 | Bank guarantee and LC. | Quarterly | To verify whether the unit finance department has a system to inform Head Office on payment of LC in order to vacate LC margin and lien on FD | <ol style="list-style-type: none"> 1) To verify whether necessary register / data base is maintained by the Unit. 2) To report the purpose for which the BG was obtained and status of the work. 3) At HO level, overall LC and BG limit-fund based and non-fund-based limits are to be verified. In case of fund-based limits, to report whether the limits remain unutilised entailing avoidable cost to the company. |
| 7 | Term / fixed deposit | Monthly | To verify with all the original receipts. | <ol style="list-style-type: none"> 1) To verify whether the parking of fund is as per applicable DPE guidelines. 2) Whether the period of deposit is decided considering the cash budget of the company. 3) Availability of necessary approval for the investment. 4) To check interest calculation on all maturities and on accrual basis for income recognition at the end of period. 5) Whether applicable TDS exemption has been availed for the deposits. |
| 8 | Fund Availabilty, requisition for further fund & its utilisation alongwith daily movement of cash & bank | Monthly | To verify all the fund requisitions raised during the month | <ol style="list-style-type: none"> 1) To check daily movement of all operative bank accounts. 2) Head-wise requisition vis-à-vis actual utilisation of fund. Deviations are to be reported separately. 3) To report whether diversion of fund, if any has got the approval of competent authority. |
| 9 | Over Draft (OD)/Demand Loan (DL) availed, if any | Quarterly | To verify with their respective approval note. | <ol style="list-style-type: none"> 1) To verify whether financial prudence has been exercised while availing OD/DL. 2) To check interest payable on OD/DL |
| B | Purchases | | | |
| 1 | Purchase orders (Pos) | Monthly | 100% Post Audit exercise | <p>Scrutiny of all Pos with specific reference to the following:</p> <ol style="list-style-type: none"> 1) Compliance of purchase procedure and DoP of the company. 2) Budget provision and accounting aspects. 3) Relevant Purchase advances with or without valid BG and their subsequent adjustments during the tenure of contract/execution of supply, as the case may be. 4) Other relevant issues thereto. |

| | | | | |
|----------|---|-------------|------|--|
| 2 | Purchases Journal (PJ) | Monthly | 100% | with reference to purchase orders receipt voucher and inspection reports |
| 3 | GST Returns (including the provision of input service distributor) | Monthly | 100% | 1) To submit report whether Unit has availed admissible credit and filed necessary returns on time under the Act and retaining documents for GST audit. 2) Other applicable taxes as applicable during the execution of the contract. 3) Payment challans and their related reconciliations. 4) Accounting aspects thereof. |
| 4 | Sundry creditors ledger | Quarterly | 100% | 1) Review and indicate list of parties not having any transaction in the last three years along with age wise analysis. 2) Outstanding debit balances for more than 2 years along with action taken report by the unit concerned. |
| 5 | Review of purchase advances | Quarterly | 100% | 1) Age-wise advances 2) Coverage by BG or otherwise 3) Recovery/adjustment as per schedule of payment. |
| 6 | Confirmation of balances | Yearly | | Review and report |
| C | Establishment | | | |
| 1 | Pay rolls | Quarterly | 100% | To be checked with last pay sheet, increments, attendance time cards etc. |
| 2 | Leave records | Yearly | 100% | To be checked as per the extant rules of the company |
| 3 | Unpaid wages registers and other establishment records / registers. | Half yearly | 100% | |
| 4 | Recovery of TDS from employees including perquisite valuation. | Monthly | 100% | To be checked as per Income-tax act |

| | | | | |
|----------|--|--------------------|------|--|
| 5 | Recovery of loans from employees | Monthly | 100% | Recovered in terms of the guidelines/extant rule of the company. |
| 6 | Verification of LTC encashment and availed | As & when occurred | 100% | To be checked as per the extant rules of the company |
| 7 | Medical claims | As & when occurred | 100% | Any three randomly selected months during the year. |
| 8 | TA Claims | As & when occurred | 25% | To be checked as per the extant rules of the company |
| 9 | Verification of leave encashment | As & when occurred | 100% | To be checked as per the extant rules of the company |
| 10 | House building advances | As & when occurred | 100% | To ensure that necessary hypothecation is done |
| D | Journal | | | |
| 1 | Journal vouchers | Monthly | 100% | To be checked as per the accounting policy of the company and applicable GAAP with all necessary supporting documents |
| 2 | Ledger and sub ledger scrutiny | Monthly | 100% | 1) In addition to offering your comments on various schedules specific attention is drawn on deposits made by the Unit and availability of documents in support and yearly confirmation from the agencies to be reported. 2) Action taken on recovery of the amount due to the company. |
| E | Stores | | | |
| 1 | Verification of posting of Receipt vouchers (SRV/RV) and Issue Vouchers (IV) in bin card | Quarterly | 100% | Compliance of valuation norm in line with the policy of company. |
| F | Works contracts including shipping contracts | | | |

| | | | | |
|----------|--|----------------------------------|------|--|
| 1 | Work orders | Post audit - Monthly | 100% | To list out work orders placed in violation of purchase procedure and DoP. |
| 2 | Final bill of all contracts | Post audit - Monthly | 100% | |
| 3 | All civil works, electrical maintenance contracts, mechanical and other misc. contracts | Post payment audit Monthly | 100% | |
| 4 | All shipping contracts | Post payment audit | 100% | |
| 5 | Recovery and deposit of TDS and works tax etc. | Monthly | 100% | To verify that taxes at source has been recovered as per the stipulated rate and deposited with the appropriate authorities on time. |
| G | Miscellaneous | | | |
| 1 | Capital procurement including expansion programme | Monthly | | To verify capital job value exceeding Rs.2.00 lakhs |
| 2 | Royalty | Monthly | | All permitted deductions are taken in to consideration in computation of royalty. |
| 3 | Sales of scrap and discarded assets | Monthly | 100% | Whether Unit is making necessary TDS and TCS on all the transaction |
| 4 | Guest house expenses | Monthly | | Review and report |
| 5 | Deposit of statutory dues within stipulated time | Monthly | | submit information in format used for tax audit purposes |
| 6 | List of assets discarded and held for disposal exceeding three years | Half yearly | | Report to be submitted |
| 7 | Items wise undisputed statutory dues outstanding for more than six months at the close of financial year | Quarterly | | Report to be submitted |
| 8 | Item wise disputed statutory dues along with amount and forum | Quarterly | | Report to be submitted |

| | | | | |
|----------|---|-----------|----------------------------|---|
| | where it is pending | | | |
| 9 | Suspense account | Monthly | | Review and report |
| 10 | Analysis of factory and administrative over heads | Quarterly | 15% of transactions | Review and report |
| 11 | Feed back on capial expenditure | Quarterly | CAPEX exceeding Rs.25 lacs | Obtain feedback on actual exp. Vis-a-vis CBA as projected in Capital budget proposal |
| H | Final accounts : | | | |
| 1 | Verification of schedules | Yearly | 100% | To ensure that detail schedule is prepared by the Unit. |
| I | Physical Verification | | | |
| 1 | Physical Verification of Fixed Assets | | | Physical verificaton of FA at opening of FY by end of November & for additions during the year latest by 15th April |
| 2 | Physical verification of Stores and Spares | Yearly | | |

PROFORMA FOR SECRECY AGREEMENT

THIS AGREEMENT, made and entered into this ____th day of _____, 20- - by and between INDIAN RARE EARTHS LTD., a company incorporated under Indian Companies Act having its registered office at Plot No.1207, , Opp. to Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 028, India (hereinafter called “IREL”) on one part and _____, a company duly incorporated under _____, with its registered office _____ (hereinafter called _____) includes its successors and permitted assigns, on the other part.

WITNESSETH :

WHEREAS:

- A. IREL intends to purchase _____ from _____ (Name of the company).
- B. _____ (Name of the company) intends to produce _____ at their project in _____ (Name of the place) and intend to sell the same to IREL.
- C. The parties, therefore, intend to enter into an MoU and subsequently an agreement for the sale and purchase of _____.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. The term “Confidential Information” means:

- (1) All details supplied by IREL/ (Name of the company) on technical, commercial and other information and data on the Process.
- (2) All details supplied by IREL/ (Name of the company) on technical, commercial and other information and data relating to the products.

2. Each party hereto shall keep secret and confidential any and all Confidential information it receives from any other party or parties hereto under this Agreement, and shall not use such Confidential Information for any purposes except for the said tender purpose hereunder. The obligations under this Article shall not apply to any information or data that :

- (i) at the time of its disclosure hereunder is in the public domain,
- (ii) after disclosure hereunder becomes part of the public domain by publication or otherwise through no fault of the party to whom such information or data is disclosed hereunder (“Receiving party”) (but only after it is published or otherwise becomes part of the public domain),
- (iii) the Receiving Party can show in its possession at the time of disclosure hereunder and which the Receiving party, without breach or any obligation is free to disclose to others, or

(iv) was received by the Receiving Party after the time of disclosure by a party hereto ("Disclosing Party") hereunder from a third party who did not acquire it, directly or indirectly, from the Disclosing Party under an obligation of confidence and which the Receiving party, without breach of any obligation, is free to disclose to others.

For the purpose of this Article 2, information or data which is specific, e.g., those on operating conditions or equipment, shall not be deemed to be within the foregoing exceptions merely because it is embraced by general information or data in the public domain or in the possession of Receiving Party. In addition, any combination of features shall not be deemed to be within the foregoing exceptions merely because individual features are in the public domain or in the possession of the Receiving Party, but only if the combination itself and its principle of operation are in the public domain or in the possession of the Receiving Party.

3. The Receiving Party shall limit the access to the Confidential Information received hereunder to its directors, officers and employees, who (i) need to have access with such Confidential Information, (ii) have been informed of the confidential nature thereof and (iii) have agreed to undertake the obligations of non-disclosure and non-use of such Confidential Information.

4. Upon request of IREL,(name of the party) shall, free of charge, promptly return to IREL all the Confidential information received from IREL hereunder.

5. Each party hereto shall not, without the other party's prior express written consents, disclose or allow the disclosure of the existence of this Agreement.

6. It is mutually understood and agreed that no license or other rights are granted to any party hereto under this Agreement, by implication or otherwise, for any of the patents or patents applications of any other party hereto or as to any information and data disclosed by any other party or parties hereto under this Agreement.

7. None of the parties may assign its rights or obligations hereunder without the prior written consent of the other parties.

8. The obligation of non-disclosure and non-use of the Confidential information under this Agreement shall remain in effect for five (5) years after the date hereof and shall terminate upon lapse of said five (5) years.

9. This Agreement shall be governed by and construed in accordance with Indian laws.

10. Each party hereto acknowledges and agrees that monetary damages for any breach or threat of breach of this Agreement are inadequate. Each party hereto shall, therefore, be entitled to seek and obtain temporary and injunctive relief for any breach or threat of breach of this Agreement relating to its Confidential Information, in addition to any other remedy.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate by their duly authorized representatives on the day and year first above written. The original shall remain with IREL and the duplicate with(name of the party).

1. For _____

(Name)

Designation

Designation

Designation

2. For Indian Rare Earths Ltd.

(Name)

Designation

(Name)

Designation

Designation

Witness:

1.

(Name)

2.

(Name)

1.

2.

(Name)