

Konkan LNG Limited (KLL)

RFQ/Tender No:
KLL/HQ/C&P/16/2020

BIDDING DOCUMENT FOR:

**TENDER FOR ENGAGEMENT OF INTERNAL
AUDITORS FOR FINANCIAL YEAR 2020-21.**

**Prepared and Issued by
Konkan LNG Limited
Gail Jubilee Tower
13th Floor, B-35 & 36,
Sector-1, Noida -201301**

SECTION-I**"INVITATION FOR BID (IFB)"**

Ref No: KLL/HQ/C&P/16/2020

Date: 19.08.2020

To
PROSPECTIVE BIDDERS**SUB: TENDER FOR ENGAGEMENT OF INTERNAL AUDITORS FOR FINANCIAL YEAR 2020-21.**

Dear Sir/Madam,

1.0 KLL invites bids from bidders for the subject work of "TENDER FOR ENGAGEMENT OF INTERNAL AUDITORS FOR FINANCIAL YEAR 2020-21."

2.0 The brief details of the tender are as under:

(A)	Nature of Service required	TENDER FOR ENGAGEMENT OF INTERNAL AUDITORS FOR FINANCIAL YEAR 2020-21.	
(B)	TENDER NO. & DATE	KLL/HQ/C&P/16/2020 date: 19.08.2020	
(C)	TYPE OF BIDDING SYSTEM	SINGLE BID SYSTEM	<input checked="" type="checkbox"/>
		TWO BID SYSTEM	<input type="checkbox"/>
(D)	TYPE OF TENDER	E-TENDER	<input type="checkbox"/>
		MANUAL	<input checked="" type="checkbox"/>
(E)	Pre-Bid Meeting	The bidders can raise the query, within 7 days from the date of issue of the tender. Physical pre bid meeting will not be held due to COVID-19 situation.	
(F)	Completion Period	As per the Scope of Work Attached in Section –VI of the tender document.	
(G)	BID SECURITY / EARNEST MONEY DEPOSIT (EMD)	APPLICABLE	<input type="checkbox"/>
		NOT APPLICABLE	<input checked="" type="checkbox"/>

(H)	BID DUE DATE AND TIME	Date : 02.09.2020 Time : 14:30Hrs				
(I)	DATE , TIME & ADDRESS OF OPENING OF BID	<p>The physical bid opening shall take place at: KONKAN LNG LTD Gail Jubilee Tower, B 35-36, Sector 1 Floor/Room number: 13th, Floor City : NOIDA Country: INDIA</p> <p>Date : 02.09.2020 Time : 15:00Hrs</p>				
(J)	CONTACT DETAILS	<p>1. Name : Alok Jain Designation: CFO Phone No.: 9818663764 E-mail: akjain@gail.co.in</p> <p>2. Name : Yatin Bansal Designation: Manager (F&A) Phone No.: 8696444161 E-mail: yatin.bansal@gail.co.in</p>				
(K)	BIDS FROM CONSORTIUM/ JOINT VENTURE	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">APPLICABLE</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">NOT APPLICABLE</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>	APPLICABLE	<input type="checkbox"/>	NOT APPLICABLE	<input checked="" type="checkbox"/>
APPLICABLE	<input type="checkbox"/>					
NOT APPLICABLE	<input checked="" type="checkbox"/>					
(L)	Bid Submission Address	<p>Attention: Shri Yatin Bansal, Manager (F&A) Street Address: Gail Jubilee Tower, B 35-36, Sector-1 Floor/Room number: 13th, Floor City: NOIDA ZIP Code: 201301 Country: INDIA.</p>				
(M)	Bonus for Early Completion	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">APPLICABLE</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">NOT APPLICABLE</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>	APPLICABLE	<input type="checkbox"/>	NOT APPLICABLE	<input checked="" type="checkbox"/>
APPLICABLE	<input type="checkbox"/>					
NOT APPLICABLE	<input checked="" type="checkbox"/>					

- 3.0 Bidder(s) are advised to submit their bid strictly as per terms and conditions of the Tender Documents and not to stipulate any deviations/exceptions.
- 4.0 The Tender Document calls for offers on single point "Sole Bidder" responsibility basis and in-total compliance of Scope of Work as specified in Tender Document.
- 5.0 KLL reserves the right to reject any or all the bids received at its discretion without assigning any reason whatsoever.
- 6.0 In case of the days specified above happens to be a holiday in KLL, the next working day shall be implied.
- 7.0 Any bidder, who meets the tender requirements including Bid Evaluation Criteria (BEC), if applicable and wishes to quote against this Tender Document, may download the complete
- 8.0 Tender Document alongwith its amendment(s)/clarification(s) if any from websites as mentioned at 2.0 (F) of IFB and submit their Bid complete in all respect as per terms & conditions of Tender Document on or before the Due Date & Time of Bid Submission.

This tender is a limited tender and also available at. website: www.gailtenders.in and Government website for information and download for participation.

- 9.0 Clarification(s)/Corrigendum(s) if any shall also be available on above referred websites. Any revision, clarification, addendum, corrigendum, time extension, etc. to this Tender Document will be hosted on the above-mentioned website(s) only. Bidders are requested to visit the website regularly to keep themselves updated.
- 10.0 KLL reserves the right to reject any or all the bids received at its discretion without assigning any reason whatsoever.

This is not an order.

**For & on behalf of
Konkan LNG Limited**


(Authorized Signatory)

Name : Yatin Bansal

Designation: Manager (F&A)

Phone No.: 8696444161

E-mail: yatin.bansal@gail.co.in

YATIN BANSAL
Manager (F & A)
KONKAN LNG LIMITED
GAIL Jubilee Tower, 13 Floor, B-35-36,
Sector-1, Noida-201301, Uttar Pradesh

DO NOT OPEN - THIS IS A QUOTATION**Bid Document No. : KLL/HQ/C&P/16/2020****Description : TENDER FOR ENGAGEMENT OF INTERNAL AUDITORS
FOR FINANCIAL YEAR 2020-21.****Bid Due Date: 01.09.2020****From:****To:**

.....	Konkan LNG Ltd. 13th Floor , B-35-36, Gail Jubilee Tower, Sector-1, Noida, Gautam Buddha Nagar, Uttar Pradesh- 201301
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***(To be pasted on the envelope containing Bid (in case of Manual Tendering)/
Physical documents (in case of e-Tendering) and to be dropped in the tender box
within due date of bid at the address mentioned above)***

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SECTION-II

AWARD METHODOLOGY

Award will be on the maximum evaluated preference points obtained by the bidder as per following criteria i.e. the bidder getting the highest points as per below criteria will be considered for appointment:

SL NO	Evaluation Criteria	Minimum Preference Points	Remarks	Maximum Preference Points
01	The firm of Chartered Accountants/Cost Accountants must have at least Ten years of standing in the profession as per the records of respective Institute	10	Extra 1 point for each year for having more than 5 years of standing in the profession subject to maximum of 6 such points.	16
02	The firm should have at least Three qualified Chartered Accountants/Cost Accountants (FCA/ACA, FCMA/ACMA)*including partners. *(He/She should be a partner/employee of the firm for a minimum period of one year as on date of application)	10	Extra 2 points for each qualified Chartered/ Cost Accountants employed by the firm including partners in excess to minimum requirement of three subject to maximum of 16 points.	26
03	The firm should have The Experience of conducting Statutory/ Cost / Internal Audit of at least One central PSU organizations where any one clientele should have turnover above Rs. 500 crores. (During Preceding 10 years i.e FY 2010-11 to 2019-20)	10	Extra 2 points for each audit which is in excess to minimum requirement of One subject to maximum of 6 points.	16
04	The firm should have experience of conducting Statutory/Cost/Internal Audit of at least one Oil and Gas Sector Company having turnover above Rs. 500 crores. (During Preceding 10 years i.e FY 2010-11 to 2019-20)	10	Extra 2 point for each audit which is in excess to minimum one requirement of audit subject to maximum of 6 points	16
05	The firm must be a Delhi/NCR	10		10

	based firm and having branch at Mumbai/ Ratnagiri or vice versa.			
06	The firm should have experience of conducting Statutory/ Internal/ Cost Audit of company other than CPSE and Oil and Gas Sector Company mentioned at SL. No. (03) & (04) above having turnover above Rs. 500 crores. (During Preceding 10 years i.e FY 2010-11 to 2019-20)	Nil	2 point for each Audit	10
07	Turnover of the Audit Firm as per latest available audited financial statements.	Nil	Turnover less than Rs. 2 lakhs – Nil points Turnover less than Rs. 50 Lakh but more than Rs. 2 lakhs — 5 Points Turnover equal to or above Rs.50 Lakh. — 10 Points	10
08	The firm should have Exposure of Internal Audit of reputed companies having turnover of not less than Rs. 250 crores.	-	2 points per Company (audited)-Max 6 points	6
09	The firm should have experience of conducting Statutory/Cost/Internal Audit of at least One Company having LNG regasification facility (During Preceding 10 years i.e FY 2010-11 to 2019-20)	-	2 points per Company (audited)-Max 10 points	10
	Total	50	Total	120

Note:

- Internal Audit firms appointed during last three years (i.e. 2017-18 to 2019-20) in KLL shall not be considered for re- appointment.
- The bidder which meets the Minimum eligibility criteria at 01 to 05 shall be considered for further evaluation and shall obtain Minimum Preference Points of 10 marks in each criteria 01 to 05.
- The engagement of the Internal Audit firms shall be subject to acceptance of fee and submission of

certificate in regards to compliance for eligibility and qualification in terms of the Companies Act 2013 and other applicable laws. (Refer section VII, Schedule of Rates (SOR))

- d) *The initial engagement will be for FY 2020-21 and extendable for another two years i.e. FY 2021-22 and FY 2022-23 each year separately subject to mutual consent with an escalation of 5% in Fee each year.*
- e) *The appointment of Internal Auditors shall be subject to approval by Board of Directors of KLL in terms of Companies Act, 2013.*

I. Pre-requisites for considering rankings:

- a) Self-attested documentary evidence in support of evaluation criteria at (1) to (9) mentioned above is required to be submitted.
- b) Self-attested copy of appointment letters issued by the auditee Companies in support of evaluation criteria above is required to be submitted.
- c) Self-Attested copy of latest Audited Financial Statements of the firm shall be submitted.
- d) Self-Attested Certificate of registration of Firm issued by respective Institutes in terms of criteria at (1)

All supporting proofs/ documents in respect of evaluation criteria must be submitted with the tender. Audit Firms will be evaluated strictly on the basis of documents submitted.

II. In case of a tie

In case of tie, the following order of preference shall be adopted for selection:

- a) Firm of Chartered/ Cost Accountants with longer experience shall be given preference based on the year of registration as per Criteria No. 1 as mentioned above.
- b) Firm of Chartered/ Cost Accountants with longer experience of Internal Audit (on the basis of No. of Companies) shall be given preference in case of further tie till stage (a) of Criteria II.
- c) Firm of Chartered/ Cost Accountants with highest experience in Oil and Gas Sector (on the basis of No. of years) shall be given preference in case of further tie till stage b) of Criteria II.

Note: In case of further tie till stage c) of Criteria II mentioned above, the management will decide to award at it's sole discretion.

SECTION-III
INSTRUCTION TO BIDDERS
(TO BE READ IN CONJUNCTION WITH
BIDDING DATA SHEET (BDS)

SECTION-III**INSTRUCTION TO BIDDERS****INDEX****[A] GENERAL:**

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50. POLICY TO PROVIDE PURCHASE PREFERENCE (LINKED WITH LOCAL CONTENT) (PP-LC)

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3. ANNEXURE-III : ADDENDUM TO INSTRUCTIONS TO BIDDERS (INSTRUCTION FOR PARTICIPATION IN E-TENDER)
4. ANNEXURE-IV: BIDDING DATA SHEET (BDS)
- ~~5. ANNEXURE V: FORMAT OF DECLARATION BY SELLERS WHO DO NOT HAVE A PE IN INDIA~~
- ~~6. ANNEXURE VI: FORM NO. 10F~~
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INSTRUCTIONS TO BIDDERS [ITB]
(TO BE READ IN CONJUNCTION WITH BIDDING DATA SHEET (BDS))

[A] – GENERAL

1. SCOPE OF BID

- 1.1 The Employer/Client as defined in the "Bidding Data Sheet [BDS]", wishes to receive Bids as described in the Tender Document/Tender document issued by Employer. Employer/ Owner/ Client occurring herein under shall be considered synonymous.
- 1.2 Scope of Bid: The Scope of Work/ Terms of Reference shall be as defined in the Tender Documents.
- 1.3 The successful bidder will be expected to complete the scope of Bid within the period stated in Special Conditions of Contract
- 1.4 Throughout the Tender Documents, the terms 'Bid', 'Tender' 'Proposal' & 'Offer' and their derivatives [Bidder/Tenderer, Bid/Tender/Offer etc.] are synonymous. Further, 'Day' means 'Calendar Day' and 'Singular' also means 'Plural'.

2. ELIGIBLE BIDDERS

- 2.1 The Bidder shall not be under a declaration of ineligibility by Employer for Corrupt/ Fraudulent/ Collusive/ Coercive practices, as defined in "Instructions to Bidders [ITB], Clause No. 35" (Action in case Corrupt/ Fraudulent/ Collusive/ Coercive Practices).
- 2.2 The Bidder is not put on 'Holiday' by GAIL or Public Sector Project Management Consultant (like EIL, Mecon only due to "poor performance" or "corrupt and fraudulent practices") or banned/blacklisted by Government department/ Public Sector on due date of submission of bid. Further, neither bidder nor their allied agency/(ies) (as defined in the Procedure for Action in case of Corrupt/ Fraudulent/ Collusive/ Coercive Practices) are on banning list of KLL or the Ministry of Petroleum and Natural Gas.
 If the Tender Documents were issued inadvertently/ downloaded from website, offers submitted by such bidders shall not be considered for opening/ evaluation/Award.
 Further, the Bidder should not be under any liquidation, court receivership or similar proceedings on due date of submission of bid.
 In case of change in status of above declaration prior to award of contract and during execution, it shall be bidder's sole responsibility to inform the same to KLL on immediate basis. Concealment of the facts shall tantamount to misrepresentation of facts and shall lead to action against such Bidders as per clause 35 of ITB.
- 2.3 The Bidder should not be under any liquidation court receivership or similar proceedings on due date of submission of bid. In case there is any change in status of the declaration prior to award of contract, the same has to be promptly informed to KLL by the bidder.
 It shall be the sole responsibility of the bidder to inform KLL their status on above on due date of submission of bid and during the course of finalization of the tender. Concealment of the facts shall tantamount to misrepresentation of facts and shall lead to action against such Bidders as per clause no.35 of ITB.
- 2.4 It is Bidder's responsibility to meet the Bid Evaluation Criteria (BEC) and to secure minimum qualifying technical score in Quality & Cost Based Selection (if applicable), and also to furnish all necessary supporting documentary evidence in support of the tender requirement.
- 2.5 Power of Attorney:
 A Power of Attorney issued by the Board of Directors/ CEO /Chairman/ MD / Company Secretary of the Bidder/ all partners in case of Partnership firm/ any person authorized in

terms of Deed of LLP/Proprietor in favour of the authorised person(s) of the Bidder, in respect of the particular tender for signing the Bid and all subsequent communications, agreements, documents etc. pertaining to the tender and to act and take any and all decision on behalf of the Bidder, is to be submitted.

The authorized person(s) of the Bidder shall be signing the Bid and any consequence resulting due to such signing shall be binding on the Bidder.

3. **ONE BID PER BIDDER**

- 2.1 A Bidder shall submit only 'one [01] Bid' in the same Bidding Process, failing which all their Bids shall be disqualified.
- 2.2 Alternative Bids shall not be considered.

4. **COST OF BIDDING**

The Bidder shall bear all costs associated with the preparation and submission of the Bid. KLL will in no case, be responsible or liable for these costs, regardless of the outcome of the bidding process.

5. **SITE VISIT**

- 5.1 The Bidder is advised to visit and examine the site of job and its surroundings, obtain all information that may be necessary for preparing the Bid and entering into a Contract, on its own costs.
- 5.2 The Bidder or any of its personnel or agents shall be granted permission by the Employer to enter upon its premises and land for the purpose of such visits, but only upon the express conditions that the Bidder, its personnel and agents will release and indemnify the Employer and its personnel, agents from and against all liabilities in respect thereof, and will be responsible for death or injury, loss or damage to property, and any other loss, damage, costs, and expenses incurred as a result of inspection.
- 5.3 The Bidder shall not be entitled to hold any claim against KLL for non-compliance due to lack of any kind of pre-requisite information as it is the sole responsibility of the Bidder to obtain all the necessary information with regard to site, surrounding, working conditions, weather etc. on its own before submission of the bid.

[B] – TENDER DOCUMENTS

6. **CONTENTS OF TENDER DOCUMENTS**

- 6.1 The contents of Bidding Documents / Tender Documents are those stated below and should be read in conjunction with any 'Addendum / Corrigendum' issued in accordance with "ITB: Clause-8":

- Section-I : Invitation for Bid [IFB]
- Section-II : Award Methodology
- Section-III : Instructions to Bidders [ITB] with Annexures & Formats
- Section-IV : General Conditions of Contract [GCC]**
- Section-V : Special Conditions of Contract [SCC]
- Section-VI : Scope of Work
- Section-VII : Schedule of Rates

Request for Quotation, wherever applicable shall also form part of the bidding document.

Hindi Version of GCC is available on tender website (www.gailtenders.in) with name "General Conditions of Contract Consultancy (GCC- Consultancy) - Hindi version reference. However, in case of any discrepancy in English & its Hindi translation, for interpretation and legal aspects, the English version shall prevail.

- 6.2 It shall be considered that the Bidder has read, examined, understood and accepted all the instructions, forms, terms & conditions in the Tender Documents. Failure to furnish all information required by the Tender Documents or submission of a Bid not substantially responsive to the Tender Documents in every respect will be at Bidder's risk and may result in the rejection of his Bid.

7. CLARIFICATION OF TENDER DOCUMENTS

- 7.1 In case of any clarification(s) on the Tender Documents, the prospective Bidder should furnish relevant format duly filled properly and mentioning the query(ies) to Authorized Signatory in writing or by fax or email no later than 02 (two) days prior to pre-bid meeting (in cases where pre-bid meeting is scheduled) or 05 (five) days prior to the due date of submission of bid (in case of No pre-bid meeting). KLL reserves the right to ignore the bidders clarification if received after the aforesaid period. KLL may respond in writing to the request for relevant clarification(s). KLL's response to such query, but without identifying the source of the query will be uploaded on GAIL's tendering web site /portal and also shall be communicated to prospective bidders by e-mail/ fax.
- 7.2 Any clarification not received by the Employer within time period, is liable to be considered as "no clarification / information required".

8. AMENDMENT OF TENDER DOCUMENTS

- 8.1 At any time prior to the 'Bid Due Date', Owner may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the Tender Documents by addenda/ corrigendum.
- 8.2 Any addendum/ corrigendum thus issued shall be integral part of the Tender Document and shall be hosted on the websites where Tender Document was uploaded. Bidders have to take into account all such addendum/ corrigendum before submitting their Bid.
- 8.3 If consider necessary, KLL may extend the date of submissions of Bid in case any amendment is issued.

[C] – PREPARATION OF BIDS

9. LANGUAGE OF BID:

All the contents of the bid as prepared by the Bidder and all correspondence(s) shall be written in English language only. In case a document, certificate, printed literature etc. furnished by the Bidder in in a language other than English, the same should be accompanied by an English translation as per instructions mentioned in Section-II. Metric measurement system shall be applied.

10. DOCUMENTS COMPRISING THE BID

- 10.1 In case the Bids are invited under the Manual two Bid system. The Bid prepared by the Bidder shall comprise the following components sealed in 2 different envelopes:

10.1.1 ENVELOPE-I: "TECHNO-COMMERCIAL / UN-PRICED BID" shall contain the following:

- (a) 'Covering Letter' on Bidder's 'Letterhead' clearly specifying the enclosed contents.
- (b) 'Bidder's General Information', as per 'Form F-1'.
- (c) As a confirmation that the prices are quoted in requisite format complying with the requirements copy of Schedule of Rate (SOR) with prices blanked out mentioning quoted / not quoted (as applicable) written against each item.
- (d) 'Letter of Authority' on the Letter Head, as per 'Form F-2'
- (e) Relevant 'Agreed Terms and Conditions', as per 'Form F-3'
- (f) 'Acknowledgement cum Consent Letter', as per 'Form F-4'
- ~~(g) Duly attested documents in accordance with the "Bid Evaluation Criteria [BEC]" establishing the qualification.~~
- (h) Power of Attorney /copy of Board Resolution, in favour of the authorized signatory of the Bid, as per clause no.2.4 of ITB
- (i) All forms and Formats including Annexures
- (j) Integrity pact as per Form F-9- if applicable
- (k) Documents/information required as per BQAS of Tender Document.
- (l) Tender Document duly signed/ digitally signed by the Authorized Signatory.
- (m) Additional document specified in Bidding Data Sheet(BDS).
- (n) Section VII-Schedule of Rates (SOR)
- (o) Any other information/details required as per Tender Document

Note: All the pages of the Bid must be signed by the "Authorized Signatory" of the Bidder.

10.1.2 ENVELOPE-II: Price Bid- Not Applicable

- i) The Prices are to be submitted strictly as per the Schedule of Rate of the Tender Documents. KLL shall not be responsible for any failure on the part of the bidder to follow the instructions.
- ii) Bidders are advised NOT to mention Rebate/Discount separately, either in the SOR format or anywhere else in the offer. In case Bidder(s) intend to offer any Rebate/Discount, they should include the same in the item rate(s) itself under the "Schedule of Rates (SOR)" and indicate the discounted unit rate(s) only.
- iii) If any unconditional rebate has been offered in the quoted rate the same shall be considered in arriving at evaluated price. However, no cognizance shall be taken for any conditional discount for the purpose of evaluation of the bids.
- iv) In case, it is observed that any of the bidder(s) has/have offered suo-moto Discount/Rebate after opening of unpriced bid but before opening of price bids such discount /rebate(s) shall not be considered for evaluation. However, in the event of the bidder emerging as the highest total score bidder without considering the discount/rebate(s), then such discount/rebate(s) offered by the bidder shall be considered for Award of Work and the same will be conclusive and binding on the bidder.
- v) In the event as a result of techno-commercial discussions or pursuant to seeking clarifications / confirmations from bidders, while evaluating the un-priced part of the bid, any of the bidders submits a sealed envelope stating that it contains revised prices; such bidder(s) will be requested to withdraw the revised prices failing which the bid will not be considered for further evaluation.

~~10.2 In case the bids are invited under e-tendering system, bidders are requested to refer instructions for participating in E-Tendering enclosed herewith as Annexure III and the ready reckoner for bidders available in <https://etender.kll.co.in>. Bids submitted manually shall be re-tendering website as follows:-~~

10.2.1 **PART-1 TECHNO-COMMERCIAL/UNPRICED BID** comprising all the above documents mentioned at 10.1.1 along with copy of Power of Attorney and copy of integrity pact should be uploaded in the private area earmarked (Tender Document) in the GAIL's e-tendering portal.

Further, Bidders must submit the original " Power of Attorney, Integrity Pact (wherever applicable) and any other documents specified in the Tender Document (as per clause no.4.0 of IFB, Section-I) to the address mentioned in IFB, in a sealed envelope, superscribing the details of Tender Document (i.e. tender number & tender for) within 7 days from the date of un-priced bid opening.

10.2.2 PART-II: PRICE BID- Not Applicable

The Prices are to be filled strictly in the Schedule of Rate of the Tender Documents and provision mentioned at para 10.1.2 hereinabove and to uploaded in SOR attachment/ Conditions of E-tendering portal.

10.3 In case of bids invited under *single bid system*, a single envelope containing all documents specified at Clause 10.1.1 & 10.1.2 of ITB above form the BID. All corresponding conditions specified at Clause 10.1.1 & 10.1.2 of ITB shall become applicable in such a case.

11. SCHEDULE OF RATES / BID PRICES

11.1 Unless stated otherwise in the Tender Documents, the Contract shall be for the whole Scope of Work as described in Tender Documents, based on the rates and prices submitted by the Bidder and accepted by the Employer. The prices quoted by the Bidders will be inclusive of all taxes except **GST (CGST & SGST/UTGST or IGST)**.

11.2 ~~Prices must be filled in format for "Schedule of Rates [SOR]" enclosed as part of Tender document. If quoted in separate typed sheets and any variation in item description, unit or quantity is noticed, the Bid is liable to be rejected.~~

11.3 Bidder shall quote for all the items of "SOR" after careful analysis of cost involved for the performance of the completed item considering all parts of the Tender Document. In case any activity though specifically not covered in description of item under "SOR" but is required to complete the works as per Scope of Work / Service, Standards, General Conditions of Contract ("GCC"), Special Conditions of Contract ("SCC") or any other part of Tender Document, the prices quoted shall deemed to be inclusive of cost incurred for such activity.

11.4 All duties, taxes and other levies [if any] payable by the Consultant under the Contract, or for any other cause except final **GST (CGST & SGST/ UTGST or IGST)** shall be included in the rates / prices and the total bid-price submitted by the Bidder. Applicable rate of **GST (CGST & SGST/ UTGST or IGST)** on the contract value shall be indicated in Agreed Terms & Conditions (Format-F8) and SOR.

11.5 Prices quoted by the Bidder, shall remain firm and fixed and valid until completion of the Contract and will not be subject to variation on any account.

11.6 The Bidder shall quote the prices in 'figures' & words. There should not be any discrepancy between the prices indicated in figures and the price indicated in words. In case of any discrepancy, the same shall be dealt as per clause no. 28 of ITB.

11.7 Further, Bidder shall also mention the **Service Accounting Codes (SAC) / Harmonized System of Nomenclature (HSN)** at the designated place in the bidding document.

12. GST (CGST & SGST/ UTGST or IGST)**12.1 GST IN CASE OF INDIAN BIDDER**

12.1.1 Bidders are required to submit copy of the GST Registration Certificate while submitting the bids wherever **GST (CGST & SGST/UTGST or IGST)** is applicable.

12.1.2 Quoted prices should be inclusive of all taxes and duties, except **GST (CGST & SGST or IGST or UTGST)**. Please note that the responsibility of payment of **GST (CGST & SGST or IGST or UTGST)** lies with the Supplier of Goods / Services only. Consultant providing taxable service shall issue an Invoice/ Bill, as the case may be as per rules/ regulation of GST. Further, returns and details required to be filled under GST laws & rules should be timely filed by Consultant with requisite details.

Payments to Consultant for claiming **GST (CGST & SGST/UTGST or IGST)** amount will be made provided the above formalities are fulfilled. Further, KLL may seek copies of challan and certificate from Chartered Accountant for deposit of **GST (CGST & SGST/UTGST or IGST)** collected from Owner.

12.1.3 In case of statutory variation in **GST (CGST & SGST/UTGST or IGST)**, other than due to change in turnover, payable on the contract value during contract period, the Consultant shall submit a copy of the 'Government Notification' to evidence the rate as applicable on the Bid due date and on the date of revision.

Beyond the contract period, in case KLL is not entitled for input tax credit of **GST (CGST & SGST/UTGST or IGST)**, then any increase in the rate of **GST (CGST & SGST/UTGST or IGST)** beyond the contractual delivery/completion period shall be to Consultant's account whereas any decrease in the rate **GST (CGST & SGST/UTGST or IGST)** shall be passed on to the Owner.

Beyond the contract period, in case KLL is entitled for input tax credit of **GST (CGST & SGST/UTGST or IGST)**, then statutory variation in applicable **GST (CGST & SGST/UTGST or IGST)** on supply and on incidental services, shall be to GAIL's account.

Claim for payment of **GST (CGST & SGST/UTGST or IGST)**/ Statutory variation, should be raised within two [02] months from the date of issue of 'Government Notification' for payment of differential (in %) **GST (CGST & SGST/UTGST or IGST)**, otherwise claim in respect of above shall not be entertained for payment of arrears.

The base date for the purpose of applying statutory variation shall be the Bid Due Date.

New Taxes & duties: Any new taxes & duties, if imposed by the State/ Central Govt. of India after the due date of bid submission but before the Contractual Completion Date, shall be reimbursed to the Consultant on submission of copy of notification(s) issued from State/ Central Govt. Authorities along with documentary evidence for proof of payment of such taxes & duties, but only after ascertaining its applicability with respect to the Contract.

12.1.4 Where the KLL is entitled to avail the input tax credit of **GST (CGST & SGST/UTGST or IGST)**:-

12.1.4.1 Owner/KLL will reimburse the **GST (CGST & SGST/UTGST or IGST)** to the Consultant at actuals against submission of Invoices as per format specified in rules/ regulation of GST to enable Owner/KLL to claim input tax credit of **GST (CGST & SGST/UTGST or IGST)** paid. In case of any variation in the executed quantities, the amount on which the **GST (CGST & SGST/UTGST or IGST)** is applicable shall be modified in same proportion. Returns and details required to be filled under GST laws & rules should be timely filed by supplier with requisite details.

12.1.4.2 The input tax credit of **GST (CGST & SGST/UTGST or IGST)** quoted shall be considered for evaluation of bids, as per evaluation criteria of tender document.

12.1.5 Where the KLL is not entitled to avail/take the full input tax credit of **GST (CGST & SGST/UTGST or IGST)**:-

- 12.1.5.1 Owner/KLL will reimburse **GST (CGST & SGST/UTGST or IGST)** to the Consultant at actuals against submission of Invoices as per format specified in rules/ regulation of GST subject to the ceiling amount of **GST (CGST & SGST/UTGST or IGST)** as quoted by the bidder, subject to any statutory variations, except variations arising due to change in turnover. In case of any variation in the executed quantities (If directed and/or certified by the Engineer-In-Charge) the ceiling amount on which **GST (CGST & SGST/UTGST or IGST)** is applicable will be modified on pro-rata basis.
- 12.1.5.2 The bids will be evaluated based on total price including applicable **GST (CGST & SGST/UTGST or IGST)**.
- 12.1.6 KLL will prefer to deal with registered supplier of goods/ services under GST. Therefore, bidders are requested to get themselves registered under GST, if not registered yet. However, in case any unregistered bidder is submitting their bid, their prices will be loaded with applicable **GST (CGST & SGST/UTGST or IGST)** while evaluation of bid (if applicable as per Govt. Act/ Law in vogue). Where KLL is entitled for input credit of **GST (CGST & SGST/UTGST or IGST)**, the same will be considered for evaluation of bid as per evaluation methodology of tender document.
- 12.1.7 In case KLL is required to pay entire/certain portion of applicable **GST (CGST & SGST/UTGST or IGST)** and remaining portion, if any, is to be deposited by Bidder directly as per **GST (CGST & SGST/UTGST or IGST)** laws, entire applicable rate/amount of **GST (CGST & SGST/UTGST or IGST)** to be indicated by bidder in the SOR. Where KLL has the obligation to discharge **GST (CGST & SGST/UTGST or IGST)** liability under reverse charge mechanism and KLL has paid or is /liable to pay **GST (CGST & SGST/UTGST or IGST)** to the Government on which interest or penalties becomes payable as per GST laws for any reason which is not attributable to KLL or ITC with respect to such payments is not available to KLL for any reason which is not attributable to KLL, then KLL shall be entitled to deduct/ setoff/ recover such amounts against any amounts paid or payable by KLL to Consultant.

12.1.8 Regarding Reconciliation between GSTR 2A and Input Tax Credit

Consultant shall ensure timely submission of correct invoice(s), as per GST rules/ regulation, with all required supporting document(s) within a period specified in Contract to enable KLL to avail input credit of GST (CGST & SGST/UTGST or IGST). Further, returns and details required to be filled under GST laws & rules should be timely filed by Supplier of Goods / Services with requisite details.

If input tax credit is not available to KLL for any reason not attributable to KLL, then KLL shall not be obligated or liable to pay or reimburse GST (CGST & SGST/UTGST or IGST) claimed in the invoice(s) and shall be entitled to deduct / setoff / recover such GST amount (CGST & SGST/UTGST or IGST) or Input Tax Credit amount together with penalties and interest, if any, against any amounts paid or becomes payable by KLL in future to the Supplier/Contractor under this contract or under any other contract.

In case CBIC (Central Board of Indirect Taxes and Customs)/ any tax authority / any equivalent government agency brings to the notice of KLL that the Consultant has not remitted the amount towards GST (CGST & SGST/UTGST or IGST) collected from KLL to the government exchequer, then, that Consultant shall be put under Holiday list of KLL for period of six months after following the due procedure. This action will be in addition to the right of recovery of financial implication arising on KLL.

12.1.9 Anti-profiteering clause

As per Clause 171 of GST Act it is mandatory to pass on the benefit due to reduction in rate of tax or from input tax credit to the consumer by way of commensurate reduction in prices.

The Consultant may note the above and quote their prices accordingly.

- 12.1.10 In case the GST rating of vendor on the GST portal / Govt. official website is negative / black listed, then the bids may be rejected by KLL. Further, in case rating of bidder is negative / black listed after award of job, then KLL shall not be obligated or liable to pay or reimburse GST to such vendor and shall also be entitled to deduct / recover such GST along with all penalties / interest, if any, incurred by KLL.
- 12.1.11 The Contractor shall mention the particulars of GAIL (India) Limited, (place specified in BDS) on the Invoice. Besides, if any other particulars of KLL are required to be mentioned, under GST rules/ regulations, the same shall also be mentioned on the Invoice.
- 12.1.12 The rate of GST as quoted in Price Schedule/SOR shall be considered as the prevailing present applicable rates on the Bid due date and same shall be considered for price comparison as well as for ordering. Any error of judgment on part of the Bidder in identifying the present applicable rates shall not be admitted. The applicable rate of GST as indicated by the bidders in Price Schedule/SOR shall be considered as the maximum payable in the event when no statutory variations take place and any remainder/balance GST, if payable, beyond that quoted rates shall be borne by the Bidder. However in the event of any statutory variations in the rate of GST, if the quoted rates are found erroneous then the base rates for calculation of statutory variations for the purpose of reimbursement of GST shall take into account either the rates actually prevalent on the due date of submission of bid or the erroneous rates quoted by the Bidders whichever is beneficial to KLL. Consequently, any difference in GST if it becomes payable to the tax authorities shall be borne by the Bidder.
- 12.1.13 Wherever TDS under GST Laws has been deducted from the invoices raised / payments made to the vendors, as per the provisions of the GST law / Rules, Vendors should accept the corresponding GST-TDS amount populated in the relevant screen on GST common portal (www.gst.gov.in). Further, Vendors should also download the GST TDS certificate from GST common portal (reference path: Services > User Services > View/Download Certificates option).

12.2 – GST IN CASE OF FOREIGN BIDDER:

~~A foreign Consultant shall be entirely responsible for all taxes, stamp duties, licence~~

~~For Foreign bidders who is not having the Permanent Establishment/ tax residency (refer clause no.39 of this Section) in India/ GST Registration, IGST (Intergraded Goods and Services Tax) in respect of Services shall be payable by KLL wherever applicable to statutory authorities in India under reverse charge mechanism. Further, in cases where GST is not charged by foreign bidders in the invoices and KLL makes payment of IGST under Reverse Charge to Exchequer, if the foreign bidder is later on required to discharge tax liability as service provider, then KLL will not reimburse tax, interest and penalty amount to such foreign vendor on this account.~~

~~In case Foreign bidders who is having the permanent establishment/ tax residency in India/ GST Registration, GST (CGST & SGST/UTGST or IGST) in respect of Services shall be quoted and paid by the bidder. In such cases, all other provision w.r.t. to GST (CGST & SGST/UTGST or IGST) in respect of Services shall be as per provision applicable to Indian bidder mentioned herein above.~~

- 12.3 GST (CGST & SGST/UTGST or IGST) is implemented w.e.f. 01.07.2017 which subsumed various indirect taxes and duties applicable before 01.07.2017. Accordingly, the provisions of General Condition of Contract relating to taxes and duties which are subsumed in GST are modified to aforesaid provisions mentioned in clause no. 11 and 12 of ITB.**

13. BID CURRENCIES:

- 13.1 In case of domestic competitive bidding, the prices are to be quoted in Indian Rupees only.
- 13.2 In case of International Competitive Bidding following shall apply:
- 13.2.1 Indian Bidders may submit bid in Indian Rupees or in any foreign currency and receive payment in such currency.
- 13.2.2 Foreign Bidders may submit bid in the home currency of Bidder's country or US\$/GBP/EURO/ INR.
- 13.2.3 A Bidder expecting to incur a portion of his expenditure in the performance of Contract in more than one currency (limited to maximum two currencies) (without prejudice to the provisions of Clause 13.2.2) and wishing to be paid accordingly shall indicate the same in the bid. In such a case, the bid shall be expressed in different currencies with the respective amounts in each currency together making up the total price.
- 13.2.4 Currency once quoted will not be allowed to be changed. Employer shall not be compensating for any exchange rate fluctuation.

14. BID VALIDITY

- 14.1 Bids shall be kept valid for period specified in BDS from the final Due date of submission of bid'. A Bid valid for a shorter period may be rejected by KLL as 'non-responsive'.
- 14.2 In exceptional circumstances, prior to expiry of the original 'Bid Validity Period', the Employer may request the Bidders to extend the 'Period of Bid Validity' for a specified additional period. The request and the responses thereto shall be made in writing or by fax/email. A Bidder may refuse the request. A Bidder agreeing to the request will not be required or permitted to modify his Bid.

15. PRE-BID MEETING (IF APPLICABLE)

- 15.1 The Bidder(s) or his designated representative is invited to attend a "Pre-Bid Meeting" which will be held at address specified in IFB. It is expected that a bidder shall not depute more than 02 representatives for the meeting.
- 15.2 Purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage and give hands-on e-tendering.
- 15.3 Text of the questions raised and the responses given, together with any responses prepared after the meeting, will be uploaded on KLL e-tendering website against the Tender. Any modification of the Contents of Tender Documents listed in "ITB: Clause-6.1", that may become necessary as a result of the Pre-Bid Meeting shall be made by the Employer exclusively through the issue of an Addendum / Corrigendum pursuant to "ITB: Clause-8", and not through the minutes of the Pre-Bid Meeting.
- 15.4 Non-attendance of the Pre-Bid Meeting will not be a cause for disqualification of Bidder.

16. FORMAT AND SIGNING OF BID

- 16.1 The original and all copies of the Bid shall be typed or written in indelible ink [in the case of copies, photocopies are also acceptable] and shall be signed by a person or persons duly authorized to sign on behalf of the Bidder (as per POA). The name and position held by each person signing, must be typed or printed below the signature. All pages of the Bid except for unamended printed literature where entry(s) or amendment(s) have been made shall be initialed by the person or persons signing the Bid.
- 16.2 The Bid shall contain no alterations, omissions, or additions, unless such corrections are

initialed by the person or persons signing the Bid.

- 16.3 In case of e-tendering, digitally signed documents to be uploaded as detailed in addendum to ITB.

17. ZERO DEVIATION AND REJECTION CRITERIA

- 17.1 ZERO DEVIATION: Deviation to terms and conditions of "Tender Documents" may lead to rejection of bid. KLL will accept bids based on terms & conditions of "Tender Documents" only. Bidder may note KLL will determine the substantial responsiveness of each bid to the Tender Documents pursuant to provision contained in clause 27 of ITB. For purpose of this, a substantially responsive bid is one which conforms to all terms and conditions of the Tender Documents without deviations or reservations. KLL's determination of a bid's responsiveness is based on the content of the bid itself without recourse to extrinsic evidence. KLL reserves the right to raise technical and/or commercial query(s), if required, may be raised on the bidder(s). The response(s) to the same shall be in writing, and no change in the price(s) or substance of the bids shall be sought, offered or permitted. The substance of the bid includes but not limited to prices, completion, scope, etc. Bidders are requested to not to take any deviation/exception to the terms and conditions laid down in this "Tender Documents", and submit all requisite documents as mentioned in this "Tender Documents", failing which their offer will be liable for rejection. If a bidder does not reply to the queries in the permitted time frame then its bid shall be evaluated based on the documents available in the bid.

- 17.2 **REJECTION CRITERIA:** Notwithstanding the above, deviation to the following clauses of Tender document shall lead to summarily rejection of Bid:

- (a) Bidder not meeting Bid Evaluation Criteria and/or minimum Preference Points as per Section-II attached in Tender Document.
- (b) Non-Acceptance of Price as per SOR
- (c) Scope of Work / Terms of Reference
- (d) Schedule of Rates / Price Schedule / Price Basis
- (e) Duration / Period of Contract/ Completion schedule
- (f) Period of Validity of Bid
- (g) Price Reduction Schedule for delay in completion (if applicable)
- (h) Guarantee / Defect Liability Period (if applicable)
- (i) Arbitration / Resolution of Dispute/Jurisdiction of Court
- (j) Force Majeure & Applicable Laws
- (k) Integrity Pact, if Applicable
- (l) Any other condition specifically mentioned in the tender document elsewhere that non-compliance of the clause lead to rejection of bid

Note: Further, it is once again reminded not to mention any condition in the Bid which is contradictory to the terms and conditions of Tender document.

18. E-PAYMENT

KLL has initiated payments to Suppliers and Contractors electronically, and to facilitate the payments electronically through 'e-banking'. The successful bidder should give the details of his bank account as per the bank mandate form.

[D] – 1 SUBMISSION OF BIDS

19. SUBMISSION, SEALING AND MARKING OF BIDS

- 19.1 ~~In case of e-tendering, bids shall be submitted through e-tender mode in the manner specified elsewhere in tender document. No Manual/ Hard Copy (Original) offer shall be acceptable.~~

- 19.2 In case of manual tendering bid must be submitted in sealed envelope. If the envelope is not sealed & marked as per Clause No. 10 of ITB, the employer will assume no responsibility for misplacement or pre-mature opening of the bid.
- 19.3 All the bids shall be addressed to the owner at address specified in IFB.
- 19.4 Bids submitted under the name of AGENT/ CONSULTANT/ REPRESENTATIVE /RETAINER/ ASSOCIATE etc. on behalf of a bidder/affiliate shall not be accepted. Direct bid from Bidder shall be considered.

20. DEADLINE FOR SUBMISSION OF BIDS

- 20.1 In case of e-bidding, the bids must be submitted through e-tender mode not later than the date and time specified in the tender documents/BDS.
- 20.2 In case of manual tendering EMD along with bid must be submitted within the due date & time.
- 20.3 KLL may, in exceptional circumstances and at its discretion, extend the deadline for submission of Bids (clause 8 of ITB refers). In which case all rights and obligations of KLL and the Bidders, previously subject to the original deadline will thereafter be subject to the deadline as extended. Notice for extension of due date of submission of bid will be uploaded on GAIL's website/ communicated to the bidders.

21. LATE BIDS

- 21.1 Any bids received after the notified date and time of closing of tenders will be treated as late bids.
- 21.2 In case of e-tendering, e-tendering system of KLL shall close immediately after the due date for submission of bid and no bids can be submitted thereafter. Fax/E-mail offers or offers submitted in physical/hard copy whether sent directly or submitted by local agent in India will not be considered and shall be rejected.
In case of manual tendering, bids received by KLL after the due date & time for submission of bids shall not be considered. Such late bids shall be returned to the bidder within "10 days" in 'unopened conditions. Further, Fax/E-mail offers whether sent directly or submitted by local agent in India will not be considered and shall be rejected.
- 21.3 Unsolicited Bids or Bids received to address other than one specifically stipulated in the tender document will not be considered for evaluation/opening/award if not received to the specified destination within stipulated date & time.

22. MODIFICATION AND WITHDRAWAL OF BIDS

- 22.1 Modification and withdrawal of bids shall be as follows:-

22.1.1 IN CASE OF E-TENDERING

~~The bidder may withdraw or modify its bid after bid submission but before the due date and time for submission as per tender document.~~

22.1.2 IN CASE OF MANUAL BIDDING

The bidder may withdraw or modify its bid after bid submission but before the due date for submission as per tender document provided that the written notice of the modification/ substitution/ withdrawal in received by KLL prior to the deadline for submission of bid.

- 22.2 The modification shall also be prepared, sealed, marked and dispatched in accordance with the provisions of the clause 10 & 20 of ITB with relevant 'Cut-Out Slip' duly pasted and mentioning on top of the envelope as "MODIFICATION". In case of withdrawal of bid, the

- Envelope containing withdrawal letter duly superscribing the envelope as “WITHDRAWAL” and “Tender Document number:....”/ communication regarding withdrawal of bid with “Tender Document number :....”/ must reach concerned dealing official of KLL within Due date & Time of submission of Bid. No bid shall be modified/ withdrawn after the Due Date & Time for Bid submission.
- 22.3 Any withdrawal/ modification/substitution of Bid in the interval between the Due Date & Time for Bid submission and the expiration of the period of bid validity specified by the Bidder in their Bid shall result in rejection of Bid.
- 22.4 The latest Bid submitted by the Bidder shall be considered for evaluation and all other Bid(s) shall be considered to be unconditionally withdrawn.
- 22.5 In case after price bid opening the highest total score bidder is not awarded the job for any mistake committed by him in bidding or withdrawal of bid or modification of bid or varying any term in regard thereof leading to re-tendering, such bidders shall be debarred from participation in re-tendering of the same job(s)/item(s). Further, such bidder will be put on holiday for a period of six months after following the due procedure.

[E] – BID OPENING AND EVALUATION

23. EMPLOYER'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS

KLL reserves the right to accept or reject any Bid, and to annul the Bidding process and reject all Bids, at any time prior to award of Contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligations to inform the affected Bidder or Bidders of the ground for KLL's action. However, Bidder if so desire may seek the reason (in writing) for rejection of their Bid to which KLL shall respond quickly.

24. BID OPENING

24.1 Unpriced Bid (Technical Proposal) Opening:

KLL will open bids, in the presence of bidders designated representatives who choose to attend, at date, time and location stipulated in BDS. The bidder's representatives who are present shall sign a bid opening register evidencing their attendance.

24.2 ~~Priced Bid (Financial Proposal) Opening:-~~

~~After the qualification with respect to Bid Evaluation Criteria and technical evaluation (quality) is completed, those Bidders whose proposals did not meet the minimum qualifying mark (if applicable) or were considered non responsive to the Tender Document, their Financial Proposals will not be opened and such bidders will be informed by KLL.~~

~~KLL will open the price bids / Financial Proposals of those bidders who meet the qualification requirement and whose bids are determined to be technically and commercially responsive and have secured the minimum qualifying mark (if applicable). Bidders selected for opening of their price bids shall be informed about the date of price bid opening. Bidders may depute their authorized representative to attend the bid opening. The bidders' representatives, who are present shall sign a register evidencing their attendance and may be required to be present on a short notice.~~

~~The Financial Proposals shall be opened publicly in the presence of representatives of the Bidders who choose to attend. The name of the Bidders, their scores and the prices quoted~~

~~shall be read out by the KLL.~~

~~The price bids of those Bidders who were not found to be techno-commercially responsive shall not be opened in both manual tendering and e-tendering. In case of Manual Tender, the envelope containing Price Bid shall be returned unopened after opening of the price bids of techno-commercially responsive Bidders.~~

~~In case of bids invited under the single bid system, bid shall be opened on the specified due date & time.~~

24.3 Negotiations & Availability of Professional staff/experts

The successful bidder shall be invited for negotiations if considered necessary by KLL. Negotiations will include a discussion of the Technical Proposal, the proposed technical approach and methodology, work plan, and organization and staffing, and any suggestions made by the Consultant to improve the Terms of Reference. KLL and Consultant will finalize the Terms of Reference, staffing schedule, work schedule, logistics and reporting. These documents will then be incorporated in the Contract as "Description of Services". Having selected the Consultant on the basis of tender requirement, an evaluation of proposed Professional staff, KLL expects to negotiate a Contract on the basis of the Professional staff named in the Proposal. Before Contract negotiations, KLL will require assurances that the Professional staff will be actually available. KLL will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that Professional staff were offered in the proposal without confirming their availability, the Consultant may be disqualified. Any proposed substitute shall have equivalent or better qualifications and experience than the original candidate.

During execution of the assignment, if for unavoidable reasons, the Consultant proposes for substitution of key personnel, the same may be allowed by KLL, without any prejudice to the completion period. However, in such a situation also, the key staff proposed for substitution shall have qualifications and experience equal to or better than the key staff earlier working for the assignment.

24.4 Conclusion of the negotiations

Negotiations will conclude with a review of the draft Contract. To complete negotiations KLL and the Consultant will initial the agreed Contract.

After completing negotiations, KLL shall award the Contract to the selected Consultant.

If the negotiations with the selected successful bidder fail, the employer/owner/KLL shall cancel the bidding process and re-invite the bids.

25. CONFIDENTIALITY

Information relating to the examination, clarification, evaluation and comparison of Bids, and recommendations for the award of a Contract, shall not be disclosed to Bidder(s) or any other persons not officially concerned with such process.

26. CONTACTING THE EMPLOYER

26.1 From the time of Bid opening to the time of award of Contract, if any Bidder wishes to contact the Employer on any matter related to the Bid, it should do so in writing. Information

relating to the examination, clarification, evaluation & recommendation for award shall not be disclosed.

- 26.2 Any effort by the Bidder to influence the Employer in the Employer's 'Bid Evaluation', 'Bid Comparison', or 'Contract Award' decisions may result in the rejection of the Bidder's Bid and action shall be initiated as per procedure in this regard.

27. EXAMINATION OF BIDS AND DETERMINATION OF RESPONSIVENESS

- 27.1 The owner's determination of a bid's responsiveness is based on the content of the bid only. Prior to the detailed evaluation of Bids, the Employer will determine whether each Bid:-

- (a) Meets the "Bid Evaluation Criteria" of the Tender Documents (if applicable);
- (b) Has been properly signed;
- (c) Is substantially responsive to the requirements of the Tender Documents; and
- (d) Provides any clarification and/or substantiation that the Employer may require to determine responsiveness pursuant to "ITB: Clause-27.2"

- 27.2 A substantially responsive Bid is one which conforms to all the terms, conditions and specifications of the Tender Documents without material deviations or reservations or omissions for this purpose employer defines the foregoing terms below:-

- a) "Deviation" is departure from the requirement specified in the tender documents.
- b) "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirement in the tender documents.
- c) "Omission" is the failure to submit part or all of the information or documentation required in the tender document.

- 27.3 A material deviation, reservation or omission is one that,

- a) If accepted would,
 - i) Affect in any substantial way the scope, quality, or performance of the job as specified in tender documents.
 - ii) Limit, in any substantial way, inconsistent with the Tender Document, the Employer's rights or the tenderer's obligations under the proposed Contract.
- b) If rectified, would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

- 27.4 The employer shall examine all aspects of the bid to confirm that all requirements have been met without any material deviation, reservation or omission.

- 27.5 If a Bid is not substantially responsive, it may be rejected by the Employer and may not subsequently be made responsive by correction or withdrawal of the material deviation, reservation or omission.

28. CORRECTION OF ERRORS

- 28.1 Bids determined to be substantially responsive will be checked by the Employer for any arithmetic errors. Errors will be corrected by the Employer as follows:

- (i) When there is a difference between the rates in figures and words, the rate which corresponds to the amount worked out by the Bidder (by multiplying the quantity and rate) shall be taken as correct.
- (ii) When the rate quoted by the Bidder in figures and words tallies but the amount is incorrect, the rate quoted by the contractor shall be taken as correct and not the amount and the amount shall be re-calculated/ corrected accordingly.
- (iii) When it is not possible to ascertain the correct rate, in the manner prescribed above, the rate as quoted in words shall be adopted and the amount worked out, for comparison purposes

- 28.2 The amount stated in the bid will be adjusted by the Employer in accordance with the above procedure for the correction of errors. If the bidder does not accept the corrected amount of bid, its bid will be rejected.

29. CONVERSION TO SINGLE CURRENCY FOR COMPARISON OF BIDS

To facilitate evaluation and comparison, the Employer will convert all bid prices expressed in the amounts in various currencies in which the bid price is payable to single currency and that will be Indian Rupees only, as per following methodology.

The following methodology shall be adopted for evaluation of bids in foreign currencies considering the forward rate:

- (i) The forward rates applicable as on the expected date of delivery/ Completion shall be considered. To arrive at the forward exchange rate applicable on reference date, the following method shall be applied:

- (a) Wherever only one time delivery is to be made against order or one-time payment is to be made after completion period of contract:

The reference date shall be the date of price bid opening plus delivery/ completion period specified in tender

- (b) Wherever staggered delivery is to be made against order or multiple/Running Account (RA) bill payment is to be made during completion period of contract:

The reference date shall be the date of price bid opening plus arithmetic mean of staggered delivery/completion period specified in tender.

- (ii) The applicable closing forward rates of M/s Bloomberg (or other software as decided by company from time to time) for different currencies for the above reference date obtained one day prior to price bid opening shall be considered for evaluation of bids.

Where the time lag between the opening of the price bids and conducting Reverse Auction (if there is provision in Tender Document) exceeds three months, the applicable closing forward rates for different currencies for the above reference date obtained two days prior to the date of first Reverse Auction of that tender shall be considered for evaluation of bids.

30. EVALUATION AND COMPARISON OF BIDS

Bid shall be evaluated as per evaluation criteria mentioned in Section-II of Tender Documents.

31. PURCHASE PREFERENCE (Indian bidders only)

Purchase Preference to Local Content (PP-LC) bidders and Micro and Small Enterprises (MSEs) shall be allowed as per Government instructions in vogue.

[F] – AWARD OF CONTRACT

32. AWARD

Subject to "ITB: Clause-27", KLL will award the Contract to the successful Bidder whose Bid has been determined to be substantially responsive and has been determined as the

highest total score provided that bidder, is determined to be qualified to satisfactorily perform the Contract.

“KLL intent to place the order/contract directly on the address from where Services are rendered. In case, bidder wants order/ contract at some other address or Services from multiple locations, bidder is required to provide in their bid address on which order is to be placed”.

33. NOTIFICATION OF AWARD / FAX OF ACCEPTANCE/FOA]

- 33.1 Prior to the expiry of 'Period of Bid Validity', Notification of Award for acceptance of the Bid will be intimated to the successful Bidder by KLL either by Fax / E - mail /Letter or like means defined as the "Fax of Acceptance (FOA)". The Contract shall enter into force on the date of FOA and the same shall be binding on KLL and successful Bidder (i.e. Consultant). The Notification of Award/FOA will constitute the formation of a Contract. The detailed Letter of Acceptance shall be issued thereafter incorporating terms & conditions of Tender Document, Corrigendum, Clarification(s), Bid and agreed variation(s)/acceptable deviation(s), if any. KLL may choose to issue Notification of Award in form of detailed Letter of Acceptance without issuing FOA and in such case the Contract shall enter into force on the date of detailed Letter of Acceptance only.
- 33.2 Contract period shall commence from the date of "Notification of Award" or as mentioned in the Notification of Award. The "Notification of Award" will constitute the formation of a Contract, until the Contract has been effected pursuant to signing of Contract as per "ITB: Clause-34".
- 33.3 Order value is subject to Price Reduction Schedule, if any, as per GCC.

34. SIGNING OF AGREEMENT

- 34.1 KLL will award the Contract to the successful Bidder, who, within 'fifteen [15] days' of receipt of the same, shall sign and return the acknowledged copy to KLL.
- 34.2 The successful Bidder/ shall be required to execute an 'Agreement' in the proforma given in this Tender Document on a 'non-judicial stamp paper' of appropriate value [cost of the 'stamp-paper' shall be borne by the successful Bidder/Contractor] and of 'state' specified in Bidding Data Sheet (BDS) only, within 'fifteen [15] days' of receipt of the "Fax of Acceptance [FOA]".
- 34.3 Domestic bidders can request Bilingual (Hindi & English) Contract Agreement. The format for signing Contract Agreement in English is attached in this Tender Document.

35. PROCEDURE FOR ACTION IN CASE CORRUPT/ FRAUDULENT/COLLUSIVE/ COERCIVE PRACTICES

- 35.1 Procedure for action in case Corrupt/ Fraudulent/Collusive/Coercive Practices is enclosed at Annexure-I.
- 35.2 The Fraud Prevention Policy document is available on GAIL's website (www.gailonline.com)
- 35.3 NON-APPLICABILITY OF ARBITRATION CLAUSE IN CASE OF BANNING OF VENDORS/ SUPPLIERS / CONTRACTORS/BIDDERS/ CONSULTANTS INDULGED IN FRAUDULENT/ COERCIVE PRACTICES**
- Notwithstanding anything contained contrary in GCC and other "CONTRACT DOCUMENTS", in case it is found that the Vendors/ Suppliers / Contractors/Bidders/ Consultants indulged in fraudulent/ coercive practices at the time of bidding, during the

execution of the contract etc and/or on other grounds as mentioned in GAIL's "Procedure

for action in case Corrupt/Fraudulent/Collusive/Coercive Practices" (Annexure-I), the contractor/bidder shall be banned (in terms of aforesaid procedure) from the date of issuance of such order by KLL to such Vendors/ Suppliers / Contractors/Bidders/ Consultants.

The Vendor/ Supplier / Contractor/ Bidder/Consultant understands and agrees that in such cases where Vendor/ Supplier / Contractor/ Bidder/Consultant has been banned (in terms of aforesaid procedure) from the date of issuance of such order by KLL, such decision of KLL shall be final and binding on such Vendor/ Supplier / Contractor/ Bidder/Consultant and the 'Arbitration clause' in the GCC and other "CONTRACT DOCUMENTS" shall not be applicable for any consequential issue /dispute arising in the matter.

36. PUBLIC PROCUREMENT POLICY FOR MICRO AND SMALL ENTERPRISES (MSEs) [applicable for Indian bidders only]- Not Applicable since the professional fee for subject job is pre-fixed.

36.1 Following provision has been incorporated in tender for MSEs, in line with notification of Government of India, vide Gazette of India No. 503 dated 26.03.2012 proclaiming the Public Procurement Policy on procurement of goods and services from Micro and Small Enterprises (MSEs)

- i) Issue of tender document to MSEs free of cost.
- ii) Exemption to MSEs from payment of EMD/Bid Security.
- iii) In Tender, participating Micro and Small Enterprises quoting price within price band of L1 + 15% shall also be allowed to supply a portion of requirement by bringing down their prices to L1 price in a situation where L1 price is from someone other than a micro and small enterprises and such micro and small enterprises shall be allowed to supply upto 25% of the total tendered value. In case of more than one such Micro and Small Enterprises, the supply shall be shared proportionately (to tendered quantity). Further, out of above 25%, 5% (20% of 25%) shall be reserved for MSEs owned by SC/ST entrepreneurs. Further, 3% shall be reserved for MSEs owned by women within above 25% reservation. The respective quota(s) shall be transferred to other MSEs in case of non-availability of MSEs owned by SC/ST entrepreneurs / MSEs owned by Women.

Further, the definition of MSEs owned by Women shall be as per the definition for MSEs owned by SC/ST entrepreneurs.

The quoted prices against various items shall remain valid in case of splitting of quantities of the items above.

In case tendered item is non-splitable or non-dividable (specified in Bid Data Sheet), MSE quoting lowest price within price band L1 (other than MSE) + 15% , may be awarded for full/ complete supply of total tendered value subject to matching of L1 price.

36.2 The MSEs owned by SC/ST entrepreneurs shall mean:-

- a) In case of proprietary MSE, Proprietor(s) shall be SC/ST.
- b) In case of partnership MSE, the SC/ST partners shall be holding atleast 51% share in the unit
- c) In case of private Limited Companies, at least 51%share is held by SC/ST. If the MSE is owned by SC/ST entrepreneurs, the bidder shall furnish appropriate documentary evidence in this regard.

36.3 In case bidder is a Micro or Small Enterprise under the Micro, Small and Medium Enterprises Development Act, 2006, the bidder shall submit the following :

- a) Documentary evidence that the bidder is a Micro or Small Enterprises registered with District Industries Centers or Khadi and Village Industries National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of Micro, Small and Medium Enterprises or Udyog Aadhaar Memorandum.
- b) If the MSE is owned by SC/ST Entrepreneurs, the bidder shall furnish appropriate documentary evidence in this regard.

The above documents submitted by the bidder shall be duly certified by the Chartered Accountant (not being an employee or a Director or not having any interest in the bidder's company/firm) and notary public with legible stamp.

If the bidder does not provide the above confirmation or appropriate document or any evidence, then it will be presumed that they do not qualify for any preference admissible in the Public Procurement Policy (PPP) 2012.

Further, MSEs who are availing the benefits of the Public Procurement Policy (PPP) 2012 get themselves registered with MSME Data Bank being operated by NSIC, under SME Division, M/o MSME, in order to create proper data base of MSEs which are making supplies to CPSUs.

- 36.4 If against an order placed by KLL, successful bidder(s) (other than Micro/Small Enterprise) is procuring material/services from their sub-vendor who is a Micro or Small Enterprise registered with District Industries Centers or Khadi and Village Industries Commission or Khadi and Village Industries Board or Coir Board or National Small Industries Corporation or Directorate of Handicrafts and Handloom or any other body specified by Ministry of Micro, Small and Medium Enterprises with prior consent in writing of the purchasing authority/Engineer-in-charge, the details like Name, Registration No., Address, Contact No. details of material & value of procurement made, etc. of such Enterprises shall be furnished by the successful bidder at the time of submission of invoice/Bill.
- 36.5 The benefit of policy are not extended to the traders/dealers/Distributors/Stockiest/Wholesalers.
- 36.6 NSIC has initiated a scheme of "Consortia and Tender Marketing Scheme" under which they are assisting the Micro & Small enterprises to market their products and services through tender participation on behalf of the individual unit or through consortia. Accordingly, if the MSEs or the consortia, on whose behalf the bid is submitted by NSIC, is meeting the BEC and other terms and conditions of tender their bid will be considered for further evaluation. Further, in such cases a declaration is to be submitted by MSE/ consortia on their letter head (s) that all the terms and conditions of tender document shall be acceptable to them.
- 36.7 It may be noted that Government of India has implemented Trade Receivable Discounting System (TReDS) to address challenges faced by MSMEs in delayed payments (after receipt/acceptance of Material/Services) from Government buyers leading to shortfall of Working Capital. TReDS is an online electronic institutional mechanism for facilitating the financing of trade receivables of MSMEs through multiple financiers. KLL is already registered on the following TReDS platform:
 - M/s Receivable Exchange of India (RXIL), Mumbai
 - M/s Mynd Solutions Private Limited (Mynd), New Delhi
 - M/s A. TREDS (Invoicemart), Mumbai

MSME Bidders are requested to register on the TReDS platform. The MSME vendors can avail the TReDS facility, if they want to.

37. VENDOR EVALUATION PROCEDURE

Shall be as stipulated Annexure II to ITB herewith.

38. INCOME TAX & CORPORATE TAX

38.1 Income tax deduction shall be made from all payments made to the contractor as per the rules and regulations in force and in accordance with the Income Tax Act prevailing from time to time.

38.2 Corporate Tax liability, if any, shall be to the contractor's account.

38.3 TDS, wherever applicable, shall be deducted as per applicable act/law/rule.

38.4 Withholding Tax (WHT) for foreign bidders shall be as per clause no.39 of ITB

38.5 MENTIONING OF PAN NO. IN INVOICE/BILL

As per CBDT Notification No. 95/2015 dated 30.12.2015, mentioning of PAN no. is mandatory for procurement of goods / services/works/consultancy services exceeding Rs. 2 Lacs per transaction.

Accordingly, supplier/ contractor/ service provider/ consultant should mention their PAN no. in their invoice/ bill for any transaction exceeding Rs. 2 lakhs. As provided in the notification, in case supplier/ contractor/ service provider/ consultant do not have PAN no., they have to submit declaration in Form 60 along with invoice/ bill for each transaction.

Payment of supplier/ contractor / service provider/ consultant shall be processed only after fulfilment of above requirement

~~39. PROVISION IN TENDER REGARDING PERMANENT ESTABLISHMENT (PE) W.R.T. FOREIGN BIDDERS (NA)~~

~~“Foreign bidders must submit (along with their bid) the following particulars which are required to be furnished by KLL to Income Tax Department for complying with the requirements for making remittances to non-residents as per Income Tax Act, 1961 (as amended from time to time):~~

~~(i) — Certificate of having No Permanent Establishment / No Business Connection in India (Annexure V).~~

~~(ii) — In case the non-resident has a Fixed Place Permanent Establishment (PE) or a Dependent Agency PE in India, in terms of the Double Taxation Avoidance Agreement (DTAA) between India and his country of tax residence through which the non-resident carries on business activities in relation to its engagement by KLL, the address of the Fixed Place PE or name & address of the Dependent Agent is to be provided.~~

~~(iii) — Deemed Permanent Establishment: Whether by carrying on activities in relation to its engagement by KLL, the non-resident constitutes an Installation / Construction PE or a Service PE in India in terms of the DTAA between India and his country of tax residence~~

~~(iv) — If the non-resident has PE in India, whether the remittances to be made to him under his engagement by KLL are attributable to such PE or not with reasons thereof~~

~~(v) — Non-resident's complete address in the country of residence along with Local Contact No. with ISD Code and E-Mail ID of concerned person.~~

~~(vi) — If the non-resident has an Indian Income Tax Permanent Account Number (PAN), details of the same~~

- (vii) ~~Country of tax residence of the non-resident supported by a Tax Residency certificate (TRC) issued by the Government of country or specified territory to the effect that the person named therein is a resident of that country or specified territory along with Form 10F, if non-resident desire to avail benefits available under Double Tax Avoidance Agreement (DTAA).~~
- (viii) ~~If it is not possible for the non-resident to obtain & submit Tax Residency Certificate to KLL within a reasonable time, the bidder should furnish Form No. 10F along with an undertaking to the effect that the bidder is a tax resident of (the specified country) and that they shall obtain and provide the TRC to KLL before 30 days of submission of first Invoice by them or within 3 months from the date of entering into the contract whichever is earlier.~~
- (ix) ~~Whether the non-resident is constituted as a company, a partnership firm, or any other form of business organization.~~

~~In addition to above particulars, the bidder should also provide any other information as may be required later for determining the taxability of the amount to be remitted to the non-resident. Further, the bidder shall be liable to intimate the subsequent changes (if any) to the information submitted against any of the above particulars, along with full details.~~

~~Bidders should note that if there is any delay in submission / non-submission of information / documents required as above within the specified time, KLL will be constrained to deduct tax as per Income Tax Act, 1961. In case, tax liability is to be borne by KLL as per purchase / work order terms & conditions, any additional tax liability due to delay in submission / non-submission of information / documents required as above shall be recovered from the supplier / contractor / consultant.~~

TAX INCIDENCE:

- a) ~~If bidder insists at the time of bidding that Tax Liability is to be borne by KLL, then the bidder's total quoted prices shall be suitably loaded by equivalent amount for evaluation purpose (depending upon the status of Foreign Vendor based on the documents submitted by them at the time of bidding) and WHT Certificate will be issued.~~
- b) ~~In case bidder agrees to bear the WHT as per the provision of Income Tax Act 1961, no loading on quoted prices towards WHT will be done. The WHT will be deducted from their payments due to them and WHT certificate will be issued as per IT Act.~~

~~If the bidder wants to avail the benefit of DTAA, then they have to submit the Tax Residency Certificate (TRC) issued by Government or Specified Authority of that country and Form 10F as per the proforma at Annexure VI.~~

- e) ~~Bidders should note that any delay in submission of TRC, Form 10F or PE information within specified time OR any subsequent change in TRC, Form 10F or PE status after submission of bid, may lead to deduction of tax at higher rate than at which it would otherwise have been deducted. Such additional tax liability shall be Recovered from the supplier/contractor/consultant.~~

40. DISPUTE RESOLUTION MECHANISM

1.0 CONCILIATION

GAIL (India) Limited has framed the Conciliation Rules 2010 in conformity with Part-III of the Arbitration and Conciliation Act 1996 as amended from time to time for speedier, cost effective and amicable settlement of disputes through conciliation. All issue(s)/dispute(s) arising under the Contract, which cannot be mutually resolved within

a reasonable time, may be referred for conciliation in accordance with GAIL Conciliation Rules 2010 as amended from time to time. A copy of the said rules have been made available on GAIL's web site i.e www.gailonline.com.

Where invitation for Conciliation has been accepted by the other party, the Parties shall attempt to settle such dispute(s) amicably under Part-III of the Arbitration and Conciliation Act, 1996 and GAIL (India) Limited Conciliation Rules, 2010. It would be only after exhausting the option of Conciliation as an Alternate Dispute Resolution Mechanism that the Parties hereto shall invoke Arbitration Clause. For the purpose of this clause, the option of 'Conciliation' shall be deemed to have been exhausted, even in case of rejection of 'Conciliation' by any of the Parties.

2.0 ARBITRATION

All issue(s)/dispute(s) excluding the matters that have been specified as excepted matters and listed at clause no. 2.6 and which cannot be resolved through Conciliation, such issue(s)/dispute(s) shall be referred to arbitration for adjudication by Sole Arbitrator.

The party invoking the Arbitration shall have the option to either opt for Ad-hoc Arbitration as provided at Clause 2.1 below or Institutionalized Arbitration as provided at Clause 2.2 below, the remaining clauses from 2.3 to 2.7 shall apply to both Ad-hoc and Institutional Arbitration:-

2.1 On invocation of the Arbitration clause by either party, KLL shall suggest a panel of three independent and distinguished persons (Retd Supreme Court & High Court Judges only) to the other party from the Panel of Arbitrators maintained by 'Delhi International Arbitration Centre (DIAC) to select any one among them to act as the Sole Arbitrator. In the event of failure of the other party to select the Sole Arbitrator within 30 days from the receipt of the communication from KLL suggesting the panel of arbitrators, the right of selection of the sole arbitrator by the other party shall stand forfeited and KLL shall appoint the Sole Arbitrator from the suggested panel of three Arbitrators for adjudication of dispute(s). The decision of KLL on the appointment of the sole arbitrator shall be final and binding on the other party. The fees payable to Sole Arbitrator shall be governed by the fee Schedule of 'Delhi International Arbitration Centre'.

OR

2.2 If a dispute arises out of or in connection with this contract, the party invoking the Arbitration shall submit that dispute to any one of the Arbitral Institutions i.e ICADR/ICA/DIAC/SFCA and that dispute shall be adjudicated in accordance with their respective Arbitration Rules. The matter shall be adjudicated by a Sole Arbitrator who shall necessarily be a Retd Supreme Court/High Court Judge to be appointed/nominated by the respective institution. The cost/expenses pertaining to the said Arbitration shall also be governed in accordance with the Rules of the respective Arbitral Institution. The decision of the party invoking the Arbitration for reference of dispute to a specific Arbitral institution for adjudication of that dispute shall be final and binding on both the parties and shall not be subject to any change thereafter. The institution once selected at the time of invocation of dispute shall remain unchanged.

2.3 The cost of arbitration proceedings shall be shared equally by the parties.

2.4 The Arbitration proceedings shall be in English language and the seat, venue and place of Arbitration shall be New Delhi, India only.

2.5 Subject to the above, the provisions of Arbitration & Conciliation Act 1996 and any amendment thereof shall be applicable. All matter relating to this Contract and arising out of invocation of Arbitration clause are subject to the exclusive jurisdiction of the Court(s) situated at New Delhi.

2.6 List of Excepted matters:

- a) Dispute(s)/issue(s) involving claims below Rs 25 lakhs and above Rs 25 crores.
- b) Dispute(s)/issue(s) relating to indulgence of Contractor/Vendor/Bidder in corrupt/fraudulent/collusive/coercive practices and/or the same is under investigation by CBI or Vigilance or any other investigating agency or Government.
- c) Dispute(s)/issue(s) wherein the decision of Engineer-In-Charge/owner/KLL has been made final and binding in terms of the Contract.

2.7. Disputes involving claims below Rs 25 Lakhs and above Rs. 25 crores:- Parties mutually agree that dispute(s)/issue(s) involving claims below Rs 25 Lakhs and above Rs 25 crores shall not be subject matter of Arbitration and are subject to the exclusive jurisdiction of the Court(s) situated at New Delhi.

3. GOVERNING LAW AND JURISDICTION:

The Contract shall be governed by and construed in accordance with the laws in force in India. The Parties hereby submit to the exclusive jurisdiction of the Courts situated at New Delhi for adjudication of disputes, injunctive reliefs, actions and proceedings, if any, arising out of this Contract.

41. DISPUTES BETWEEN CPSE'S/GOVERNMENT DEPARTMENT'S/ ORGANIZATIONS

Subject to conciliation as provided above, in the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs/ Port Trusts inter se and also between CPSEs and Government Departments /Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in OPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018.

Any party aggrieved with the decision of the Committee at the First level (tier) may prefer an appeal before the Cabinet Secretary at the Second level (tier) within 15 days from the date of receipt of decision of the Committee at First level, through it's administrative Ministry/Department, whose decision will be final and binding on all concerned.

The above provisions mentioned at clause no.40 & 41 shall supersede provisions relating to Conciliation, Arbitration, Governing Law & Jurisdiction and Disputes between CPSE's/ Government Department's/ Organizations mentioned in General Conditions of Contract (GCC) and elsewhere in tender document.

42. PROMOTION OF PAYMENT THROUGH CARDS AND DIGITAL MEANS

To promote cashless transactions, the onward payments by Contractors to their employees, service providers, sub-contractors and suppliers may be made through Cards and Digital means to the extent possible

43. CONSULTNAT TO ENGAGE CONTRACT MANPOWER BELONGING TO SCHEDULED CASTES AND WEAKER SECTIONS OF THE SOCIETY

While engaging the contractual manpower, Contractors are required to make efforts to provide opportunity of employment to the people belonging to Scheduled Castes and weaker sections of the society also in order to have a fair representation of these sections.

44. QUARTERLY CLOSURE OF THE CONTRACT

During execution of contracts/orders, various issues may arise. In order to timely detect and to address the contractual issue (s) during the execution of contracts, KLL has introduced a mechanism of quarterly closure of the contract, under which all the issues related to the contract execution will be monitored on quarterly basis for resolution.

Vendors/ are required to co-operate with EIC for proper implementation of this mechanism for smooth execution of the contract.”

45. EMPLOYMENT VISA FOR FOREIGN NATIONALS

All foreign nationals coming to India for execution of Contracts will have to apply for Employment Visa only and that grant of Employment Visa would be subject to strict adherence of following norms:

(i) Employment Visa is granted only for the skilled and qualified professionals or to a person who is being engaged or appointed by a Company, Organization, Industry or Undertaking etc., in India or contract or employment basis at a senior level, skilled position such as technical expert, senior executive or in managerial position etc.,

(ii) Request for Employment Visa for jobs for which large number of qualified Indians are available, is not considered.

(iii) Under no circumstances an Employment Visa is granted for routine, ordinary secretarial/clerical jobs.

Bidders are advised in their own interest to check latest Visa rules from Indian Embassy /High Commission in their country in case foreign nationals are required to be deputed to India during execution of the Contract.

46. PROVISIONS FOR STARTUPS (AS DEFINED IN GAZETTE NOTIFICATION NO. DL 33004/99 DATED 18.02.2016 AND 23.05.2017 OF MINISTRY OF COMMERCE AND INDUSTRY AND AS AMENDED FROM TIME TO TIME) [APPLICABLE FOR INDIAN BIDDERS ONLY]

As mentioned in Section II, Prior turnover and prior experience shall not be required for all Startups [whether Micro & Small Enterprises (MSEs) or otherwise] subject to their meeting the quality and technical specifications specified in tender document.

For availing the relaxation, bidder is required to submit requisite certificate towards Startup enterprise registration issued by Department of Industrial Policy and Promotion, Ministry of Commerce & Industry and the certificate should be certified by the Chartered Accountant (not being an employee or a Director or not having any interest in the bidder's company/firm) and notary public with legible stamp.

If a Startup [whether Micro & Small Enterprises (MSEs) or otherwise] gets qualified without turnover and experience criteria specified in tender and emerges highest total score bidder, the order on such Startup shall be placed for entire tendered quantity/group/item/part wise as stated in tender.

However, during the Kick of Meeting monthly milestones/ check points would be drawn.

~~Further, the performance of such consultant will be reviewed more carefully and action to be taken as per provision of contract in case of failure/ poor performance.~~

47. CONFLICT OF INTEREST

- 47.1 The consultant shall not receive any remuneration in connection with the assignment except as provided in the contract. The consultant and its affiliates shall not engage in consulting or other activities that conflict with the interest of the Employer under the contract.
- 47.2 KLL policy requires that consultants provide professional, objective, and impartial advice and at all times hold the client's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of KLL. Without limitation on the generality of the foregoing, consultants shall not be hired under the circumstances set forth below:
- a. Conflict between consulting activities and procurement of goods, works or services (other than consulting services covered by these Guidelines): A firm that has been engaged by KLL to provide goods, works, or services (other than consulting services covered by these Guidelines) for a project, and each of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services for the Project. Conversely, a firm hired to provide consulting services for the preparation or implementation of a project, and each of its affiliates, shall be disqualified from subsequently providing goods, works or services (other than consulting services covered by these Guidelines) resulting from or directly related to the firm's consulting services for such preparation or implementation.
 - b. Conflict among consulting assignments: Neither consultants (including their personnel and sub-consultants) nor any of their affiliates shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants hired to prepare engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project, and consultants assisting a client in the privatization of public assets shall neither purchase, nor advise purchasers of, such assets. Similarly, consultants hired to prepare Terms of Reference (TOR) for an assignment shall not be hired for the assignment in question.
 - c. Relationship with Employer's staff: Consultants (including their personnel and sub-consultants) that have a business or family relationship with a member of the Employer's staff (or of the project implementing agency's staff) who are directly or indirectly involved in any part of: (i) the preparation of the TOR of the contract (ii) the selection process for such contract or (iii) supervision of such contract may not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Employer throughout the selection process and the execution of the contract.
 - ~~d. A Consultant, who prepares Detailed Feasibility Report (DFR) of a Project is not debarred from participating as Project Management Consultant (PMC) for the same Project as both are services in nature.~~

~~If a Consultant is engaged for preparation of TOR of an assignment, such Consultant shall not be allowed to participate in bidding process of the assignment in question.~~

- e. A Consultant, who has been appointed by KLL to assist in a bidding process where KLL is a bidder, should not be a Consultant to any other prospective bidder(s) for the same assignment. Similarly, a Consultant appointed by any competitor of KLL in a bidding process shall not be qualified in GAIL's tender for the same assignment.
- 47.3 Consultants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Client, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Consultant or the termination of its Contract.
- 47.4 No agency or current employees of the Client shall work as Consultants under their own ministries, departments or agencies. Recruiting former government employees of the Client to work for their former ministries, departments or agencies is acceptable provided no conflict of interest exists. When the Consultant nominates any government employee as Personnel in their technical proposal, such Personnel must have written certification from their government or employer confirming that they are on leave without pay from their official position and allowed to work full-time outside of their previous official position. Such certification shall be provided to the Client by the Consultant as part of his technical proposal.
- 47.5 **Unfair Advantage:** Fairness and transparency in the selection process require that consultants or their affiliates competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to the assignment in question. To that end, the Employer shall make available to all the short-listed consultants together with the request for proposals all information that would in that respect give a Consultant a competitive advantage.

48. **PROFESSIONAL LIABILITY**

The consultant is expected to carry out its assignment with due diligence and in accordance with prevailing standards of the profession.

49. ~~**PROVISION REGARDING INVOICE FOR REDUCED VALUE OR CREDIT NOTE TOWARDS PRS**~~

~~As mentioned in GCC, PRS is the reduction in the consideration / contract value for the goods / services covered under this contract. In case of delay in supply/ execution of contract, consultant should raise invoice for reduced value as per Price Reduction Schedule Clause (PRS clause). If consultant has raised the invoice for full value, then consultant should issue Credit Note towards the applicable PRS amount with applicable taxes.~~

~~In such cases if consultant fails to submit the invoice with reduced value or does not issue credit note as mentioned above, KLL will release the payment to consultant after giving effect of the PRS clause with corresponding reduction of taxes charged on vendor's invoice, to avoid delay in delivery/collection of material."~~

~~In case any financial implication arises on KLL due to issuance of invoice without reduction in price or non-issuance of Credit Note, the same shall be to the account of consultant. KLL shall be entitled to deduct / setoff / recover such GST amount (CGST & SGST/UTGST or IGST) together with penalties and interest, if any, against any amounts paid or becomes payable by KLL in future to the consultant under this contract or under any other contract.~~

50. POLICY TO PROVIDE PURCHASE PREFERENCE (LINKED WITH LOCAL CONTENT) (PP-LC)

The policy for providing purchase preference (linked with Local content) is enclosed as Annexure VII to ITB herewith.

Annexure-I

PROCEDURE FOR ACTION IN CASE CORRUPT/FRAUDULENT/COLLUSIVE/COERCIVE PRACTICES**A Definitions:**

- A.1 "Corrupt Practice" means the offering, giving, receiving or soliciting, directly or indirectly, anything of value to improperly influence the actions in selection process or in contract execution.
"Corrupt Practice" also includes any omission for misrepresentation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided.
- A.2 "Fraudulent Practice" means and include any act or omission committed by a agency or with his connivance or by his agent by misrepresenting/ submitting false documents and/ or false information or concealment of facts or to deceive in order to influence a selection process or during execution of contract/ order.
- A.3 "Collusive Practice amongst bidders (prior to or after bid submission)" means a scheme or arrangement designed to establish bid prices at artificial non-competitive levels and to deprive the Employer of the benefits of free and open competition.
- A.4 "Coercive practice" means impairing or harming or threatening to impair or harm directly or indirectly, any agency or its property to influence the improperly actions of an agency, obstruction of any investigation or auditing of a procurement process.
- A.5 "Vendor/Supplier/Contractor/Consultant/Bidder" is herein after referred as "Agency"
- A.6 "Appellate Authority" shall mean Committee of Directors consisting of Director (Finance) and Director (BD) for works centers under Director (Projects). For all other cases committee of Directors shall consist of Director (Finance) & Director (Projects).
- A.7 "Competent Authority" shall mean the authority, who is competent to take final decision for Suspension of business dealing with an Agency/ (ies) and Banning of business dealings with Agency/ (ies) and shall be the "Director" concerned.
- A.8 "Allied Agency" shall mean all the concerns within the sphere of effective influence of banned/ suspended agencies. In determining this, the following factors may be taken into consideration:
- (a) Whether the management is common;
 - (b) Majority interest in the management is held by the partners or directors of banned/ suspended firm.
 - (c) substantial or majority shares are owned by banned/ suspended agency and by virtue of this it has a controlling voice.
- A.9 "Investigating Agency" shall mean any department or unit of GAIL investigating into the conduct of Agency/ party and shall include the Vigilance Department of the KLL, Central Bureau of Investigation, State Police or any other agency set up by the Central or state government having power to investigate.

B Actions against bidder(s) indulging in corrupt /fraudulent/ collusive/ coercive practice**B.1 Irregularities noticed during the evaluation of the bids :**

If it is observed during bidding process/ bids evaluation stage that a bidder has indulged in corrupt/fraudulent /collusive/coercive practice, the bid of such Bidder (s) shall be rejected and its Earnest Money Deposit (EMD) shall be forfeited.

Further, such agency shall be banned for future business with KLL for a period specified in para B 2.2 below from the date of issue of banning order.

B.2 Irregularities noticed after award of contract**(i) During execution of contract:**

If an agency, is found to have indulged in corrupt/fraudulent/ collusive/coercive practices, during execution of contract, the agency shall be banned for future business with KLL for a period specified in para B 2.2 below from the date of issue of banning order.

The concerned order (s)/ contract(s) where corrupt/fraudulent/collusive practices is observed, shall be suspended with immediate effect by Engineer-in-Charge (EIC)/ Employer whereby the supply/ work/ service and payment etc. will be suspended. The action shall be initiated for putting the agency on banning.

After conclusion of process, the order (s)/ contract (s) where it is concluded that such irregularities have been committed shall be terminated and Contract cum Performance Bank Guarantee (CPBG)/ Contract Performance Security (CPS) submitted by agency against such order (s)/ contract (s) shall also be forfeited. The amount that may have become due to the contractor on account of work already executed by him shall be payable to the contractor and this amount shall be subject to adjustment against any amounts due from the contractor under the terms of the contract.

No risk and cost provision will be enforced in such cases.

(ii) After execution of contract and during Defect liability period (DLP)/ Warranty/Guarantee Period:

If an agency is found to have indulged in corrupt/fraudulent/ collusive/coercive practices, after execution of contract and during DLP/ Warranty/Guarantee Period, the agency shall be banned for future business with KLL for a period specified in para B 2.2 below from the date of issue of banning order.

Further, the Contract cum Performance Bank Guarantee (CPBG)/Contract Performance Security (CPS) submitted by agency against such order (s)/ contract (s) shall be forfeited.

(iii) After expiry of Defect liability period (DLP)/ Warranty/Guarantee Period

If an agency is found to have indulged in corrupt/fraudulent/ collusive/coercive practices, after expiry of Defect liability period (DLP)/ Warranty/Guarantee Period, the agency shall be banned for future business with KLL for a period specified in para B 2.2 below from the date of issue of banning order.

B.2.2 Period of Banning

The period of banning of agencies indulged in Corrupt/ Fraudulent/ Collusive/Coercive Practices shall be as under and to be reckoned from the date of banning order:

S. No.	Description	Period of banning from the date of issuance of Banning order
1	Misrepresentation/False information other than pertaining to BEC of tender but having impact on the selection process. For example, if an agency confirms not being in holiday/ banning list of PSUs/ Govt. Dept., liquidation, bankruptcy & etc. and subsequently it is found otherwise, such acts shall be considered in this category.	02 years
2	Corrupt/Fraudulent (pertaining to BEC of tender) /Collusive/Coercive Practices	03 years
2.1	If an agency again commits Corrupt/Fraudulent (pertaining to BEC of tender) /Collusive/ Coercive Practices in subsequent cases after their banning, such situation of repeated offense to be dealt with more severity and following shall be the period of banning:	
	(i) Repeated once	7 years (in addition to the period already served)
	(ii) Repeated twice or more	15 years (in addition to the period already served)
3	Indulged in unauthorized disposal of materials provided by KLL	7 years
4	If act of vendor/ contractor is a threat to the National Security	15 years

C Effect of banning on other ongoing contracts/ tenders

- C.1 If an agency is put on Banning, such agency should not be considered in ongoing tenders/future tenders.
- C.2 However, if such an agency is already executing other order (s)/ contract (s) where no corrupt/fraudulent/ collusive/coercive practice is found, the agency should be allowed to continue till its completion without any further increase in scope except those incidental to original scope mentioned in the contract.
- C.3 If an agency is put on the Banning List during tendering and no irregularity is found in the case under process:
- C.3.1 after issue of the enquiry /bid/tender but before opening of Technical bid, the bid submitted by the agency shall be ignored.
- C.3.2 after opening Technical bid but before opening the Price bid, the Price bid of the agency shall not be opened and BG/EMD submitted by the agency shall be returned to the agency.
- C.3.3 after opening of price, BG/EMD made by the agency shall be returned; the offer of the agency shall be ignored & will not be further evaluated. If the agency is put on banning list for fraud/mis-appropriation of facts committed in the same tender/other tender where errant agency emerges as the lowest (L1), then such tender shall also be cancelled and re-invited.

D. Procedure for Suspension of Bidder

D.1 Initiation of Suspension

Action for suspension business dealing with any agency/(ies) shall be initiated by Corporate C&P Department when

- (i) Corporate Vigilance Department based on the fact of the case gathered during investigation by them recommend for specific immediate action against the agency.
- (ii) Corporate Vigilance Department based on the input from Investigating agency, forward for specific immediate action against the agency.
- (iii) Non performance of Vendor/Supplier/Contractor/Consultant leading to termination of Contract/ Order.

D.2 Suspension Procedure:

- D.2.1 The order of suspension would operate initially for a period not more than six months and is to be communicated to the agency and also to Corporate Vigilance Department. Period of suspension can be extended with the approval of the Competent Authority by one month at a time with a ceiling of six months pending a conclusive decision to put the agency on banning list.
- D.2.2 During the period of suspension, no new business dealing may be held with the agency.
- D.2.3 Period of suspension shall be accounted for in the final order passed for banning of business with the agency.
- D.2.4 The decision regarding suspension of business dealings should also be communicated to the agency.
- D.2.5 If a prima-facie, case is made out that the agency is guilty on the grounds which can result in banning of business dealings, proposal for issuance of suspension order and show cause notice shall be put up to the Competent Authority. The suspension order and show cause notice must include that (i) the agency is put on suspension list and (ii) why action should not be taken for banning the agency for future business from KLL.

The competent authority to approve the suspension will be same as that for according approval for banning.

D 3 Effect of Suspension of business:

Effect of suspension on other on-going/future tenders will be as under:

- D.3.1 No enquiry/bid/tender shall be entertained from an agency as long as the name of agency appears in the Suspension List.
- D.3.2 If an agency is put on the Suspension List during tendering:
 - D.3.2.1 after issue of the enquiry /bid/tender but before opening of Technical bid, the bid submitted by the agency shall be ignored.
 - D.3.2.2 after opening Technical bid but before opening the Price bid, the Price bid of the agency shall not be opened and BG/EMD submitted by the agency shall be returned to the agency.
 - D.3.2.3 after opening of price, BG/EMD made by the agency shall be returned; the offer of the agency shall be ignored & will not be further evaluated. If the agency is put on Suspension list for fraud/ mis-appropriation of facts conducted in the same tender/other tender where errant agency emerges as the lowest (L1), then such tender shall also be cancelled and re- invited.
- D.3.3 The existing contract (s)/ order (s) under execution shall continue.
- D.3.4 Tenders invited for procurement of goods, works and services shall have provision that the bidder shall submit a undertaking to the effect that (i) neither the bidder themselves nor their allied agency/(ies) are on banning list of KLL or the Ministry of Petroleum and Natural Gas and (ii) bidder is not banned by any Government department/ Public Sector.

F. Appeal against the Decision of the Competent Authority:

- F.1 The agency may file an appeal against the order of the Competent Authority for putting the agency on banning list. The appeal shall be filed to Appellate Authority. Such an appeal shall be preferred within one month from the of receipt of banning order.

- F.2 Appellate Authority would consider the appeal and pass appropriate order which shall be communicated to the party as well as the Competent Authority.
- F.3 Appeal process may be completed within 45 days of filing of appeal with the Appellate Authority.
- G. Wherever there is contradiction with respect to terms of 'Integrity pact' , GCC and 'Procedure for action in case of Corrupt/Fraudulent/ Collusive/Coercive Practice', the provisions of 'Procedure for action in case of Corrupt/Fraudulent/ Collusive/Coercive Practice' shall prevail.

Annexure-II**PROCEDURE FOR EVALUATION OF PERFORMANCE OF VENDORS/ SUPPLIERS/ CONTRACTORS/ CONSULTANTS- NOT APPLICABLE FOR THE SUBJECT TENDER BEING AUDIT WORK****1.0 OBJECTIVE**

The objective of Evaluation of Performance aims to recognize, and develop reliable Vendors/ Suppliers/Contractors/ Consultants so that they consistently meet or exceed expectations and requirements.

The purpose of this procedure is to put in place a system to monitor performance of Vendors/ Suppliers/Contractors/ Consultants associated with KLL in Projects and in O&M so as to ensure timely completion of various projects, timely receipt of supplies including completion of works & services for operation and maintenance of operating plants and quality standards in all respects.

2.0 METHODOLOGY**i) Preparation of Performance Rating Data Sheet**

Performance rating data Sheet for each and every Vendor/ Supplier/Contractor/Consultant for all orders/Contracts with a value of Rs. 50 Lakhs and above is recommended to be drawn up. Further, Performance rating data Sheet for orders/contracts of Vendor/Supplier/Contractor/ Consultant who are on watch list/holiday list/ banning list shall be prepared irrespective of order/ contract value. These data sheets are to be separately prepared for orders/ contracts related to Projects and O&M. Format, Parameters, Process, responsibility for preparation of Performance Rating Data Sheet are separately mentioned.

ii) Measurement of Performance

Based on the parameters defined in Data Sheet, Performance of concerned Vendor/ Supplier/Contractor/ Consultant would be computed and graded accordingly. The measurement of the performance of the Party would be its ability to achieve the minimum scoring of 60% points in the given parameters.

iii) Initiation of Measures:

Depending upon the Grading of Performance, corrective measures would be initiated by taking up the matter with concerned Vendor/ Supplier/Contractor/ Consultant. Response of Vendor/ Supplier/Contractor/ Consultant would be considered before deciding further course of action.

iv) Implementation of Corrective Measures:

Based on the response of Vendor/ Supplier/Contractor/ Consultant, concerned Engineer-in-Charge for the Projects and/or OIC in case of O&M would recommend for continuation or discontinuation of such party from the business of KLL.

v) Orders/contracts placed on Proprietary/OEM basis for O&M will be evaluated and, if required, corrective action will be taken for improvement in future.**3.0 PROCESS OF EVALUATION OF PERFORMANCE OF VENDORS/ SUPPLIERS/ CONTRACTORS/ CONSULTANTS****3.1 FOR PROJECTS**

- i) Evaluation of performance of Vendors/ Suppliers/Contractors/ Consultants in case of PROJECTS shall be done immediately with commissioning of any Project.
- ii) On commissioning of any Project, EIC (Engineer-in-charge)/ Project-in-charge shall prepare a Performance Rating Data Sheet (Format at Annexure-1) for all Orders and Contracts.

- iii) Depending upon the Performance Rating, following action need to be initiated by Engineer-in-charge/Project-in-charge:

Sl.No.	Performance Rating	Action
1	POOR	Seek explanation for Poor performance
2	FAIR	Seek explanation for Fair performance
3	GOOD	Letter to the concerned for improving performance in future
4	VERY GOOD	No further action

- iv) Reply from concerned Vendor/ Supplier/Contractor/ Consultant shall be examined. In case of satisfactory reply, Performance Rating data Sheet to be closed with a letter to the concerned for improving performance in future.
- v) When no reply is received or reasons indicated are unsatisfactory, the following actions need to be taken:

- A) Where performance rating is "POOR" (as per Performance Rating carried out after execution of Order/ Contract and where no reply/ unsatisfactory reply is received from party against the letter seeking the explanation from Vendor/Supplier/Contractor/ Consultant along with sharing the performance rating)

Recommend such defaulting Vendor/Supplier/Contractor/ Consultant for the following action:

- (a) **First such instance: Advisory notice (Yellow Card)** shall be issued and Vendor/Supplier/Contractor/ Consultant shall be put on watch list for a period of Three (3) Years.

Such vendor will be allowed to participate in all other tenders and to execute other ongoing order/ contract (s) or new contract/ order (s).

The Yellow card will be automatically revoked after a period of three years unless the same is converted into Red Card due to subsequent instances of poor/ non-performance in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant.

- (b) **Second such instance in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant**

(s) Poor Performance due to reasons other than Quality: **Putting on Holiday for a period of One Year**

(t) Poor Performance on account of Quality (if any mark obtained against Quality parameter is less than 30): **Putting on Holiday for a period of Two Years**

- (c) Subsequent instances (**more than two**) in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant: **Putting on Holiday for a period of Three Years**

- B) Where Poor/Non-Performance leading to termination of contract or Offloading of contract due to poor performance attributable to Vendor/Supplier/ Contractor/Consultant (under Clause no.3.16.1 of GCC-Consultancy)

- (a) **First instance: Advisory notice (Yellow Card)** shall be issued and Vendor/Supplier/Contractor /Consultant shall be put on watch list for a period of Three (3) Years.

Further such vendor will not be allowed to participate in the re-tender of

the same supply/work/services of that location which has terminated / offloaded. Moreover, it will be ensured that all other action as per provision of contract including forfeiture of Contract Performance Security (CPS) etc. are undertaken.

However, such vendor will be allowed to participate in all other tenders and to execute other ongoing order/ contract (s) or new contract/ order (s).

The Yellow card will be automatically revoked after a period of three years unless the same is converted into Red Card due to subsequent instances of poor/ non-performance in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant.

(b) **Second instances** in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant: **Holiday (Red Card)** for period of One Year and they shall also to be considered for Suspension.

(c) **Subsequent instances (more than two)** in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant: **Holiday (Red Card) for period of Three Years and they shall also to be considered for Suspension.**

(C) Where Performance rating is "FAIR":

Issuance of warning to such defaulting Vendor/ Supplier/Contractor/ Consultant to improve their performance.

3.2 FOR CONSULTANCY JOBS

Monitoring and Evaluation of consultancy jobs will be carried out in the same way as described in para 3.1 for Projects.

3.3 FOR OPERATION & MAINTENANCE

- i) Evaluation of performance of Vendors/ Suppliers/Contractors/ Consultants in case of Operation and Maintenance shall be done immediately after execution of order/ contract.
- ii) After execution of orders a Performance Rating Data Sheet (Format at Annexure-2) shall be prepared for Orders by Site C&P and for Contracts/Services by respective Engineer-In-Charge.
- iii) Depending upon Performance Rating, following action need to be initiated by Site C&P:

Sl. No.	Performance Rating	Action
1	POOR	Seek explanation for Poor performance
2.	FAIR	Seek explanation for Fair performance
3	GOOD	Letter to the concerned for improving performance in future.
4	VERY GOOD	No further action

- iv) Reply from concerned Vendor/ Supplier/Contractor/ Consultant shall be examined. In case of satisfactory reply, Performance Rating data Sheet to be closed with a letter to the concerned for improving performance in future.
- v) When no reply is received or reasons indicated are unsatisfactory, the following actions need to be taken:
 - A) Where performance rating is "POOR" (as per Performance Rating carried out after execution of Order/ Contract and where no reply/ unsatisfactory reply is received from party against the letter seeking the explanation from

Vendor/Supplier/Contractor/ Consultant along with sharing the performance

rating)

Recommend such defaulting Vendor/Supplier/Contractor/ Consultant for the following action:

(b) **First such instance: Advisory notice (Yellow Card)** shall be issued and Vendor/Supplier/Contractor/ Consultant shall be put on watch list for a period of Three (3) Years.

Such vendor will be allowed to participate in all other tenders and to execute other ongoing order/ contract (s) or new contract/ order (s).

The Yellow card will be automatically revoked after a period of three years unless the same is converted into Red Card due to subsequent instances of poor/ non-performance in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant.

(b) **Second such instance in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant**

(i) Poor Performance due to reasons other than Quality: **Putting on Holiday for a period of One Year**

(ii) Poor Performance on account of Quality (if any mark obtained against Quality parameter is less than 30): **Putting on Holiday for a period of Two Years**

(c) Subsequent instances (**more than two**) in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant: **Putting on Holiday for a period of Three Years**

B) **Where Poor/Non-Performance leading to termination of contract or Offloading of contract due to poor performance attributable to Vendor/Supplier/ Contractor/Consultant (under Clause no.3.16.1 of GCC-Consultancy)**

(d) **First instance: Advisory notice (Yellow Card)** shall be issued and Vendor/Supplier/Contractor /Consultant shall be put on watch list for a period of Three (3) Years.

Further such vendor will not be allowed to participate in the re-tender of the same supply/work/services of that location which has terminated / offloaded. Moreover, it will be ensured that all other action as per provision of contract including forfeiture of Contract Performance Security (CPS) etc. are undertaken.

However, such vendor will be allowed to participate in all other tenders and to execute other ongoing order/ contract (s) or new contract/ order (s).

The Yellow card will be automatically revoked after a period of three years unless the same is converted into Red Card due to subsequent instances of poor/ non-performance in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant.

(e) **Second instances** in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant: **Holiday (Red Card)** for period of One Year and they shall also to be considered for Suspension.

(f) **Subsequent instances (more than two)** in other ongoing order (s)/ contract (s) or new order (s) /contact (s) on such Vendor/ Supplier/ Contractor/ Consultant: **Holiday (Red Card) for period of Three Years and they shall also to be considered for Suspension.**

(C) **Where Performance rating is "FAIR":**

Issuance of warning to such defaulting Vendor/ Supplier/Contractor/ Consultant to improve their performance.

4.0 EXCLUSIONS:

The following would be excluded from the scope of evaluation of performance of Vendors/ Suppliers/Contractors/ Consultants:

- i) Orders/Contracts below the value of Rs. 50 Lakhs if Vendor/ Supplier/Contractor/ Consultant is not on watch list/ holiday list/ banninglist.
- ii) Orders for Misc./Administrative items/ Non stock Non valued items (PO with material code ending with 9).

However, concerned Engineer-in-Charge /OICs will continue to monitor such cases so as to minimize the impact on Projects/O&M plants due to non performance of Vendors/ Suppliers/Contractors/ Consultants in all such cases.

5.0 REVIEW & RESTORATION OF PARITES PUT ON HOLIDAY

5.1 An order for Holiday passed for a certain specified period shall deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order of revocation.

Further, in case Vendor/ Supplier/Contractor/ Consultant is put on holiday due to quality, and new order is placed on bidder after restoration of Vendor/ Supplier/Contractor/ Consultant, such order will be properly monitored during execution stage by the concerned site.

6.0 EFFECT OF HOLIDAY

6.1 If a Vendor/ Supplier/Contractor/ Consultant is put on Holiday, such Vendor/ Supplier/Contractor/ Consultant should not be considered in ongoing tenders/future tenders.

6.2 However, if such Vendor/ Supplier/Contractor/ Consultant is already executing any other order/ contract and their performance is satisfactory in terms of the relevant contract, should be allowed to continue till its completion without any further increase in scope except those incidental to original scope mentioned in the contract. In such a case CPBG will not be forfeited and payment will be made as per provisions of concerned contract. However, this would be without prejudice to other terms and conditions of the contract.

6.3. Effect on other ongoing tendering:

6.3.1 after issue of the enquiry /bid/tender but before opening of Technical bid, the bid submitted by the party shall be ignored.

6.3.2 after opening Technical bid but before opening the Price bid, the Price bid of the party shall not be opened and BG/EMD submitted by the party shall be returned to the party.

6.3.3 after opening of price, BG/EMD made by the party shall be returned; the offer of the party shall be ignored & will not be further evaluated. If errant party emerges as the lowest (L1), then such tender shall also be cancelled and re-invited.

7.0 While putting the Vendor/ Supplier/Contractor/ Consultant on holiday as per the procedure, the holding company, subsidiary, joint venture, sister concerns, group division of the errant Vendor/ Supplier/Contractor/ Consultant shall not be considered for putting on holiday list.

Any bidder, put on holiday, will not be allowed to bid through consortium route also in new tender during the period of holiday.

8.0 If an unsuccessful bidder makes any vexatious, frivolous or malicious complaint against the tender process with the intention of delaying or defeating any procurement or causing loss to KLL or any other bidder, such bidder will be put on holiday for a period of six months, if such complaint is proved to be vexatious, frivolous or malicious, after following the due procedure.

9. APPEAL AGAINST THE DECISION OF THE COMPETENT AUTHORITY:

- (a) The party may file an appeal against the order of the Competent Authority for putting the party on Holiday list. The appeal shall be filed to Appellate Authority. Such an appeal shall be preferred within one month from the of receipt of Holiday order.
- (b) Appellate Authority would consider the appeal and pass appropriate order which shall be communicated to the party as well as the Competent Authority.
- (c) Appeal process may be completed within 45 days of filing of appeal with the Appellate Authority.
- (d) "Appellate Authority" shall mean Committee of Directors consisting of Director (Finance) and Director (BD) for works centers under Director (Projects). For all other cases committee of Directors shall consist of Director (Finance) & Director (Projects).

10. ERRANT BIDDER

In case after price bid opening the highest total score bidder is not awarded the job for any mistake committed by him in bidding or withdrawal of bid or modification of bid or varying any term in regard thereof leading to re- tendering, KLL shall forfeit EMD paid by the bidder and such bidders shall be debarred from participation in re-tendering of the same job(s)/item(s).

Further, such bidder will be put on holiday for a period of six months after following the due procedure.

- 11.** In case CBIC (Central Board of Indirect Taxes and Customs)/ any tax authority / any equivalent government agency brings to the notice of KLL that the Consultant has not remitted the amount towards GST (CGST & SGST/UTGST or IGST) collected from KLL to the government exchequer, then, that Contactor shall be put under Holiday list of KLL for period of six months after following the due procedure. This action will be in addition to the right of recovery of financial implication arising on KLL.

Annexure-1

KLL
PERFORMANCE RATING DATA SHEET
(FOR PROJECTS/ CONSULTANCY JOBS)

- i) Project/Work Centre :
- ii) Order/ Contract No. & date :
- iii) Brief description of Items
Works/Assignment :
- iv) Order/Contract value (Rs.) :
- v) Name of Vendor/Supplier/
Contractor/ Consultant :
- vi) Contracted delivery/
Completion Schedule :
- vii) Actual delivery/
Completion date :

Performance Parameter	Delivery/ Completion Performance	Quality Performance	Reliability Performance#	Total
Maximum Marks	40	40	20	100
Marks Allocated				

Note:

Remarks (if any)

PERFORMANCE RATING (**)

Note :

- (#) Vendor/Supplier/Contractor/Consultant who seek repeated financial assistance or deviation beyond contract payment term or seeking direct payment to the sub-vendor/sub-contractor due to financial constraints, then '0' marks should be allotted against Reliability Performance.
- (*) Allocation of marks should be as per enclosed instructions
- (**) Performance rating shall be classified as under:

Sl. No.	Range (Marks)	Rating
1	60 & below	POOR
2	61-75	FAIR
3	76-90	GOOD
4	More than 90	VERY GOOD

Signature of Authorised Signatory:

Name:

Designation:

Instructions for allocation of marks

1. Marks are to be allocated as under :

1.1 DELIVERY/ COMPLETION PERFORMANCE 40 Marks

Delivery Period/ Completion Schedule	Delay in Weeks	Marks
a) Upto 3 months	Before CDD	40
	Delay upto 4 weeks	35
	” 8 weeks	30
	” 10 weeks	25
	” 12 weeks	20
	” 16 weeks	15
	More than 16 weeks	0
b) Above 3 months	Before CDD	40
	Delay upto 4 weeks	35
	” 8 weeks	30
	” 10 weeks	25
	” 16 weeks	20
	” 20 weeks	15
	” 24 weeks	10
More than 24 weeks	0	

1.2 QUALITY PERFORMANCE 40 Marks

For Normal Cases : No Defects/ No Deviation/ No failure:		40 marks
i) Rejection/Defects	Marks to be allocated on prorata basis for acceptable quantity as compared to total quantity for normal cases	10 marks
ii) When quality failure endanger system integration and safety of the system	Failure of severe nature	0 marks
	- Moderate nature	5 marks
	- low severe nature	10-25 marks
iii) Number of deviations	1. No deviation	5 marks
	2. No. of deviations ≤ 2	2 marks
	3. No. of deviations > 2	0 marks

1.3 RELIABILITY PERFORMANCE**20 Marks**

A.	FOR WORKS/CONTRACTS	
i)	Submission of order acceptance, agreement, PBG, Drawings and other documents within time	4 marks
ii)	Mobilization of resources as per Contract and in time	4 marks
iii)	Liquidation of Check-list points	4 marks
iv)	Compliance to statutory and HS&E requirements or Reliability of Estimates/Design/Drawing etc. in case of Consultancy jobs	4 marks
v)	Timely submission of estimates and other documents for Extra, Substituted & AHR items	4 marks
B.	FOR SUPPLIES	
i)	Submission of order acceptance, PBG, Drawings and other documents within time	5 marks
ii)	Attending complaints and requests for after sales service/ warranty repairs and/ or query/ advice (upto the evaluation period).	5 marks
iii)	Response to various correspondence and conformance to standards like ISO	5 marks
iv)	Submission of all required documents including Test Certificates at the time of supply	5 marks

BIDDING DATA SHEET (BDS)
(TO BE FILLED BY THE CONCERNED DEALING OFFICEER BEFORE ISSUANCE OF TENDER)

ITB TO BE READ IN CONJUNCTION WITH THE FOLLOWING:

A. GENERAL					
ITB clause	Description				
1.1	The Employer/Owner/Client is: KLL				
B. TENDER DOCUMENT					
ITB clause	Description				
7.1	For clarification purposes only, the communication address is: Attention: YATIN BANSAL Street Address: Konkan LNG Ltd. Floor/Room number: GAIL Jubilee Tower 13th Floor, B-35-36 Sector-1 Noida ZIP Code: 201301 Country: <u>INDIA</u> Email: yatin.bansal@gail.co.in				
C. PREPARATION OF BIDS					
ITB clause	Description				
10.1.1 (s)	The Bidder shall submit with its Techno-commercial/ Unpriced bid the following additional documents (SCC Refers): <u>AS PER TENDER DOCUMENTS</u>				
11	Additional Provision for Schedule of Rate/ Bid Price are as under: <u>AS PER SCHEDULE OF RATES (SOR)</u>				
11 & 12	Whether KLL will be able to avail input tax credit in the instant tender <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="text-align: center;">YES</td> <td style="text-align: center;">✓</td> </tr> <tr> <td style="text-align: center;">NO</td> <td style="text-align: center;">X</td> </tr> </tbody> </table>	YES	✓	NO	X
YES	✓				
NO	X				
14	The bid validity period shall be 90 Days / Three Months from final 'Bid Due Date'.				
D. SUBMISSION AND OPENING OF BIDS					
ITB clause	Description				
16	In addition to the original of the Bid, the number of copies required is one. Not applicable in case of e tendering.				
19.3 and 4.0 of IFB	For bid submission purposes only (Manual) or the submission of physical document as per clause no. 4.0 of IFB , the Owner's address is : Attention: <u>YATIN BANSAL</u> Street Address: _____				

	Floor/Room number: GAIL Jubilee Tower, 13 th Floor B-35-36 Sector-1 City : NOIDA ZIP Code: 201301 Country: INDIA	
24	The bid opening shall take place at: Street Address: GAIL Jubilee tower, B-35-36 Sector-1 Floor/Room number: 13 th Floor City: NOIDA ZIP Code: 201301 Country: INDIA	
F. AWARD OF CONTRACT		
ITB clause	Description	
34	State of which stamp paper is required for Contract Agreement: <u>NOIDA, UP</u>	
36	Whether tendered item is non-split able or not-divisible	
	YES	✓
	NO	X
44	Whether Quarterly Closure of contract applicable	
	YES	X
	NO	✓
46	<u>Whether provisions relating to start up applicable:</u>	
	YES	X
	NO	✓
49	Whether provisions regarding invoice for reduced value or credit towards PRS applicable:	
	YES	X
	NO	✓

FORMS & FORMAT

LIST OF FORMS & FORMAT

Form No.	Description
F-1	BIDDER'S GENERAL INFORMATION
F-2	LETTER OF AUTHORITY
F-3A	AGREED TERMS & CONDITIONS FOR INDIAN BIDDER
F-3B	AGREED TERMS & CONDITIONS FOR FOREIGN BIDDER
F-4	ACKNOWLEDGEMENT CUM CONSENT LETTER
F-5	BIDDER'S EXPERIENCE
F-6	FORMAT FOR CHARTERED ACCOUNTANT CERTIFICATE FOR FINANCIAL CAPABILITY OF THE BIDDER
F-7	BIDDER'S QUERIES FOR PRE-BID MEETING
F-8	E-BANKING FORMAT
F-9	INTEGRITY PACT
F-10	CHECK LIST
F-11	FORMAT OF CONTRACT AGREEMENT
F-12	FREQUENTLY ASKED QUESTIONS (FAQ)

E-1**BIDDER'S GENERAL INFORMATION**

To,
M/s KLL

TENDER NO: KLL/HQ/C&P/16/2020

1	Bidder Name	_____
2	Status of Firm	Proprietorship Firm/Partnership firm/ Limited/Others If Others Specify: _____ [Enclose relevant certificates / partnership deed/certificate of Registration, as applicable]
3	Name of Proprietor/Partners/Directors of the firm/company	1. 2. 3.
4	Number of Years in Operation	
5	Address of Registered Office: In case of Partnership firm, enclose letter mentioning current address of the firm and the full names and current addresses of all the partners of the firm.	City: District: State: PIN/ZIP:
6	Bidder's address where order/contract is to be placed *	City: District: State: PIN/ZIP:
7	Address from where Goods/ Services are to be dispatched/ provided along with GST no. <i>(In case supply of Goods/ Services are from multiple locations, addresses and GST no. of all such locations are to be provided).</i> (Indian Bidder only)	City: District: State: PIN/ZIP: GST No.:

8	Telephone Number of address where order is to be placed	(Country Code) (Area Code) (Telephone No.)
9	E-mail address	
10	Website	
11	Fax Number:	(Country Code) (Area Code) (Telephone No.)
12	ISO Certification, if any	{If yes, please furnish details}
13	PAN No.	[Enclose copy of PAN Card]
14	GST No. (refer sl. no. 7 above) (Indian Bidder only)	[Enclose copy of GST Certificate]
15	Whether Micro or Small Enterprise	Yes / No <i>(If Yes, Bidder to submit requisite documents as specified in ITB: Clause No. 36)</i>
	Whether MSE is owned by SC/ST Entrepreneur(s)	Yes / No <i>(If Yes, Bidder to submit requisite documents specified in ITB: Clause No. 36)</i>
	Whether MSE is owned by Women	Yes / No <i>(If Yes, Bidder to submit requisite documents specified in ITB: Clause No. 36)</i>
	Whether payment is required through TReDS	Yes / No <i>If Yes, please provide the name of portal</i>
16	Type of Entity (Indian Bidder only)	Corporate/ Non-Corporate (As per CGST/SGST/UTGST Act). (In case of Non-Corporate Entity, bidder will submit documentary evidence for same).
17	Whether Bidder is Startups or not (Indian Bidder only)	Yes / No <i>(If Yes, Bidder to submit requisite documents as specified in ITB: Clause No. 46)</i>

Note: * KLL intent to place the order/contract directly on the address from where Goods are produced/dispached are Services are rendered. In case, bidder wants order/ contract at some other address or supply of Goods/ Services from multiple locations, bidder is required to provide in their bid address on which order is to be placed

Place: [Signature of Authorized Signatory of Bidder]
Date: Name:
Designation:
Seal:

E-2
LETTER OF AUTHORITY

[Pro forma for Letter of Authority for Attending Subsequent 'Negotiations' / 'Pre-Bid Meetings'
/'Un-priced Bid Opening' / 'Price Bid Opening']

Ref:

Date:

To,

M/s KLL

SUB: TENDER NO: KLL/HQ/C&P/16/2020

Dear Sir,

I/We, _____ hereby authorize the following

representative(s) for attending any 'Negotiations' / 'Meetings [Pre-Bid Meeting]', 'Un-priced Bid Opening', 'Price Bid Opening' and for any subsequent correspondence / communication against the above Tender Documents:

[1] Name & Designation _____ Signature _____

Phone/Cell:

Fax:

E-mail: @

[2] Name & Designation _____ Signature _____

Phone/Cell:

Fax:

E-mail: @

We confirm that we shall be bound by all commitments made by aforementioned authorised representative(s).

Place:

[Signature of Authorized Signatory of Bidder]

Date:

Name:

Designation:

Seal:

Note: This "Letter of Authority" should be on the "**letterhead**" of the Firm / Bidder and should be signed by a person competent and having the 'Power of Attorney' to bind the Bidder. Not more than 'two [02] persons per Bidder' are permitted to attend "Techno-commercial / Un-priced" & "Price Bid" Openings. Bidders authorized representative is required to carry a copy of this authority letter while attending the un-priced and priced bid opening, the same shall be submitted to KLL.

F3A**Agreed Terms and Conditions for Indian bidders**M/s KLL

SUB:

TENDER NO: KLL/HQ/C&P/16/2020

This Questionnaire duly filled in, signed & stamped must form part of Bidder's Bid and should be returned along with Un-priced Bid. Clauses confirmed hereunder need not be repeated in the Bid.

Sl.	DESCRIPTION	BIDDER'S CONFIRMATION
1	Bidder's name and address	
2.	Bidder confirms the currency of quoted prices is in Indian Rupees.	
3.	Bidder Confirms quoted prices will remain firm and fixed till complete execution of the order.	
4	Rate of applicable GST (CGST & SGST/ UTGST or IGST)	CGST: % Plus SGST/UTGST..... % Total:% Or IGST:..... %
4.1	Whether in the instant tender services/works are covered in reverse charge rule of GST (CGST & SGST/UTGST or IGST)	Yes/ No In case of Yes, please specify GST (CGST & SGST/UTGST or IGST) payable by: GAIL:.....% Bidder:.....%
4.2	Service Accounting Codes (SAC)/ Harmonized System of Nomenclature (HSN)	
4.3	Bidder Confirms that the quoted prices is in compliance with the Section 171 of CGST Act/ SGST Act as mentioned as clause no. 12.1.9 of ITB	
5.	Bidder Confirms acceptance of relevant Terms of Payment specified in the Bid Document.	
6.	Bidder Confirms compliance to Completion Schedule as specified in Bid document. Confirm contract period shall be reckoned from the date of Fax of Acceptance.	
7.	Bidder Confirms acceptance of Price Reduction Schedule for delay in completion schedule specified in Bid document. In case of delay, the bills shall be submitted after reducing the price reduction due to delay	
8.	a) Bidder Confirms acceptance of all terms and conditions of Bid Document (all sections). b) Bidder Confirms that printed terms and conditions of bidder are not applicable.	
9.	Bidder Confirms that their offer is valid for period specified in BDS from Final/Extended due date of opening of Techno-commercial Bids.	

Sl.	DESCRIPTION	BIDDER'S CONFIRMATION
10.	Bidder confirms that (i) none of Directors (in Board of Director) of bidder is a relative of any Director (in Board of Director) of Owner or (iii) the bidder is not a firm in which any Director (in Board of Director) of Owner/ KLL or their relative is not a partner.	
11.	All correspondence must be in ENGLISH language only.	
12.	Owner reserves the right to make any change in the terms & conditions of the Tender/Tender Document and to reject any or all bids.	
13.	Bidder Confirms shall be borne by them.	
14.	Bidder Confirms that the contents of this Tender Document have not been modified or altered by them. In case, it is found that the tender document has been modified / altered by them, the bid submitted by them shall be liable for rejection.	
15.	<u>No Deviation Confirmation:</u> Bidder noted that any 'deviation / exception' in any form may result in rejection of Bid. Therefore, Bidder confirms that they have not taken any 'exception / deviation' anywhere in the Bid. In case any 'deviation / exception'	
16	If Bidder becomes a successful Bidder and pursuant to the provisions of the Tender Document, award is given to them against subject Tender Document, the following Confirmation shall be automatically enforceable: "Bidder agrees and acknowledges that the Employer is entering into the Contract/Agreement solely on its own behalf and not on behalf of any other person or entity. In particular, it is expressly understood & agreed that the Government of India is not a party to the Contract/Agreement and has no liabilities, obligations or rights thereunder. It is expressly understood and agreed that the Purchaser is authorized to enter into Contract/Agreement, solely on its own behalf under the applicable laws of India. Bidder expressly agrees, acknowledges and understands that the Purchaser/owner is not an agent, representative or delegate of the Government of India. It is further understood and agreed that the Government of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the Agreement. Accordingly, Bidder hereby expressly waives, releases and foregoes any and all actions or claims, including cross claims, VIP claims or counter claims against the Government of India arising out of the Agreement and covenants not to sue to Government of India as to any manner, claim, cause of action or things whatsoever arising of or under the Agreement."	
17	Bidder to ensure all documents as per tender including clause 10 of Section III and all Formats are included in their bid	

18	Bidder understands that Tender Document is not exhaustive. In case any activity though specifically not covered in description of 'Schedule of Rates' but is required to complete the work as per Scope of Work, Conditions of Contract, or any other part of Bidding document, the quoted rates will deemed to be inclusive of cost incurred for such activities unless otherwise specifically excluded. Bidder confirms to perform for fulfilment of the contract and completeness of the job in all respect within the scheduled time frame and quoted price.	
19	<p>Bidder hereby confirms that they are not on 'Holiday' by GAIL or Public Sector Project Management Consultant (like EIL, Mecon only due to "poor performance" or "corrupt and fraudulent practices") or banned by Government department/ Public Sector on due date of submission of bid.</p> <p>Further, Bidder confirms that neither they nor their allied agency/(ies) (as defined in the Procedure for Action in case of Corrupt/ Fraudulent/ Collusive/ Coercive Practices) are on banning list of KLL or the Ministry of Petroleum and Natural Gas.</p> <p>Bidder also confirms that they are not under any liquidation, court receivership or similar proceedings or 'bankruptcy'.</p> <p>In case it comes to the notice of KLL that the bidder has given wrong declaration in this regard, the same shall be dealt as 'fraudulent practices' and action shall be initiated as per the Procedure for action in case of Corrupt/Fraudulent/Collusive/Coercive Practices.</p> <p>Further, Bidder also confirms that in case there is any change in status of the declaration prior to award of contract, the same will be promptly informed to KLL by them.</p>	
20	As per requirement of tender, bidder (having status as Pvt. Ltd. or Limited company) must upload bid duly digitally signed on e-portal through class-3B digital signature (DS). In case, class of DS or name of employee or name of employer is not visible in the digitally signed documents, the bid digitally signed as submitted by the person shall be binding on the bidder.	
21	Bidders should ensure that Tender Document is complete in all respects. No extension of time shall be granted under any circumstances to any bidder for submission of its bid on the grounds that the bidder did not obtain a complete set of the Tender Document. KLL makes no representation or warranty, express or implied, as to the accuracy, correctness and completeness of the information contained in the Tender Documents.	
22.	Confirm that, in case of contradiction between the confirmations provided in this format and terms & conditions mentioned elsewhere in the offer, the confirmations given in this format shall prevail.	

Place:

Date:

[Signature of Authorized Signatory of Bidder]

Name:

Designation:

Seal:

F-4

ACKNOWLEDGEMENT CUM CONSENT LETTER

(On receipt of tender document/information regarding the tender, Bidder shall acknowledge the receipt and confirm his intention to bid or reason for non-participation against the enquiry /tender through e-mail/fax to concerned executive in KLL issued the tender, by filling up the Format)

To,

M/s KLL

SUB:

TENDER NO: KLL/HQ/C&P/16/2020

Dear Sir,

We hereby acknowledge receipt of a complete set of Tender Document along with enclosures for subject item/job and/or the information regarding the subject tender.

- We intend to bid as requested for the subject item/job and furnish following details with respect to our quoting office:

Postal Address with Pin Code:
Telephone Number :
Fax Number :
Contact Person :
E-mail Address :
Mobile No. :
Date :
Seal/Stamp :

- We are unable to bid for the reason given below:

Reasons for non-submission of bid:

Agency's Name :
Signature :
Name :
Designation :
Date :
Seal/Stamp :

F-8

E-Banking Mandate Form

(To be issued on vendors letter head)

1. Vendor/customer Name :
2. Vendor/customer Code:
3. Vendor /customer Address:
4. Vendor/customer e-mail id:
5. Particulars of bank account
 - a) Name of Bank
 - b) Name of branch
 - c) Branch code:
 - d) Address:
 - e) Telephone number:
 - f) Type of account (current/saving etc.)
 - g) Account Number:
 - h) RTGS IFSC code of the bank branch
 - i) NEFT IFSC code of the bank branch
 - j) 9 digit MICR code

I/We hereby authorize KLL(India) Limited to release any amount due to me/us in the bank account as mentioned above. I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or lost because of incomplete or incorrect information, we would not hold the KLL (India) Limited responsible.

(Signature of vendor/customer)

BANK CERTIFICATE

We certify that ----- has an Account no. ----- with us and we confirm that the details given above are correct as per our records.

Bank stamp

Date

(Signature of authorized officer of bank)

F-10
CHECK LIST

Bidders are requested to duly fill in the checklist. This checklist gives only certain important items to facilitate the bidder to make sure that the necessary data/information as called for in the bid document has been submitted by them along with their offer. This, however, does not relieve the bidder of his responsibilities to make sure that his offer is otherwise complete in all respects.

Please ensure compliance and tick (✓) against following points:

S. No.	DESCRIPTION	CHECK BOX	REFERENCE PAGE NO. OF THE BID SUBMITTED
1.0	Digitally Signing (in case of e-bidding)/ Signing and Stamping (in case of manual bidding) on each sheet of offer, original bidding document including ITB, GCC, SCC, SOR, addendum (if any)		
2.0	Confirm that the following details have been submitted in the Un-priced part of the bid		
i	Covering Letter, Letter of Submission		
ii	Signed and stamped Tender Document along with drawings and addendum (if any)		
iii	Power of Attorney in the name of person signing the bid.		
iv	Copies of documents defining constitution or legal status, place of registration and principal place of business of the company		
v	Submitted all Formats of Tender Document, duly filled in.		
vi	Details and documentary proof required against Bid Evaluation Criteria, if applicable.		
vii	Details and documentary proof required against Bidders Quality Assessment Schedule (BQAS) parameters, if applicable.		
viii	Confirm submission of document alongwith unpriced bid as per bid requirement.		
3.0	Confirm that all forms duly filled in are enclosed with the bid duly signed by authorised person(s)		

4.0	Confirm that the price part as per Price Schedule format submitted with Tender Document/ uploaded in case of e-bid.		
5.0	Confirm that annual reports for last three financial years & duly filled in Format F-6 are enclosed in the offer for financial assessment (where financial criteria of BEC is applicable).		
6.0	Bidder has read, understood the Tender Document and its Corrigendum/ Clarification(s) and submit complete Bid in line of requirement of Tender Document.		

Place:

[Signature of Authorized Signatory of Bidder]

Date:

Name:

Designation:

Seal:

F-11

Contract Agreement Form

AGREEMENT for _____ (hereinafter called the "Job") made on _____ day of _____, 20__ between M/s _____, hereinafter called the "CONSULTANT" (which term shall unless excluded by or repugnant to the subject or context include its successors and permitted assignees) of the one part and the KLL hereinafter called (which term shall unless excluded by or repugnant to the subject or context include its successors and assignees) of the other part.

WHEREAS

KLL being desirous of having provided for execution of certain work mentioned, enumerated or referred to in the LOA including Completion Schedule of job has called for proposal.

- A. The CONSULTANT has examined the Job specified in TENDER of KLL and has satisfied himself by careful examination before submitting his proposal as to the nature of the Job and local conditions, the nature and magnitude of the Job, the availability of manpower and materials necessary for the execution of Job and has made local and independent enquiries and obtained complete information as to the matters and thing referred to, or implied in LOA or having any connection therewith and has considered the nature and extent of all probable and possible situations, delays, hindrances or interference's to or with the execution and completion of the Job to be carried out under the Agreement, and has examined and considered all other matters, conditions and things and probable and possible contingencies, and generally all matters incidental thereto and auxiliary thereof affecting the completion of the Job and which might have included him in making his proposal.
- B. The LOA including Completion Schedule of Job and Letter of Acceptance of proposal form part of this Agreement though separately set out herein and are included in the expression Agreement wherever herein used.

AND WHEREAS

KLL accepted the bid of the CONSULTANT for the provision and the execution of the said Job at the values stated in bid and finally approved by KLL upon the terms and subject to the conditions of Agreement.

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED AND DECLARED AS FOLLOWS :

1. In consideration of the payment to be made to the CONSULTANT for the Job to be executed by him the CONTRACTOR hereby covenants with KLL that the

CONSULTANT shall and will duly provide, execute and complete the said Job and shall do and perform all other acts and things in the Agreement mentioned or described or which are to be implied there from or may be reasonably necessary for the completion of the said Job and at the said times and in the manner and subject to the terms and conditions or stipulations mentioned in the Agreement.

- 2. In consideration of the due provision execution and completion of the said Job, KLL does hereby agree with the Agreement that KLL will pay to the CONSULTANT the respective amounts for the Job actually done by him and approved by KLL at the amount specified in this LOA, such payment to be made at such time in such manner as provided for in the Agreement and LOA.

In witness whereof the parties have executed these presents in the day and the year first above written.

Signed and Delivered for
for and on behalf of

Signed and Delivered
and on behalf of

M/s KLL

M/s _____

Date : _____

Date : _____

Place: _____

Place: _____

IN PRESENCE OF TWO WITNESSES

1. _____

1. _____

2. _____

2. _____

F-12**FREQUENTLY ASKED QUESTIONS (FAQs)**

SL.NO.	QUESTION	ANSWER
1.0	Can any vendor quote for subject Tender?	Yes. A Vendor has to meet score Minimum Preference Points given under Section II of Tender document in addition to other requirements.
2.0	Should the Award Methodology documents be attested?	Yes. Please refer Section II of Tender document
3.0	Is attending Pre Bid Meeting mandatory.	No. Refer Clause No. 15 of Instruction to Bidders of Tender Document. However attending Pre Bid Meeting is recommended to sort out any issue before submission of bid by a Bidder.
4.0	Can a vendor submit more than 1 offer?	No. Please refer Clause No. 3 of Instruction to Bidders of Tender Document.
5.0	Is there any Help document available for e-Tender.	Yes. Refer Annexure III to Instructions to Bidders of Tender Document and FAQs as available on KLL E-Tender portal.
6.0	Are there are any benefits available to Startups?	Not Applicable.
7.0	Are there are any MSE (Micro & Small Enterprises) benefits available?	Not Applicable

All the terms and conditions of Tender remain unaltered.

SECTION- IV

General Conditions of Contract (GCC)

ARTICLE 3.1: DEFINITIONS AND INTERPRETATIONS

In this Document, as hereunder defined, the following terms and expressions shall have the meaning hereby assigned to them except where the context otherwise requires:

AGREEMENT means the agreement concluded on non-judicial stamp paper between KLL and Consultant for Services as per this Bid document.

KLL/OWNER shall mean Konkan LNG Limited (A JV of Gail (India) Limited and NTPC Limited)

KLL'S REPRESENTATIVE means the person appointed or authorized from time to time by KLL for execution of the contract.

CONSULTANT'S REPRESENTATIVE means the person appointed from time to time by CONSULTANT for execution of the Contract.

ENGINEER-IN-CHARGE/EXECUTIVE-IN-CHARGE shall mean the person designated from time to time by the KLL and shall include those who are expressly authorized by him to act for and on his behalf for operation of this CONTRACT.

SIGN OFF means a recorded statement for completion of a milestone/major activity by Consultant as envisaged in this document and accepted by KLL.

CONTRACT shall mean Letter of Acceptance and all attached exhibits and document referred to therein and all terms and conditions thereof together with any subsequent modifications thereto.

SERVICES mean the duties to be performed and the services to be rendered by Consultant according to the terms and conditions of the Contract.

HEADINGS the headings appearing herein are for convenience only and shall not be taken in consideration in the interpretation or construction of the Contract.

SINGULAR AND PLURAL WORDS importing the singular only also include the plural and vice-versa where the context requires.

ARTICLE 3.2: PERFORMANCE OF DUTIES AND SERVICES BY CONSULTANT

3.2.1 Consultant shall perform its Services in full accordance with the terms and conditions of the Contract and any applicable local laws and regulations and shall exercise all reasonable professional skill, care and diligence in the discharge of said Project work.

Consultant shall in all professional matters act as a faithful advisor to KLL, and will provide all the expert commercial/technical advice and skills which are normally required for the class of Services for which it is engaged.

Consultant, its staff, employees shall carry out all its responsibilities in accordance with the best professional standards.

Consultant shall prepare and submit documents /reports etc. in due time and in accordance with the Tender Conditions.

3.2.2 Consultant will maintain for the performance of the Contract, personnel as determined to be responsible for carrying out this job and such persons shall not be replaced or

substituted without written approval of KLL.

ARTICLE 3.3: KLL'S REPRESENTATIVE

3.3.1 KLL shall nominate its Representative(s) who shall be entitled to act on behalf of KLL with respect to any decision it is empowered to make. The bill / invoice of Consultant will be certified for payment by such representatives.

ARTICLE 3.4: CONSULTANT'S REPRESENTATIVE

3.4.1 Consultant shall nominate a qualified and experienced person as its Representative who will be the contact person between KLL and Consultant for the performance of the Contract. This nomination shall be done within ten (10) days after the coming into force of the Contract. Consultant shall notify KLL in writing prior to the appointment of a new representative. Consultant's Representative may be replaced only with KLL's consent after getting approved his CV's from KLL.

KLL shall be at liberty to object to any nomination and to require Consultant to remove Consultant's representative for good causes. Consultant shall replace immediately such person by competent substitute at no extra cost to KLL.

3.4.2 Consultant's Representative shall be entitled to act on behalf of Consultant with respect to any decisions to be made under the Contract.

ARTICLE 3.5: PAYMENT TERMS

3.5.1 KLL shall pay for the services rendered as per stipulation in the tender through E-Banking only. All Bank charges of consultant's Bankers shall be to the consultant's account.

3.5.2 Consultant will invoice KLL according to the terms and conditions provided in the tender.

3.5.3 Payment terms will be as mentioned in Point 9.0 of Section-V-SCC

3.5.4 In case of disputes concerning invoice(s), KLL shall return said invoice(s) to Consultant within fifteen (15) days from its/their receipt specifying in writing the reasons for its / their rejection.

- KLL shall pay the undisputed amount of the invoice(s) according to Article - 3.5.3 hereof.
- The disputed amount, if any, shall be paid after mutual settlement between KLL and Consultant.
- Total or partial rejection of the invoice(s) shall not release Consultant from any of its obligations under the Contract.

ARTICLE 3.6: PERFORMANCE GUARANTEE-NA

ARTICLE 3.7: CONFIDENTIALITY

3.7.1 Consultant/KLL shall treat all matters in connection with the Contract as strictly confidential and undertakes not to disclose, in any way, information, documents, technical data, experience and know-how given to him by KLL/Consultant without the prior written consent of the latter.

3.7.2 Consultant further undertakes to limit the access to confidential information to those of its employees, Implementation Partners who reasonably require the same for the proper performance of the Contract provided however that Consultant shall ensure that each of them has been informed of the confidential nature of the confidentiality and non-disclosure provided

for hereof.

ARTICLE 3.8: TAXES AND DUTIES

3.8.1 Consultant shall pay any and all taxes including service tax, duties, levies etc. which are payable in relation to the performance of the Contract. The quoted price shall be inclusive of all such taxes and duties.

3.8.2 Statutory variation in taxes (CST, LST, WCT, withholding tax, service tax etc.) and duties, if any, within the contractual completion period shall be borne by KLL. No variation in taxes duties or levies other than statutory taxes & duties shall be payable.

3.8.3 Consultant will not claim from KLL any taxes paid by him.

3.8.4 KLL shall deduct Income tax at source at applicable rates.

ARTICLE 3.9: RESOLUTION OF DISPUTES / ARBITRATION

3.9.1 KLL and Consultant shall make every effort to resolve amicably by direct informal negotiations any disagreement or dispute arising between them under or in connection with the Contract.

3.9.2 All disputes, controversies, or claims between the parties (except in matters where the decision of the Executive/Engineer -in-Charge is deemed to be final and binding) which cannot be mutually resolved within a reasonable time shall be referred to Arbitration by sole arbitrator.

KLL shall suggest a panel of three independent and distinguished persons to the other party (Consultant) to select any one among them to act as the sole Arbitrator.

In the event of failure of the other party to select the Sole Arbitrator within 30 days from the receipt of the communication suggesting the panel of arbitrators, the right of selection of sole Arbitrator by the other party shall stand forfeited and KLL shall have discretion to proceed with the appointment of the sole Arbitrator. The decision of the KLL on the appointment of Sole Arbitrator shall be final and binding on the parties.

The award of the Sole Arbitrator shall be final and binding on the parties and unless directed/awarded otherwise by the Sole Arbitrator, the cost of arbitration proceedings shall be shared equally by the PARTIES. The arbitration proceeding shall be in English language and the venue shall be at New Delhi, India.

Subject to the above, the provisions of (Indian) Arbitration & Conciliation Act, 1996 and the rules framed there-under shall be applicable. All matters relating to this contract are subject to the exclusive jurisdiction of the Courts situated in the State of Delhi (India).

3.9.3 Consultant may please note that the Arbitration & Conciliation Act 1996 was enacted by the Indian Parliament and is based on United Nations Commission on International Trade Law (UNCITRAL model law), which were prepared after extensive consultation with Arbitral Institutions and centres of International Commercial Arbitration. The United Nations General Assembly vide resolution 31/98 adopted the UNCITRAL Arbitration rules on 15 December 1976.

ARTICLE 3.10: LEGAL CONSTRUCTION

3.10.1 Subject to the provisions of this Article, the Contract shall be, in all respects, constructed and operated as an Indian Contract and in accordance with Indian Laws as in force for the time being and is subject to and referred to the Court of Law situated at New Delhi.

ARTICLE 3.11: SUSPENSION OF THE PREFORMANCE OF DUTIES AND SERVICES

3.11.1 KLL may suspend in whole or in part – the performance of services of Consultants any

time upon giving not less than fifteen (15) days' notice.

3.11.2 Upon notice of suspension, Consultant shall suspend immediately the services and reduce expenditure to a minimum to be agreed upon by both the parties.

3.11.3 Upon suspension of the performance of services, Consultant shall be entitled to reimbursement of the costs which shall have been actually incurred prior to the date of such suspension. However, the total reimbursement shall be restricted to contract price.

3.11.4 By fifteen days prior notice, KLL may request Consultant to resume the performance of the services, without any additional cost to KLL.

3.11.5 In case of suspension of work by consultant on KLL's request for more than 10 days, demobilization and remobilization charges will be paid to consultant as per Schedule of Rates.

3.11.6 If the suspension of the duties and services exceeds six months, either party shall be entitled to terminate contract according to Article 3.16 hereunder.

ARTICLE 3.12: PRICE REDUCTION SCHEDULE (PRS)-Not Applicable

ARTICLE 3.13: ASSIGNMENT

Consultant shall not have the right to assign or transfer the benefit and obligations of the contract or any part thereof to the third party without the prior express approval in writing of KLL which it shall do at its discretion. However, in event of that all legal/contractual obligations shall be binding on Consultant only.

ARTICLE 3.14: INDUSTRIAL AND INTELLECTUAL PROPERTY

3.14.1 In order to perform the services, Consultant must obtain at its sole account, the necessary assignments, permits and authorizations from the titleholder of the corresponding patents, models, trademarks, names or other protected rights and shall keep KLL harmless and indemnify KLL from and against claims, proceedings, damages, costs and expenses (including but not limited to legal costs) for and/or on account of infringements of said patents, models, trademarks names or other protected rights.

3.14.2 All documents, report, information, data etc. collected and prepared by Consultant in connection with the scope of work submitted to KLL will be property of KLL.

3.14.3 Consultant shall not be entitled either directly or indirectly to make use of the documents, reports given by KLL for carrying out of any services with any third parties.

3.14.4 Consultant shall not without the prior written consent of KLL be entitled to publish studies or descriptive article with or without illustrations or data in respect of or in connection with the performance of services.

ARTICLE 3.15: LIABILITIES

3.15.1 Without prejudice to any express provision in the contract, Consultant shall be solely responsible for any delay, lack of performance, breach of agreement and/or any default under this contract.

3.15.2 Consultant shall remain liable for any damages due to its gross negligence within the next 12 months after the issuance of the provisional acceptance certificate of the contract.

3.15.3 The amount of liability will be limited to 10% of the contract value.

ARTICLE 3.16: TERMINATION OF CONTRACT

3.16.1 Termination for Default

KLL reserves its right to terminate / short close the contract, without prejudice to any other remedy for breach of CONTRACT, by giving one month notice if Consultant fails to perform

any obligation(s) under the CONTRACT and if Consultant, does not cure his failure within a period of 30 days (or such longer period as KLL may authorise in writing) after receipt of the default notice from KLL.

3.16.2 Termination for Insolvency

KLL may at any time terminate the CONTRACT by giving written notice without compensation to Consultant, if Consultant becomes bankrupt or otherwise insolvent, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to KLL.

3.16.3 Termination for convenience

KLL may by written notice sent to consultant, terminate the contract, in whole or part, at any time for its convenience. However, the payment shall be released to the extent to which performance of work executed as determined by KLL till the date upon which such termination becomes effective.

ARTICLE 3.17: MODIFICATION

Any modification of or addition to the contract shall not be binding unless made in writing and agreed by both the parties.

ARTICLE 3.18: CONTRACT/AGREEMENT

The notification of award along with agreement on non-judicial stamp paper of appropriate value of 100/- within 10 days from the date of receipt of LOI, the cost of stamp paper is to be borne by Consultant, and its enclosures shall constitute the contract between the parties and supersedes all other prior agreements, arrangements and communications, whether oral or written, between the parties relating to the subject matter hereof.

ARTICLE 3.19: FORCE MAJEURE

Shall mean and be limited to the following:

- a) War/hostilities
- b) Riot or Civil commotion
- c) Earthquake, flood, tempest, lightening or other natural physical disaster.
- d) Restrictions imposed by the Government or other statutory bodies which prevents or delays the execution of the Contract by Consultant.

CONSULTANT shall advise KLL by a registered letter duly certified by the local Chamber of Commerce or statutory authorities, the beginning and end of the above causes of delay within seven (7) days of the occurrence and cessation of such Force Majeure Conditions. In the event of delay lasting over one month, if arising out of causes of Force Majeure, KLL reserves the right to cancel the Contract and the provisions governing termination stated under Article 3.16 shall apply.

For delays arising out of Force Majeure, Consultant shall not claim extension in completion date for a period exceeding the period of delay attributable to the causes of Force Majeure and neither KLL nor Consultant shall be liable to pay extra costs provided it is mutually established that Force Majeure Conditions did actually exist.

Consultant shall categorically specify the extent of Force Majeure Conditions prevalent in their works at the time of submitting their bid and whether the same have been taken into consideration or not in their quotations. In the event of any force majeure cause, Consultant or the KLL shall not be liable for delays in performing their obligations under this order and

the completion dates will be extended to Consultant without being subject to price reduction for delayed completion, as stated elsewhere.

ARTICLE – 3.20: Rectification Period

All services shall be rendered strictly in accordance with the terms and conditions stated in the Contract.

No deviation from such conditions shall be made without KLL'S agreement in writing which must be obtained before any work against the order is commenced. All services rendered by Consultant pursuant to the Contract (irrespective of whether engineering, design data or other information has been furnished, reviewed or approved by KLL) are guaranteed to be of the best quality of their respective kinds.

Consultant shall rectify at his own cost any mistake in assumption of any data in the study or use of wrong data or faulty study observed within twelve months of the acceptance of his report and will submit the rectified report incorporating the changes wherever applicable within 30 days of observance of mistake.

ARTICLE – 3.21: Sub Contract

Any sub contract to be made by the CONSULTANT relating to the services shall be made only to such extent and with such duly qualified specialists and entities as shall be approved in writing in advance by KLL. Upon the request of KLL, the consultant shall submit for KLL's prior approval, the terms of reference or any amendment thereof for such sub contractor's SERVICES. Notwithstanding such approval, the consultant shall remain fully responsible for the performance of services under the CONTRACT.

ARTICLE – 3.22: Notices

3.22.1 Any notice given by one party to the other pursuant to the CONTRACT shall be sent in writing or by telegram or fax, telex/cable confirmed in writing.

3.22.2 A notice shall be effective when delivered or on the notice's effective date, whichever is later.

ARTICLE – 3.23: Acquisition of Data

If required, CONSULTANT shall be responsible for carrying out any surveys and acquisition of all data from necessary sources. KLL, if requested in writing by CONSULTANT, may assist the consultant in the said acquisition by way of issue of recommendatory letters only. All requisite clearances, co-ordination, fees, charges, etc. and compliance to the local laws required for completion of the job shall be the responsibility of the CONSULTANT.

SECTION – V**Special Conditions of Contract (SCC)****1.0 BACK GROUND:**

- a) Konkan LNG Limited (KLL) is a subsidiary company of M/s. GAIL (India) Ltd (A Maharatna Company under Ministry of Petroleum & Natural Gas).
- b) KLL is having LNG re-gasification plant [5 MMTPA].
- c) The Corporate Office is located at 13th Floor, GAIL Jubilee tower, Sector-1, NOIDA, UP & the site is located at Village-Anjanwel, Taluka –Guhagar, District – Ratnagiri - 415634, Maharashtra, India.
- d) Following are the brief financial data of FY 2019-20

S. No.	Particulars	Amount (Rs. Crores) (approx.)
1.	Revenue from Operation	485
2.	Expenses	485
3.	Net Fixed Assets (incl of CWIP)	3110
4.	Share Capital	943
5.	Long term Borrowing	3814

2.0 BRIEF SCOPE OF WORK:

Professional Assignment for conducting Internal Audit of KLL for FY 2020-21 (The complete 'Scope of Work' is as per **Annexure-A, B, C and D** of SECTION VI)

3.0 Inputs by KLL for the conduct of services:

Any information on the project considered necessary to fulfil this engagement as may be reasonably requested by the consultants. The agency shall maintain confidentiality with respect to the data, documents, facts, figures and findings shared with them during the course of this assignment and shall not share the data without prior approval of KLL.

4.0 DELIVERABLE/REPORTS:

As per Scope of Work.

5.2 Payment terms:**5.3** The fee is fixed as follows:

- I. The audit fee shall be Rs. 4,00,000/- plus taxes and out of pocket expenses excluding travelling, boarding and lodging to site limited to 10% of the fee against actuals. Travelling, Boarding and lodging to site shall be arranged by the company or reimbursed on actual basis as per Annexure E.
- II. The Audit team for KLL site shall be deputed by the Branch office of the Bidder at Mumbai/ Ratnagiri and Audit team for KLL Headquarters shall be deputed by the Branch office of the Bidder at Delhi/ NCR. No Travelling cost will be reimbursed for the visit at KLL Corporate Office, Noida.
- III. The initial appointment shall be for FY 2020-21 which is extendable for FY 2021-22 and FY 2022-23 with a fee escalation of 5% for each year over previous year of reappointment. However, re-appointment shall be at the discretion of the management.

5.4 50% of the fees shall be payable after completion and submission of report for Phase-I audit and the balance will be paid after completion and submission of report of audit Phase-II.

5.5 Travelling expenses and out of pocket expenses, if any shall be reimbursed extra on actual basis, as per entitlement specified at **Annexure-E**. Payment will be made against submission of documentary proof.

6.0 Liquidated Damages (LD):

Not applicable.

7.0 CONFIDENTIALITY:

The agency shall maintain confidentiality with respect to the data, documents, facts, figures and findings shared with them during the course of this assignment.

All data/documents/facts/figures related to this contract shall remain the exclusive property of the EMPLOYER without any right to auditor to use them for any other purpose or share with any third party.

8.0 ASSIGNMENT:

The audit work shall be supervised by one partner of the firm for at least 10 man days in all, besides deploying a suitable team of senior/junior assistants, headed by a Chartered Accountant/Cost and Management Accountant with requisite experience. Auditor may also ensure that the size of the Audit team is commensurate with the size of the audit unit and the volume of work involve with the least requirement as mentioned below:

- a) At least One qualified CA/CMA
- b) At least three semi qualified CA's/CMA's

Auditor shall not have the right to assign or transfer the benefit and obligations of the contract or any part thereof to any third party.

- 9.0** All documents, report, information, data etc. collected and prepared by Auditor in connection with the scope of work submitted to KLL will be property of KLL.
- 10.0** Auditor shall not be entitled either directly or indirectly to make use of the documents, reports given by KLL for carrying out of any services with any third parties.
- 11.0** Auditor shall not without the prior written consent of KLL be entitled to publish studies or descriptive article with or without illustrations or data in respect of or in connection with the performance of services.

12.0 Resources to be deployed

The consultants shall submit the details of the engagement team, their credentials and experience of carrying out of similar assignments before initiating the professional engagement.

13.0 FORCE MAJEURE:

“Force Majeure: shall mean any event beyond the reasonable control of the KLL or of the consultant, as the case may be, and which is unavoidable such as Acts of God, earthquake, war (declared or undeclared), revolts, riots, fires, floods, rebellions, explosions, hurricane, sabotage and civil commotions.

Upon the occurrence of such cause(s) and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing immediately but not later than 72 (seventy two) hours of the alleged beginning and ending thereof giving full particulars and satisfactory evidence in support of its claim.

Time for performance of the relative obligation suspended by the Force Majeure conditions shall then stand extended by the period for which such cause lasts.

If deliveries of bought out items and/ or works to be executed by the CONTRACTOR are suspended by Force Majeure conditions lasting for more than 2 (two) months the EMPLOYER shall have the option to terminate the CONTRACT or re-negotiate the contract provisions.

14.0 Industrial or intellectual property

In order to perform the services, Consultant must obtain, at it's sole account, the necessary assignments, permits and authorizations from the titleholder of the corresponding patents, models, trademarks, names or other protected rights and shall keep KLL harmless and indemnify KLL from and against all claims, proceedings, damages, costs and expenses (including but not limited to legal costs) for and/or on account of infringements of said patents, models, trademarks names or other protected rights.

All documents, report, information, data etc. collected and prepared by Consultant in connection with the scope of work submitted to KLL will be property of KLL.

15.0 TERMINATION OF CONTRACT:

KLL reserves the right to terminate the contract in case the performance of the consultant is found unsatisfactory during the execution of the contract by giving notice with immediate effect.

16.0 ARBITRATION:

In the event of any dispute or difference whatsoever arising under the contract or connection therewith including any alleged breach, the parties hereto shall endeavor to settle all disputes and differences relating to and/ or arising out of the contract amicable. In the event of the parties failing to resolve any dispute amicably the same shall be referred and resolved through arbitration for which the arbitrator shall be appointed by MD of KLL. However, in the event of non-acceptance by the BIDDER, any third party arbitrator shall be appointed by mutual consent. Arbitration shall be as per the provisions of 'Arbitration & Reconciliation Act 1996 & cost of Arbitration shall be equally shared by the parties.

17.0 JURISDICTION:

All matters of dispute arising out of the order all be referred to the courts of New Delhi only.

Section-VI

Scope of Internal Audit

Annexure-A

1. OBJECTIVES OF THE AUDIT

The broad objectives of Internal Audit shall as under:

- a) To ensure that the accounting and financial management systems, are reliable and effective in design and to assess the extent to which they are being followed.
- b) To review the efficacy, adequacy and application of accounting, financial and operating controls and to ensure accuracy of the books.
- c) To verify the system of internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, misappropriations and misapplications:
- d) To identify areas of significant inefficiencies in existing systems and to suggest necessary remedial measures;
- e) To confirm the existence of financial propriety in all decisions taken and verify compliance to Government and statutory requirements as well as Company policies and procedures;
- f) To review the performance of various functions in the light of performance budgeting and to suggest cost reduction measures, if any;
- g) To associate with HODs/COO/MD/CFO etc. in undertaking surprise checks and inspections in one of their visits to the project/unit, whenever asked for;
- h) To ensure compliance of all points included in **Part II** of the internal Audit Report (refer to the Reporting Requirements given at point 2).

Extent and scope of internal audit

A summary of major areas to be covered during internal audit is given in **Annexure-B**.

The extent and scope of Audit shall be as indicated in **Annexure-C**.

In case of "Works" and "Procurement" items, reporting shall be done on the format contained elsewhere in this letter and in the case of "Accounts" (Vouching of bank and adjustment entries), the names of the months for which vouching has been conducted shall be indicated.

It is, however, emphasized that the coverage and reporting should not be restricted to the aspects mentioned in the guidelines alone. Professional expertise and judgment will have to be exercised on all other areas and aspects as well.

2. REPORTING REQUIREMENTS

Internal Audit reports should be divided into four separate parts, namely:

PART-I Important Observations, Objections and Reservations:

This part should contain the internal auditor's comments on all such irregularities or

occurrences which auditors want to bring to the notice of management, along –with financial implications. This part should also bring out deviations by units from policies, systems and procedures prescribed by GAIL (India) Ltd. and erstwhile adopted by the company. The observations should be arranged into self contained paras, preferably with suitable titles.

PART- II Compliance Report

As specified in 1 (h) above, a compliance report should be given in this part on all aspects covered in Annexure-D.

PART-III Report On Contracts /P.Os Placed On Single Tender Basis:

Internal auditors will report separately on contracts/P.Os placed on Single Tender basis. While the coverage of such contracts will be as per extent and scope mentioned at point 1 read with Annexure-D, the format for such reporting will be included in the Guidelines for internal Audit for FY 2020-21, as attached.

PART- IV Detailed Report

This part shall comprise auditor’s observations regarding areas specified in the guidelines for audit. However, non-compliance of the matters/areas specified in the guidelines should also be reported in Part I of the report, for which details should invariably be included IV. While reporting on contracts/ P.Os placed on single Tender basis is to be done in Part III of the report, **auditors should records their findings on all contracts/P.Os placed on other than single Tender basis in this Part.**

The report should be supplemented, in each phase, by a statement indicating:

- (i) Particulars of records checked along with their volume and value as compared to the total volume and value of the transactions.
- (ii) A statement indicating the audit personnel deployed, their designation and the period of deployment in each phase.

The report should also contain reference to areas where no adverse observations have been noted. In respect of other areas, specific suggestions for improvement, if any, may also be highlighted for each area.

The final observations of audit should be discussed with the OIC and Finance Head in each phase and important observations should be brought to their notice so that timely corrective actions may be taken. The report should be prepared after duly taking into account the additional information that may be provided/ obtained at such discussions.

The reports are to be submitted in 2 copies for each phase of audit to the Corporate Office of KLL at Noida, (U.P).

It may please be noted that contents of Internal Audit report have also to be submitted in a soft copy emailed to akjain@gail.co.in and yatin.bansal@gail.co.in.

INTERNAL AUDIT PROGRAMME (F.Y.2020-21)

SI. No	Particulars	Coverage	Audit Programme		Submission of Report
			SITE	HQ	
1	I Phase Audit	1 st April'20 to 30 th September'20	21 st to 30 th Oct. '20	1 st to 5 th Nov'20	By last week of November'20 20
2	II Phase Audit	1 st October'20 to 31 st March'21	7 th to 16 th April'21	18 th April'21 to 22 nd Apr'21	By last week of April'2021

Annexure-B**Major Areas To Be Covered During The Audit Of Projects/ Stations**

Sl. No.	Item
I	Works including O&M contracts (Pre-award and execution)
II	Procurement- (Pre-award and execution)
III	Accounts including establishment accounts
IV	Human Resources Department (HR Establishment)
V	Stores
VI	Operations
VII	Investments
VIII	Loans

Annexure-C**AREA & EXTENT OF COVERAGE BY INTERNAL AUDIT IN 2020-21**

Sl. No.	AREA	Coverage in each Phase
I	<u>Works Incl. O&M Contracts (Pre-award & execution)</u> i) Contracts with value more than Rs.7 Lakh ii) Contracts with value Rs.7 Lakh or less	100% 50%
II	<u>Procurement (Pre-award & execution)</u> i) P.Os with value more than Rs.7 Lakh ii) P.Os with value Rs.7 Lakh or less	100% 50%
III	<u>Accounts</u> i) Bank Payment Documents ii) Documents for Bank Receipt iii) Documents for Adjustments iv) Review of Bank Reconciliation Statements (BRS)	50% 100% 100% 100%
IV	<u>Establishment- Accounts</u> i) Checking of off-cycle payments w.r.t. rules and proprietary aspects (for 3 complete months other than those covered in III (I) above) ii) Review of Subsidiary Ledgers	50% 100%
V	<u>Establishment-HR</u> i) Leave Records ii) LTC Records iii) Documentation for Advances iv) Ticket Booking v) Training activities	100% 50% 50% 50% 25%
VI	<u>Stores</u> i) Documentation and Procedures ii) Review of claims iii) Accounting and Review of Suppliers' Sub-ledgers iv) Review of Returnable Gate-Pass System v) Test Checking Suppliers' bill w.r.t policies & circulars	2 months 100% 100% 100% 50%
VII	<u>Audit of operations</u> i) LNG Accounting records ii) Review of Monthly operating Results	100% 100%
VIII	<u>LOANS</u>	100%

Annexure-D**POINTS ON WHICH COMPLIANCE IS NECESAAIRILY TO BE REPORTED BY INTERNAL AUDITOEES IN PART II OF THE INTERNAL AUDIT REPORT**

- a) **Auditors to Report on compliance of internal audit observation outstanding as at the end of the previous half year (that is, in the Report of the preceding phase).** For example, while submitting the internal audit report of Phase-I for the current year, it may be ensured that a compliance report on audit observations contained in Phase-II report of the previous year (i.e. 2019-20) as well as on such observations contained in reports of earlier years, pending settlement, is included and details of corrective action taken on those observations are furnished in the current year's phase-I audit report. Similar information is needed to be furnished in Phase-II audit report too.
- b) Unit have to obtain confirmation and prepare statements of reconciliation of balance under advances, debtors, creditors and materials in transit/under inspection and with contractors/fabricators. Further the unit has to carry out adjustments in the books of Account upon such confirmation/ reconciliation of balances under the above heads.

In this context, accounting unit shall analyze and categories the advances, claims, materials under inspection, material in transit, materials with contractors/suppliers/ fabricators etc. into (1) good and fully recoverable, (2) requiring adjustment entries to be passed, (3) doubtful of recovery to be provided for and (4) bad to be written off, with supporting documents/ explanations and reasons for each and every account. The analysis will be of the accounts as per the ledgers and schedules to the accounts. Internal auditors are required to vet the analysis prepared by the unit and submit their report on the same in this part along with the Phase II Internal Audit Report, keeping in mind applicable provisions of revised schedule III and IND AS.

- c) Auditors have to report whether physical verification of fixed assets and inventory is being carried out as per the system laid down in this regard. Further, adjustments for excess or shortage are to be carried out in the books. This aspect needs to be checked and included in the Report. It should also be checked and reported if any old provisions are still to be adjusted. Internal Auditors should comment on the adequacy of coverage, both in terms of number of items as well as value.
- d) Auditors need to report whether tax deduction at source are being made in all cases, as applicable under the Income Tax Act, 1961, at prescribed rates and that TDS deposits are being made within the prescribed time.
- e) Auditors should review the status of reconciliation done by the unit between the land under physical possession with the ownership documents possessed by them and report thereon.
- f) Auditors should confirm that no item of revenue nature has been capitalized and also that no item of capital nature has been accounted for as revenue.
- g) Verification and reporting on compliance by the unit relating to Recognition and Disclosure of provisions, contingent liabilities and contingent assets. Auditors shall verify and comment on compliance of the same in accordance to Ind AS.
- h) Internal Auditors have to confirm that the GL has been reviewed by them as required.

- i) Internal Auditors have to confirm that the Bank payment authorizations have been done as per delegation and comment on the adequacy of the internal check and control to avoid unauthorized payments.
- j) Auditors should check/ endorse/comment on the provision, if any, lying in the books towards unmoved items of capital-work-in-progress (CWIP) especially from the point of view whether such provision is needed to be retained or written back.
- k) Auditors should point out old cases where work has been stopped/ abandoned for over a year.
- l) Auditors need to report whether GST Law has been complied with in respect of Input tax credit, Tax deduction at source in all cases wherever applicable, filing of returns, deposition of taxes in time.

GUIDELINES FOR INTERNAL AUDIT (F.Y-2020-21)**WORKS INCLUDING O&M CONTRACTS AND PROCUREMENT****REPORTING FORMATS – CONTRACTS AND P.Os PLACED ON SINGLE TENDER BASIS**

As mentioned in the appointment letter appointing your firm as internal auditors for 2020-21, **reporting on Contracts / P.Os awarded on Single Tender basis will be in a separate part of the report (Part III), starting with the following statistics:**

TABLE NO.1

Award Value	Total No. of Contracts /P.Os placed during the period under audit		Total No. of Contracts / P.Os examined during the audit		Percentage covered in number and value	
	No.	Value (Rs.Lakh)	No.	Value (Rs.Lakh)	No.	Value (Rs.Lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
More than Rs.7 Lakh						
Rs.7 Lakh or less						
Totals						

Following reporting format shall be used for reporting on each case actually examined:

TABLE NO.2

Sl.	Name of party, P.O./LOA Ref.No. and Date	Nature of work / Item purchased	Value of contract (Rs Lakh)	Whether awarded on OEM/ OES/ MOU/ PAC / Urgency/PSU or other basis	The party on which such contract was placed earlier	Reasons for awarding on Single Tender basis	Observations of Internal Auditor
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total Nos.			Total Value				

Auditors shall also certify at the end that they have examined each of the Contracts / P.Os in the above table with reference to ensuing detailed Guidelines for Works including O & M Contracts and Procurement in terms of KLL procedure.

WORKS INCLUDING O&M CONTRACTS AND PROCUREMENT**REPORTING FORMATS – CONTRACTS AND P.Os PLACED ON OTHER THAN ON SINGLE TENDER BASIS**

Reporting on Contracts / P.Os not covered in Part III of the report (i.e, LTE and Open Tender cases) will be covered in the Detailed Report (Part IV), starting with the following statistics:

TABLE NO.1

Award Value	Total No.of Contracts /P.Os placed during the period under audit		Total No.of Contracts / P.Os examined during the audit		Percentage covered in number and value	
	No.	Value (Rs.Lakh)	No.	Value (Rs.Lakh)	No.	Value (Rs.Lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
More than Rs.7 Lakh						
Rs.7 Lakh or less						
Totals						

Following reporting format shall be used for reporting on each case actually examined:

TABLE NO.2

Sl.	Name of party, P.O./LOA Ref.No. and Date	Nature of Work / Item Purchased	Value of contract (Rs. Lakh)	Observations of Internal Auditor
(1)	(2)	(3)	(4)	(5)
Total Nos.		Total Value		

Auditors shall also certify at the end that they have examined each of the Contracts / P.Os in the above table with reference to ensuing detailed Guidelines for Works including O & M Contracts and Procurement as per KLL procedure.

WORKS INCLUDING O&M CONTRACTS AND PROCUREMENT
(DETAILED GUIDELINES FOR INTERNAL AUDIT)

While reporting will be in the formats given in the two preceding pages, the following guidelines shall be used for audit of Contracts / P.Os:

A. PRE AWARD- General Guidelines

- a) Examine and comment on the incidence of single tender awards
- b) A summary of number of contracts awarded with values, should be included in the report under the following categories:
 - a. Open tender
 - b. Limited tender
 - c. Single tender – 1.OEM supplies: 2.Nomination Basis 3. Government procurement 4.Others

B. PRE AWARD- Checks to be exercised in respect of files selected for examination

- a) Examine whether estimates have been properly made out and award values compared with estimates. Ascertain whether reasonability is established before award of contract.
- b) Ascertain whether all tendering procedures like invitation of bids, the requirement of EMD/Bid security, specifying bid opening date in the IFB/NIT, maintenance of tender box, Certification of tender opening by Contracts / Finance, formation of the tender committee etc. has been followed as per guidelines/DOP.
- c) Analyse and comment on the reasonableness of the justification given in single tender cases.
- d) Ascertain whether financial capabilities of tenderers have been properly assessed and award of contract made to financially sound and capable parties as per C&P Procedure.
- e) Ascertain in the case of tenders hosted on website (cases having estimate above 7 lacs) whether detailed assessment of their technical / financial capabilities has been done as per C&P Procedure.
- f) Verify whether the comparative statement which shows the evaluation of the tenders has been drawn up correctly. Examine whether non-responsive tenders have not been considered for price bid opening after due approval of competent authority as per DOP. Further, examine whether tenders have been called under “no deviation/zero deviation” Basis.
- g) Verify whether the Delegation of Powers have been followed strictly at all stages – i.e., at the time of administrative approval, pre-award and post-award.
- h) Examine whether any approved BEC were set before invitation of bids / offers and whether successful bidders meet the BEC completely in all respects. Examine also whether the BEC has been specified in the Tender document.
- i) Examine whether there has been a delay in processing the awards having financial implication to the company.
- j) Examine whether the unit has complied with circulars with regard to purchase preference as per C&P procedure.

- k) Verify whether instructions for release of EMDs of unsuccessful bidders have been issued immediately after acceptance of award.

C. EXECUTION:

- a) Verify whether mobilization advance and secured advance etc. have been released in accordance with provisions of the LOA & C&P procedure and have been given with approval of Competent Authority and the same are being adjusted regularly from the running account (R/A) bills as may be stipulated in LOA.
- b) Review in detail, the release of any advances against hypothecation of equipments, secured advance payment against despatch under L/C & the receipt of material and otherwise, payments against receipt at site, final payments after PG test and Payment of erection price / for Civil works is in line with Letter of Award and amendments thereto, General/special Conditions of Contract, approval notes and performance reports of contractors.
- c) Renovation and modernization programme has been taken up at various unit. CC Accounts has issued guidelines now and then for accounting procedures. Internal Auditors should check the accounting entries based on the circulars issued by CC Accounts in respect of R&M Programme and ensure that these have been properly acted upon in the books of accounts. The method adopted for accounting of scrap generated may also be examined.
- d) Review in detail the release of advances not provided in the LOA w.r.t approval and adjustments thereof.
- e) (i) Test check running account bills submitted by the contractors verifying:-
- material reconciliation statement,
 - materials issued on loan(whether Contract Section maintains register / proper records for Material issued on Loan Account, the same may be examined by auditor),
 - the payments are in line with rates provided in the contract and the quantity recorded in the Measurement Book,
 - Whether escalations bills are paid as per applicable indices, with reference to the formulae mentioned in LOA.
 - recoveries on account of income-tax/ works tax deducted at source,
 - retention in respect of Price Reduction Schedule (PRS) in case of delays,
 - recovery for excess consumption of construction materials etc.,
 - Recoveries on account of rent, electricity, hire charges on equipment and interest on the advances, if any.
- (ii) Verify the net payments released in line with the above and comment on deviations from provisions of LOA.
- f) Examine the reasonableness of insurance coverage and indemnity bonds furnished by the contractors for adequacy and renewal for material issued to them as per contract. Material issued to the contractor at fixed rate, as per term of contract, but PSL rate is different from the above rate, whether difference is suitably booked in concerned job.
- g) Review in detail, on the basis of approval notes, letter of award and amendments thereto, bill of quantities, for compliance to Works and Procurement Policy and Delegation of Powers, the payments on account of escalation and extra claims due to:
- (i) Changes in item rates/duties/Taxes.

- (ii) Changes in quantities executed.
 - (iii) Changes in scope of work.
 - (iv) Changes in payment terms.
- h) Verify whether residual material lying with Contractors have been taken over in time after execution of the contract.
 - i) Hire charges in respect of KLL vehicles being used by contractors / other outside parties are to be deducted from their bills. Auditors should verify whether proper records are being maintained by sites for determining the period of use of such vehicles and whether deductions are actually being made from contractors' bills for the period of use by the contractor.
 - j) Verify whether recoveries have been affected, for equipment hired out and materials issued, at higher rates as specified in the relevant guidelines, where the same has not been provided in the contract.
 - k) Verify whether hiring of construction equipment and issue of material has been done with the approval of the Competent Authority.
 - l) Examine whether Price Reduction Schedule (PRS) have been levied for delays in completion of the works and/or deviations from prescribed performance parameters. If leviable PRS are waived, whether the reasons recorded for waiver are justifiable. While examining cases of levy / non-levy of PRS, auditors to look-up the basic records maintained by the Engineer-in-Charge in respect of execution of the concerned contracts.
 - m) With respect to Supply-cum-Erection Contracts, examine whether supplies have been affected as provided in the schedule of supply sequentially and comment on cases of delay on this account.
 - n) Review and comment on the progress of work in respect of contracts under execution with reference to scheduled completion periods provided in the respective contracts.
 - o) Analyze the pending running account / final bills / escalation or price variation bills and comment on their pendency along with reasons.
 - p) Examine whether payments are released after obtaining time extension where needed.
 - q) **Review of closed contracts:** Examine whether contract closing is done in accordance with the existing system and whether proper recoveries have been made in respect of any relaxations in the conditions of the LOA. (Examples- waiver of specific tests; excess consumption of steel and cement; relaxation of specifications for the materials, etc.).
 - r) Examine all awards placed for which approvals have been obtained on post facto basis and comment thereon.

D. Additional Checks to be exercised in respect of procurement files selected for examination

In the case of procurement, all checks listed above are to be exercised to the extent applicable. In addition, internal auditors are to verify the following:

- a) Examine the basis adopted for determining the quantities to be procured from the point of view of their availability in stores/other projects, quantity discounts etc.
- b) Examine whether Proprietary Article Certificates (PAC) have been issued in-line with C&P Procedure and DOP.

- c) Examine the cases of repeat orders for compliance to the Delegation of Powers and quantities to be procured. Comment on incidence of such repeat orders.
- d) Auditors should check if there are any purchase orders placed on suppliers which have not been executed by them. Auditors should comment on the follow-up action being taken by the unit concerned. Auditors should also comment on action taken for procurement of the items not supplied by parties on whom PO's have been placed from other sources along with details of additional cost incurred and penal action taken against defaulting suppliers.
- e) Examine the payments for supplies in line with the terms of payment as per the purchase order and highlight the deviations on this account.
- f) Examine whether material procured on urgent basis has been utilized for the purpose for which it was procured or is still lying in stores.
- g) Verify whether the unit has followed the time limits specified for processing of indents, as laid down in C&P procedure.

OPERATIONS

Given below are the guidelines for audit of operations. While an attempt has been made to make them comprehensive, auditors should use their judgement while auditing this area and give their suggestions for system improvements / cost reduction.

1. REVIEW OF OPERATIONS

A. LNG BLOCK

- a) Test check the figures of LNG Cargo receipts, regasification of LNG and system use gas with reference to the DPRs maintained at respective places. Verify calibration reports of various meters.
- b) Compare the maintenance schedules in terms of number of days as planned with actual maintenance as done. Examine the adverse variances and corrective action taken in these cases.
- c) Examine and comment on the control maintained by the project over replacement of high value spares and replaced items as indicated in the respective log-books. Examine whether the actual life of spares is as per the norms given by the supplier. Examine and comment upon the corrective/recovery action taken by the unit in case of deficiencies.
- d) Examine records maintained in the sub-stores and comment on abnormalities.

ACCOUNTS

A. IMPORTANT GENERAL GUIDELINES TO BE FOLLOWED COMPULSORILY

1. An important aspect of internal audit is the verification of supporting documents. Auditors should invariably highlight such cases where
 - supports are not attached thereto;
 - supports are not relevant / sufficient for the said documents' creation
 - supports' financial values, vendor details and others relevant data are not matching with those on the documents.
2. Auditors shall verify and comment on all adjustment documents of old liabilities (i.e. EMD, Security Deposit & Retention Money etc.) are supported by adequate documents signed by two executives.
3. Auditors shall verify that all documents relating to Inter-unit account are supported by proper documents.

B. VERIFICATION OF VOUCHERS

- a) Verify all the vouchers are signed by two persons as per the Internal Working Arrangement. In case of events not specified in the Internal Working Arrangement – like settlement of fuel cycles, the vouchers are to be signed by two executives, one of whom shall be the section/group in-charge.
- b) Verify whether adequate genuine supporting documents are enclosed with the payment vouchers. A sample list of supporting documents which can be enclosed is as below:
 - i) Invoice copy and copy of P.O in case of purchase orders.
 - ii) Approval of Competent Authority and relevant bills in case of miscellaneous payments.
 - iii) Copy of payment order recorded in the measurement book in case of works payments.
 - iv) Sanction Order or advance application duly approved in case of employee advances
- c) Auditors should highlight any instances of payments on the basis of photocopies of bills.
- d) In case of miscellaneous payments in foreign currency, the instruction letters to the Bank shall be entered serially in a control register and on receipt of DD or debit advice from the bank the same should be cross-checked with the control register. Verify whether the same procedure is being followed.
- e) Verify whether adjustment vouchers for direct debits other than commission/ bank charges, interest, conveyance charges and LC payments are approved by HOD(Finance).
- f) Verify whether the payer's name mentioned in the bank receipt voucher prepared by the concerned department is as per the cheque receipt register.
- g) Examine whether the Bank Adjustment Vouchers are also supported by genuine documentary evidence in addition to advices from Banks. Verify the accuracy of the

amounts directly debited to the bank account. (Example: whether proper exchange rates/ commission have been applied, name of the beneficiary being mentioned etc.)

- h) Verify account codes on vouchers to check whether any capital expenditure has been charged to revenue or vice-versa.

Check for cases where liability has been transferred from one vendor to another. The said transfer should be supported by documentary evidence in all cases.

- i) In cases where the amounts have been transferred to Retention / Security and the same is not through payment terms of P.O., then the reason for same must be supported through documentary evidence. Further the reason for not updating the purchase document must also be supported through documentary evidence.

C. BANK

- (a) Examine and comment whether Cheques Inward and Outward Registers have been maintained properly. Also comment on inconsistency between date of receipt, date of deposit and date of credit given by Bank.
- (b) Examine whether bank balances being maintained by the unit are in excess of normal requirements of the unit.
- (c) Examine whether the Cheque register is being maintained.
- (d) Verify that the unit is conforming to the following:
- i) All cheque books drawn from the banks should be entered in the register maintained for this purpose.
 - ii) All cheque books should be kept under lock & key and handled by the accountant and the officer in charge of the bank section.
 - iii) In-charge of the bank section shall conduct checks from time to time of the safe keeping and record of unused cheque books.
 - iv) The cheques must be kept in a place of security under lock and key. It is advised that it is periodically verified whether all unused forms are intact and promptly intimated to the bank the loss, if any, of the unused cheque forms / cheque requisition slips.
 - v) The cheques contained in the cheque book shall be counted before using any of them.
 - vi) At the time of closure or transfer of bank account, all unused cheques and cheque book requisition forms should always be returned to the bank after cancelling them.
 - vii) Blank cheques should not be given to anyone.
 - viii) In case of alterations new cheques shall be issued.
- (e) Examine whether the payments by Demand Drafts have been approved by competent authority.
- (f) Demand drafts are being issued as per the guidelines issued and are not being routed through one time vendor.
- (g) With regard to **Bank Reconciliation**, verify the following:
- i) That Bank reconciliation is being done regularly in the following month.
 - ii) Whether all debits and credits made by the bank have been duly identified and accounted.

- iii) Examine the amounts debited by Banks towards L/C charges etc. are in line with the applicable rates.
 - iv) Examine whether there is undue delay in realization of cheques deposited in the Bank.
 - v) Comment on old outstanding items along with reasons.
- (j) Wherever e-payments are being done at the unit, auditors should verify and report on compliance by the unit of instructions / guidelines for e-banking.
- (h) Check for the changes in the vendor master carried out during the period. Also check the source of such changes.

D. WORKS ACCOUNTS

While conducting the audit internal auditors should verify the following in addition to verification indicated in the section relating to Works & Procurement activities:

- (a) Recovery of various advances like mobilization advance, secured advance, materials brought to the site, material issued to contractors, etc.
- (b) Documentary evidence for release of Security Deposit / Retentions are attached with the vouchers.
- (c) Review the Bank Guarantee Register and identify cases of expired Bank Guarantees. Ascertain and comment on the action taken for revalidation of expired Bank Guarantees and also verify the compliance to rules regarding release, invocation etc. Highlight details of the cases where recoveries could not be effected due to inability to invoke Bank Guarantees.
- (d) The final payments have been made after Performance Guarantee (P.G) test and payment of erection price / for civil works is in line with letter of award, general/special conditions of the contract and have been made after obtaining necessary approvals. Also verify that material reconciliation statement has been prepared and necessary recoveries have been affected before releasing the final payments.
- (e) In case of contractors' advances, materials issued on loan and free issue material, old outstanding should be reported along with age-wise analysis.
- (f) Whether monthly statement recovery on account of hiring of construction equipment, rental and electricity charges towards accommodation given to the contractors on chargeable basis and hospital charges are being received from the respective department and the same are being recovered from the contractor. List out old outstanding and comments on the same.
- (g) Whether income tax/works tax is deducted at source as per the prescribed rates and the same is being deposited in time. Whether TDS certificates are being issued as per the provision of the Income Tax Act.
- (h) Whether all provisions for expenses and capital liabilities have been duly made on the basis of proper documentation. Comment on cases of over or under provisions.
- (i) Whether all deposits like EMD, security deposits etc. have been maintained properly with age-wise analysis (highlight old cases outstanding).
- (j) Whether the security deposits have been released as per the terms and conditions of LOA.
- (k) Point out old cases where the work was abandoned long ago. Further, review whether O&M works are included in capital works.

- (l) Check for Final delivery indicator with respect to Purchasing document where the work / supply is complete.
- (m) Check if the document for EMD release is generated from the system by Materials group.

E. SUPPLIERS' BILLS ACCOUNTS

While conducting audit, internal auditors should verify the following:

- a) Wherever payments are being made against documents through bank, whether advance documents have been cleared by the C&P Deptt. and they are in conformity with the P.O.
- b) Final / Balance payments are released on the basis of the invoice of the party supported by the SRV to the extent of accepted quantity.
- c) Review the entries in security deposit account, EMD account and Retention Money account in the sub-ledger and report old outstanding.
- d) Adjustment of the advance against supplies and report on the old advances along with age-wise analysis.

F. STORES ACCOUNTS

While conducting audit, internal auditors should verify the following:

- a) Test check whether Stores Receipt Vouchers (SRVs) and Stores Issue Vouchers (SIVs) are being controlled properly with reference to stores records.
- b) Test check the SRV valuation. Verify whether final adjustments have been carried out wherever SRVs are valued provisionally.
- c) Report on odd balances – quantity without values, value without quantity and negative balances.
- d) Report on the instances of purchases made in spite of having inventory.
- e) Report on the variations in rates of a particular item purchased on different dates in the period under review.
- f) Whether physical verification has been conducted covering sufficient number of items as per the CARO, 2015. Whether provisions have been made for the discrepancies observed on physical verification. Also verify whether the provisions have been finally adjusted on completion of investigations, with the approval of the Competent Authority. Abnormal cases should be pointed out. Verify whether discrepancies observed during physical verification during the previous year have been investigated and adjusted in accordance with guidelines.
- g) Verify whether capital items are being included in the repairs and maintenance expenses.
- h) If any spares bought by stations/projects appear in the approved list of capital spares, such spares should be capitalized as and when the items are procured and become available for use. Auditors should verify whether this is being followed by the unit.
- i) Whether material issued on loan account has been duly approved by Competent Authority.

- j) Verify and report whether the unit has issued any capital spares for consumption during the period under audit.
- k) Verify whether inventory of steel scrap has been accounted for on realizable value and other scrap has been accounted for on actual realization basis.
- l) Verify Accounting for insurance claims and customs claims are being followed as per closing guidelines.

G. ESTABLISHMENT ACCOUNTS

While conducting audit, internal auditors should verify the following with regard to the respective heads:

a) HR MASTER DATA

1) Actions

- a) Verify grade, basic pay, date of appointment and joining date uploaded in SAP ERP w.r.t. physical documents.
- b) Test check promotions taken place during the period for each cadre.
- c) Verify all cases of promotion with transfer whether employee has joined the new place within stipulated time period to avail promotion benefits retrospectively.
- d) Verify whether disciplinary action against employee has been updated as per approval.
- e) Verify timely updation of Separation/ absconding/transfer action in the system

2) Personal Data

- a) Date of birth of the employee is as per document submitted on appointment
- b) Family planning incentive sanctioned during the period is as per policy and sterilization date maintained is as per document available in the personal file.

3) Planned Working Time - Test check employees working in the night shift and Work schedule is maintained.

4) Basic Pay

- a) Verify the pay fixation on promotion/ annual increment on test basis for each cadre.

5) Recurring Payments/Deductions

- a) Conveyance reimbursement sanctioned during the period is as per policy and all documents are in order.
- b) Sum of all allowances under cafeteria approach does not exceed the maximum permissible limit provided in the policy.
- c) Payment of HRA and recovery of rent for lease /quarter due to retention of house at a place other than place of posting is as per approval/policy and rate provided in the policy.

6) Additional Payments

- a) Miscellaneous payments like honorarium, Hindi incentive, awards are as per rate provided in the policy and approval.

- b) Miscellaneous recoveries like AC charges, electricity charges etc are as per rate provided in the policy.
 - c) Test check the Generation Incentive rate is as per policy and payment under this head.
 - d) Overtime payment has been approved by competent authority and test check the computation.
- 7) **Cost Distribution** - Cost centre for wages/salary and travel are as per department and place of posting of the employee. Verify cost centre for all transfer-in cases.
- 8) **Loans**
- a) HBA/conveyance advance are secured as per policy.
 - b) Test check documents submitted for HBA/ conveyance advances sanctioned during the period. List out default cases and verify recovery of advance amount with penal interest.
 - c) List out cases where recovery of monthly instalment is not taking place or there is a delay in start of recovery.
 - d) Verify loans sanctioned with relaxation in eligibility criteria are as per approval granted by competent authority.
- 9) **Previous Employment Tax Details** - Verify the detail of leave encashment transferred to KLL by previous employer is correctly maintained in case of fresh appointments during the period.
- 10) **Housing (HRA / CLA / COA)**
- a) Test check Quarter type for employee residing in Company Township is correctly maintained and timely updated in system.
 - b) Test check Lease rent maintained matches with actual lease agreement. Verify that eligibility is maintained with wage type.
 - c) Test check rent receipt submitted for income tax exemption of HRA matches with data maintained.
- 11) **Absence Quotas**
- a) Verify Special additional leave sanctioned and credited for transfer in and transfer out cases.
 - b) Changes done in the opening balance during the period are to be verified with relevant document. Excess leave(s) encashed/ availed have been recovered or adjusted with other leave(s).
- 12) **Absences**
- a) Absence/leave maintained in system is to be verified with manual attendance system existing at site on test basis.
 - b) In case employee is unauthorized absent for a period containing holiday/ week off, absence has been maintained for the holiday/ weekly off period also.
- b) **T.A. ADVANCE**
- i) Verify the advance is released with the approval of competent authority.

- ii) Test check of T.A. bills.
- iii) Where an earlier advance is still outstanding, Verify whether a subsequent advance has been released with the specific approval of Competent Authority.
- iv) List out the advances outstanding for more than three months.
- v) Test checks that comment field contain break-up of total expected expenditure on tour.

c) MEDICAL

- i) Test check of medical bills, with their classification into taxable / non-taxable categories.
- ii) Test check of direct payment to hospitals with reference to the process given
- iii) Test check of TDS deducted and deposited in time from hospital bills.
- iv) List out the advances outstanding for more than six months.

d) TRANSFER T.A.

- i) Test check of Transfer T.A. bills.
- ii) List out the cases of outstanding for more than three months.

e) STAFF ADVANCE

- i) Test check of advances released with the approval of Competent Authority.
- ii) List out the cases where the staff advance have remained unadjusted for more than 3 month.
- iii) List out the cases outstanding for more than six months.

f) NEGATIVE SALARY

- i) List out the cases of negative salary and ensure negative salary and penalty has been recovered from the employee in next salary. In case of non recovery of penalty approval for the same has been accorded by the competent authority.
- ii) List out the cases where negative salary is repetitive every month.

g) INTEREST ON ADVANCES

- i) Test check the monthly calculation of interest on all the interest bearing advances.

h) GENERAL

- i) List out temporary salary advances outstanding for more than one six months.
- ii) Test checking of salary bill and verify whether correct TDS/ professional tax, as applicable for the location has been deducted and has been deposited in time.
- iii) Examine whether PF / pension deductions for more than 1 month are outstanding and the reason thereof
- iv) Examine whether deductions being effected under Provident Fund and EPS 95 schemes are being deposited with appropriate authorities in time.

H. COMMERCIAL ACCOUNTS

While conducting audit, internal auditors should verify the following with regard to fuel:

- a) Review the reconciliation of accounts with all fuel suppliers and verify whether provisions have been made for their claims.
- b) Whether stocks of fuel are being held as per tariff norms.
- c) Report whether any Minimum Guaranteed Off-take (MGO) charges paid are being accounted and recovered from the beneficiaries through tariff.
- d) Test check calculations of fuel price adjustment in respect of fuel.
- e) If the site is paying any taxes and duties like water cess etc. which are reimbursable by beneficiaries separately in terms of Power Purchase Agreement/Tariff notification. Report whether such bills are being raised and realised.

I. INVOICING AND DEBTORS FOR LNG Regasification

- a) Verify the agreement with GAIL (India) Limited for LNG regasification and ensure that bills are raised are in accordance with the agreement.
- b) Verify the deposit of taxes collected on sales with appropriate authorities and ensure that the same has been done in time.
- c) Verify that the accounting of sales is in line with accounting policies.

J. COST ACCOUNTING RECORDS

Auditors should verify that units are maintaining the necessary Cost accounting records in compliance of the government notifications in this regard.

K. REVIEW OF GENERAL LEDGER AND SUB-LEDGER

- a) Review and comment on old/odd balances appearing in the General Ledger and Sub-ledger.
- b) Examine whether the accounting treatment followed by the unit for accounting of mandatory spares, furniture, fixture and scrap is proper, reasonable and in line with the accounting policy.
- c) Examine whether the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State Insurance, Income-tax, Professional Tax, Custom Duty, GST and any other statutory dues with the appropriate authorities.
- d) Units have to obtain confirmation and prepare statements of reconciliation of balances of the financial year under advances, claims, deposits, creditors and debtors (including those due from State Electricity Boards), and materials in transit / under inspection and with contractors/ fabricators. Further they have to carry out adjustments in the Books of Account upon such confirmation/ reconciliation of balances under the above heads. Auditors shall verify and comment on confirmation of balances.
- e) Ascertain whether all relevant accounting standards are being followed by the unit and comment on the same.
- f) With regard to the Fixed Assets Register, internal audit should verify the following:

- i) Examine whether segregation of assets leading to the main classification has been properly done.
- ii) Whether depreciation has been charged at applicable rates on all assets.
- iii) Verify whether physical verification of fixed assets has been done in accordance with the system laid down in this regard.
- iv) Whether adjustments on account of discrepancies observed on physical verification and additions / sales / adjustments have been properly reflected in conformity with CARO, 2015.
- v) Whether procurement and other related costs have been properly identified with the respective assets.

TESTING THE EFFECTIVENESS OF INTERNAL CONTROLS

An element of risk-based auditing has been made a part of the scope of Internal Audit. This has been done by the inclusion of a checklist for Testing of the Internal Control. The checklist for the same is placed below. Auditors should verify whether the control activities are being followed at the unit by using the checklist and comment on same. Auditors' observations in this area are to be included in **Part III** of their reports.

CHECK LIST TO TEST THE OPERATING EFFECTIVENESS OF CONTROLS SYSTEM

S.No	Control Activity	Document Required	Remarks
1	Verify that organisation charts along with roles & responsibilities defined for Finance Department, HR and C&P Departments are available in the respective departments.	Obtain the organisation chart alongwith roles & responsibilities defined for Finance Department, HR and C&P Department.	
2	Verify that opening and closing of bank account is based on approval from MD.	1. Obtain the list of opening & closing of bank account(s), if any. 2. Copy of letter issued to bank under MD's signature, where applicable. 3. Acknowledgement from bank for opening & closing of bank account.	
3	Verify that bank transactions are approved by signatories who have been duly authorized by MD. There are at least two authorized signatories to every banking transaction above Rs 25,000.	1. Obtain the list of bank accounts and select the Documents (BPV) samples covering each bank. 2. Copy of letter issued to the Bank by MD indicating Authorized Signatories for operating the bank account(s).	
4	Verify whether LCs are opened and operated by signatories authorized by the MD.	1. Obtain the list of opening & closing of LC(s), if any. 2. Advice to bank for opening LC 3. Authorised signatories list for opening LC 4. Bank's intimating opening of LC.	
5	Verify whether All changes to employee master (joining, transfer, separations) are made by HR personnel based on approved orders issued by Head HR and all changes are reviewed by personnel (HR).	1. Obtain the list of HR actions for resigned/ transferred/ on study leave/ absconding employees. 2. Screen Shots of action taken by HR for such employees. 3. Approved Orders for Joining, Transfer and separations.	
6	Verify whether the amount paid for lease in excess of entitlement is recovered from salary.	1. Obtain the list of lease payments made in excess of entitlements during the period. 2. Lease orders for the sample cases chosen by Audit. 3. Screen Shots of Lease-Purchase Order. 4. Pay-slips for the selected sample.	

7	<p>Verify whether the laid down procedures have been followed in full & final settlement of exiting employees:</p> <p>a) Separation date has been entered in the employee master by HR- personnel on the basis approvals/retirement dates and reviewed HR-personnel.</p> <p>b) 'No dues clearance' has been obtained from all concerned departments.</p> <p>c) Release letter signed by Head HR is issued.</p>	<p>1. Obtain the list of HR actions for resigned/ transferred / on study leave / absconding employees.</p> <p>3. Approved Orders of Separations.</p>	
8	<p>Verify whether asset classifications, such as assets category and useful life, have been properly defined at the time of asset acquisition.</p>	<p>1. Obtain the list of assets added and disposed off during the period.</p> <p>2. Select the samples of assets added and disposed off during the period</p> <p>3. Review documents related to the classification of selected sample assets.</p> <p>4. Accounting entries for Capitalisation</p>	
9	<p>Verify whether physical verification of stores & spares is conducted on a periodic basis.</p>	<p>Obtain the Physical Stock Verification report</p>	
10	<p>Verify whether variance report is prepared for difference noted during such verification and forwarded to the Investigation Committee.</p>	<p>Obtain the Variance report (if any) and Investigating Committee report.</p>	
11	<p>Verify whether Finance Department passes entries in the books of accounts for rectification of stock ledgers/ provisioning for inventory based upon recommendations of investigation committee.</p>	<p>Select the sample of accounting entries for Provision for Shortage Central Store(if any)</p>	

STORES DEPARTMENT**A. DOCUMENTATION / PROCEDURES:**

- a) Examine and comment on cases pending quality clearance for more than six months.
- b) Examine and comment on old cases of material-in-transit lying as an open item in GR/IR clearing.
- c) Review and comment on the reasonableness of number of old cases of materials rejected upon inspection where advances have been released.
- d) Examine and comment on the follow-up maintained with suppliers in respect of cases falling under (b) and (c) above.
- e) Examine whether the discrepancies observed on physical verification have been investigated and adjusted with due approval of competent authority within the same financial year.
- f) Comment on investigation pending along with the reasons.
- g) Sometimes some materials are sent out of KLL premises on "Returnable" gate passes. Auditors should verify and comment on the effective control over such material by site.
- h) Examine whether scrap, by-products arising from operations and other obsolete / non-moving items of operational activities have been identified and duly disposed off.
- i) Verify whether Surplus and Scrap Identification and Disposal Committee (SSIDC) has been constituted as per guidelines and whether such SSIDC is functioning regularly. Also examine the action taken by site on the report of the committee.

B. CLAIMS

- a) Examine whether insurance policies are being taken in time as per guidelines and properly maintained.
- b) In case of marine policies, verify whether relevant declarations are made in time.
- c) Written advice is to be given to insurance company whenever equipments are sent outside KLL premises for repairs, etc. Auditors should verify whether such advices have been sent by the units so as to keep the insurance, which includes transit insurance, cover valid.
- d) Examine whether all claims on railways, marine and other insurance companies, including insurance obtained by suppliers that ought to have been lodged, have been lodged in time by reference to primary records.
- e) Where guarantee clause is provided in the P,O in respect of certain spares/equipment, whether claims are being lodged on the suppliers and the same are being followed up for realization.
- f) Comment on cases of delays.
- g) Examine the realization of the above-mentioned claims.
- h) Examine whether detailed claim-wise registers have been maintained with adequate follow up of all claims.
- i) Examine the basis adopted for valuation of all claims and ensure that the same is in order, and incorporated in time in the books of accounts.
- j) Examine whether all doubtful claims have been identified and written off with the requisite approval.
- k) Tally the claims reflected in finance books with the claims as indicated in the Materials records.
- l) Review the adjustment of short realised claims in the books of accounts.
- m) Review the old outstanding claims and comment on the outstanding on this account.

HUMAN RESOURCES DEPARTMENT

While conducting the audit internal auditors should verify the following:

- a) Sanctions of Leave Travel Concession
- b) To verify original documents such as mortgage deeds, hypothecation deeds etc. RC books, in connection with sanction and release of House Building Advance, Conveyance Advance, Furniture Advance, Computer Advance etc. Internal audit should cover at least 50% of all cases.
- c) Nominations and payment towards participant fees are made quite in advance of the dates of the seminar/conference. In some cases, fees are to be refunded in case nominated persons are unable to attend the conference. Auditors should verify the method of tracking and obtaining such refunds and their deposit with the Finance Department.
- d) Receipt for the comprehensive vehicle insurance policy is to be submitted to HR annually by employees against whose names conveyance advance is outstanding. Auditors should verify and comment on the compliance of the same.
- e) Auditors should review the status of reconciliation done by the units between the land under physical possession with the ownership documents possessed by them and report thereon.

LOAN ACCOUNTS

Internal auditors should verify the following with respect to all loans taken by the company:

- 1. TERMS OF LOANS:** To verify the following from loan agreements:
 - a. Loan amount.
 - b. Drawl Schedule & Terms & conditions of drawl.
 - c. Project and specific packages to be funded out of loan.
 - d. Instructions for filing of claims (time period).
 - e. Dates of Payment of Agency Fee/ Management Fee/ Upfront Fee.
 - f. Dates of payment of Commitment Fee.
 - g. Interest payment dates.
 - h. Repayment schedule and repayment dates.

- 2. LOAN DRAWALS:** After verifying the above from the loan agreements, check the following in respect of each loan:
 - a. Drawals have been made as per schedule.
 - b. Drawals have been made as per the terms & conditions and for the packages mentioned in the loan agreement.
 - c. Loan Register has been updated after each drawal
 - d. Accounting entries have been passed for each drawal.
 - e. Quarterly reconciliation of the account has been done with the lender.

- 3. PAYMENT OF AGENCY FEE/MANAGEMENT FEE/UPFRONT FEE:** Terms of the loans may involve any or all of the above mentioned fees. Internal auditors should verify that:
 - a. Payment is made as per Loan agreement.
 - b. Payment has been made on time.
 - c. Verification of exchange rate debited as per Bank advice with bid rate.
 - d. Adjustment entry has been passed.
 - e. Loan ledger has been updated.
 - f. Adjustment entry has been passed for accrual.

- 4. DEBT SERVICING: INTEREST PAYMENTS: Verify that:**
 - a. Interest is calculated as per loan agreement.
 - b. Payment has been made on time.
 - c. Verification of bid rates with exchange rate charged in the bank advice.
 - d. Adjustment entry has been passed.
 - e. Loan ledger has been updated.
 - f. Adjustment entry has been passed for accrual.

5. DEBT SERVICING: REPAYMENT OF LOANS: Verify that:

- a. Repayment amount is calculated as per loan agreement.
- b. Payment has been made on time.
- c. Verification of bid rates with exchange rate charged in the bank advice.
- d. Adjustment entry has been passed.
- e. Loan ledger has been updated.

6. EXTENSION OF LOAN AGREEMENT: Verify that:

- a. Loan drawl is as per schedule.
- b. Extension is taken with the approval of competent authority.
- c. If extension is taken due to the delay on the part of the supplier then charges are paid by the supplier.

INVOICING AND DEBTORS FOR LNG Regasification

- a) Verify the agreement with GAIL (India) Limited for LNG regasification and ensure that bills are raised are in accordance with the agreement.
- b) Verify the deposit of taxes collected on sales with appropriate authorities and ensure that the same has been done in time.
- c) Verify that the accounting of sales is in line with the guidelines issued by Corporate Finance - Commercial Department.
- d) Examine and comment on the age wise analysis for all debtors' accounts.
- e) Compare the balances in the sub ledger with the General Ledger and ensure that the balances are in agreement.
- f) Review the various debtors' accounts and the debtors control account and comment on inordinate delays in recoveries and also examine and comment on the steps taken to recover the outstanding.
- g) Review the quarterly reconciliation of outstanding dues prepared jointly and signed by representatives of KLL and beneficiaries. Comment on unusual / abnormal items.
- h) Units have to obtain confirmation and prepare statements of reconciliation of balances as on 31st January of the financial year under the account head debtors. Further they have to carry out adjustments in the Books of Account upon such confirmation/ reconciliation of balances under the above head. Auditors shall verify and comment on confirmation of the same.

In this context, debtors shall be analysed into (1) good and fully recoverable, (2) requiring adjustment entries to be passed, (3) doubtful of recovery to be provided for and (4) bad and to be written off with supporting documents / explanations and reasons as for each and every account. The analysis will be of the accounts as per the ledgers and schedules to the accounts as on 31st January of the financial year. Internal auditors are required to vet the analysis statements prepared by the units and submit their report on the same to the Corporate Office along with the Phase II Internal Audit Report.

- i) Examine the collection bank account statement and comment on the delays in remitting the receipts to Corporate Centre. Auditors should also enclose a copy of the bank statement with their report.
- j) Examine the bank charges debited by different banks in respect of collection accounts and comment on the uniformity of the same within the region.

CUSTOMS DUTY AND PORT TRUST CHARGES

- a) Check whether the provisional payments made towards customs duty before the assessment of duty on the imports are properly accounted and adjusted with the actual assessments of the duty and balance amounts claimed back from customs.
- b) Check if adequate records in support of reconciliation of the customs duty paid and Port Deposit (PD) accounts, customs duty adjusted and refunds claimed are maintained.
- c) Check the bills of entry for classification and rate of assessment for payment of customs duty of cases involving customs duty of and above Rs. 5 Lakh.
- d) List out the cases of demurrage payment and indicate whether approvals of competent authority have been obtained as per the Delegation of Powers.
- e) Check if the amount of demurrage identified for recovery from the clearing agents or suppliers is realized. Outstanding cases may be listed and brought out in the report.
- f) The continuity bonds furnished by KLL before clearance of the shipments are properly reflected in the bonds register maintained for the purpose. See whether the reconciliation of the bonds issued, adjusted and outstanding is done periodically or not.

INVESTMENTS

- a) Check the proposals related to investment of funds in Short Term Deposits (STDs) in banks. This would include checking the evaluation made based on factors like interest rates, exposure limits of banks, amount of deposits acceptable to banks, period etc. along with Company's approved investment policy.
- b) Verify the Short Term Deposit Receipts (STDRs) physically and check that the gross amount of STDRs is tallying with balance in books.
- c) Check whether there has been any premature encashment of STDRs during the period and reasons necessitating such action.
- d) Verify that there has been no delay in crediting the maturity amount in KLL's bank account. If any delay noted, the same may be reported.
- e) Verify that interest accruals have been calculated correctly at the end of each accounting period.
- f) Verify correctness of TDS deducted by bank and its accounting.
- g) Check that amounts beyond certain specified limit, depending upon the bank, are automatically invested in Corporate Liquid Term Deposits (CLTDs) through Auto-sweep facility.
- h) Check that there is proper justification whenever the CLTDs are prematurely encashed.
- i) Ensure that interest credited by bank for CLTDs is cross-verified both with respect to rate and the amount placed in corresponding CLTD/ sum withdrawn through encashment of corresponding CLTD.

ENTITLEMENTS FOR TRAVELLING

Claims in respect of the travel to KLL Site office, Dabhol and other expenses allowable as per the rules for the period of journey and stay at site for the audit team should be deployed from Mumbai/ Ratnagiri branch of the firm. In case of firms having branches closer to the KLL site office, Dabhol, audit staff should be sent from the branch, which is closer to the site, and the claims shall be regulated accordingly.

The audit program shall be finalized in terms of scope by the auditors with consent of KLL.

Claims may be made by the firms in respect of individual members of the audit team for the following:

- a) Journey Fare
- b) Conveyance Charges
- c) Other incidental expenses

Boarding, Lodging and Local Transportation at site will be provided by the Company/reimbursed at actuals against documentary evidence in case company not provided by the company.

GST, as applicable, will be paid extra as per the GST Law applicable from time to time.

Entitlements for each of the above items are as under:

A. JOURNEY FARE (For Visit to Site):

The Audit Team will be paid/arranged by KLL for each Phase of audit, to & fro journey fare by Air or Rail. Journey should be performed by the shortest route in the entitled class given below:

Partner: Economy Class (preferably APEX fare) by AIR / AC 1st Class by rail

Others: Economy Class (preferably APEX fare) by AIR /AC 2 Tier by rail

Claim for travel should be supported by tickets and boarding pass. **In the absence of such supports, the claims for journey fare will be restricted to AC-2nd tier railway fare.**

Claims for fare for performance of journey by other than the mode and class as given above shall be regulated as under:

Journey performed by taxi, where stations are connected by rail: The actual taxi fare will be limited to the railway fare of the entitled class available on that route, provided the claim is supported by valid receipts. In case of non-production of receipts, the claim shall be restricted to AC-2nd tier railway fare.

Journey performed by taxi where stations are not connected by rail: Actual taxi fare, restricted to Rs 7.40 per Km, subject to production of valid receipts. In case of non-production of receipts, the claim shall be restricted to second-class rail fare applicable for the distance between the two places.

If own car is used: Actual fuel expenses, restricted to Rs. 7.40 per Km, subject to production of sufficient proof in support of utilization of own car for the journey. In case of non-production of such proof, the claim shall be restricted to second-class rail fare applicable for the distance between the two places.

B. CONVEYANCE CHARGES:

Actual conveyance charges against documentary evidence from residence to Railway Station / Airport / Bus Stand and vice versa only for site visit shall be admissible, only when local transport not provided by the company.

No TA/DA will be admissible for visit to corporate office.

C. OTHER INCIDENTAL EXPENSES

Other incidental expenses like official phone calls etc. will be paid on production of valid receipts and sufficient proof of the expenditure having being incurred for the performance of the audit. However, no reimbursement shall be made for personal expenses incurred during the Audit.

General Guidelines in respect of claims

- 1) A list indicating partners and other audit personnel involved in the assignment along with their designation and the period of deployment will have to be furnished along with the claim bills.
 - 2) A Certificate indicating the (I) details of man-days spent individually, along with designation, (ii) details of boarding and lodging provided, (iii) details of advances drawn/tickets booked by the project, (iv) details of local conveyance provided and (v) other bills incurred by the internal audit party and settled by the site Finance Department, should be obtained from the concerned site Finance Department and attached to the claims.
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Section-VII
Schedule of Rate (SOR)

Sl. No	Description	Unit	Qty.	Lumpsum amount excluding GST (Rs.)	Lumpsum amount excluding GST (in words)
			A	B	
1	Audit Fees for conducting Internal Audit as per Scope mentioned in BID document.	Lumpsum (LS)	LS	4,00,000.00	Rupees Four Lacs Only
Total Amount (Rs.) 4,00,000/-					
GST payable extra as applicable from time to time (Current rate @18%)					
Total Amount including GST (Rs.): 4,72,000/-*					
Total Amount including GST (In words): Rupees Four Lacs Seventy-Two Thousand Only.					

*The out of pocket expenses excluding travelling, boarding and lodging to site limited to 10% of the fee against actuals will be paid extra. Travelling, Boarding and lodging to site shall be arranged by the company or reimbursed on actual basis in terms of the bid document.

Note

1. We hereby provide our consent for the above fee, if awarded.
2. We hereby certify there is no conflict of interest with respect to my appointment as Internal Auditor of KLL and we are also not disqualified in regards to compliance for eligibility and qualification in terms of the Companies Act 2013 and other applicable laws.

Signature of Authorised Person

Name of the Authorized Signatory
Membership No.
Designation:
Date:
Firm No.,
Rubber Stamp of the Firm