

Sub: Tender Notice no: DGM(FC&IA)/CO/Appt.of Internal auditors/2020-21 dated 15.01.2021

Dear Sir,

Please find enclosed the following bid documents, in original, to be used for submission of the bid.

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The tender shall be submitted through Central Public Procurement Portal website <https://eprocure.gov.in/eprocure/app> developed by National Informatics Centre (NIC), Ministry of Electronics & Information Technology, GOI. Your offer complete in all respects as per enclosed documents must be submitted as per schedule given under **Section-I**.

“Bidders are advised to familiarize themselves adequately with the above e-procurement Portal, well in advance, to avoid last minute technical glitches/errors preventing successful uploading of bid within specified time frame.” The Special instructions to Bidders for e-Tendering in this regard are given in **Section XII** of this document.

The **“Instructions to Bidder”** and **“General (Commercial) conditions”** are applicable for this tender. However, the clauses mentioned in the **“Special Conditions of Contract”** & **“Technical Specifications”** will supersede the General (Commercial) Conditions.

Tender bids shall be opened on line as per schedule given under **Section-I**. The representatives of the bidders may attend the bid opening either online after logging on to the e-procurement portal or at MTNL premises.

SECTION-I

(NOTICE INVITING TENDER)

TENDER No. & DATE: Tender Notice no: DGM(FC&IA)/CO/Appt.of Internal auditors/2020-21 dated 15.01.2021

Tender Publishing Date and Time	15.01.2021 at 1700 Hrs.
Document download start Date and Time	16.01.2021 at 1000 Hrs
Clarification start Date and Time	16.01.2021 at 1030 Hrs
Clarification end Date and Time	22.01.2021 upto 1745 Hrs
Bid Submission start Date and Time	10.02.2021 at 1000 Hrs
Bid Submission end Date and Time	16.02.2021 upto 1200 Hrs
Technical Bid Opening Date and Time	17.02.2021 at 1200 Hrs.

1. On behalf of Chairman and Managing Director, Mahanagar Telephone Nigam Limited, Bids are invited) OFFLINE AND ONLINE from interesting Chartered Accountant and Cost Accountant firms for conducting Internal Audit of 23 Accounting/Sub Accounting units of MTNL for a period **of one year w.e.f. 01.04.2021 to 31.03.2022** which can further be extended **for one more year based on the performance of the firm at the same rates and terms and conditions of the EOI**. The Accounting/Sub Accounting units of MTNL are located at Delhi and Mumbai.(Annex-E)
2. E-.tenders under Two-Bid system (Techno-commercial bid & Financial bid) are invited from reputed bidders fulfilling the qualifying requirements.
3. The eligibility conditions for the bidders are detailed in Section –II of tender document.
4. In lieu of Bid Security / EMD, bidders are required to submit "Bid Security Declaration" alongwith their bid in the format given in Annex-VIII. The Bid Security Declaration shall be submitted before the scheduled date and time of opening of the bids. A scan copy of the Bid Security Declaration shall be uploaded along with the techno-commercial bid.
5. Intending bidders may download the tender document from the website <https://eprocure.gov.in/eprocure/app> by making payment of Rs. 590/- (Rs. Five hundred ninety only) as cost of tender document. The cost of tender document can also be paid in the form of DD/pay order of Rs. 590/- drawn in favor of MTNL payable at Delhi before scheduled date and time of opening of bids.
6. The tender documents may be issued to eligible bidders free of cost. Before issue of such documents for free of cost, the bidder is required to submit details of their registration with NSIC for the tendered item along with their approved 'Monetary limit'. Their eligibility as per the terms and conditions of the tender shall also be examined, and if they meet the conditions stipulated, they may be issued the documents free..

7. The tender documents shall be issued to MSEs (Micro & Small Enterprises) units/bidders registered with MSME free of cost, provided the tendered item is listed in the Registration Certificate of MSME.

Dy. Genl. Manager (FC & IA),
MTNL,CO.

SECTION- II

ELIGIBILITY CONDITIONS:

- (i) The firms applying for the tender should have their operational offices both in Delhi and in Mumbai to conduct audit for Accounting/Sub Accounting Units of both Delhi and Mumbai.
- (ii) The Firm should be either Chartered Accountants or Cost Accountants Firm (Partnership or body corporate) and minimum of 10 years old.
- (iii) The Firm should have Internal Audit/Statutory Audit experience of at least 7 years of PSUs/Listed entities or any company having a turnover of Rs.500 cr. or more or any Telecom service provider/Company with a turnover of Rs.100 cr.
- (iv) The firm should have three or more partners.
- (v) The selected firms will be required to depute a team consisting of minimum three persons at each unit headed by a qualified CA.
- (vi) The average annual turnover of the firm should not be below **Rs, 50,00,000/-** (Fifty lacs) during the last three financial years.
- (vii) The firm should not be currently statutory auditors of MTNL/Associates concerns or cost auditors and, if already appointed as an auditor with subsidiaries or joint ventures etc. also such firms shall be withdrawn to continue as IA firms and fresh appointment from the panel shall be considered.
- (viii) The bidder should give a certificate that none of his/her near relative is working in the units as defined below where he is going to apply for the EOI. Due to any breach of the conditions by the company or firm or any other person the EOI will be cancelled and Bid Security will be forfeited at any stage whenever it is noticed and MTNL will not pay any damage to the company or firm or the concerned person.
- (ix) The company or firm will also be debarred for further participation in the concerned unit. The near relatives for this purpose are defined as:-

Members of a Hindu undivided family. (b) They are husband and wife. (c) The one is related to the other in the manner as father, mother, son(s) & Son's wife (daughter in law), Daughter(s) and daughter's husband (son in law), brother(s) and brother's wife, sister(s) and sister's husband.

The format of the certificate to be given is "I.....s/o.....r/o.....hereby certify that none of my relative(s) as defined in the tender document is/are employed in MTNL unit as per details given in tender document. In case at any stage, it is found that the information given by me is false / incorrect, MTNL shall have the absolute right to take any action as deemed fit / without any prior intimation to me."

SECTION – III

1. GENERAL TERMS AND CONDITIONS:

(a) The Firms appointed as Internal Auditors will not be allowed to sub-contract the work assigned. In case it is subsequently found at any stage of the appointment process/post appointment that outsourcing has been resorted to, the appointment will be liable for cancellation with immediate effect.

(b) The quality of the work performed by the Audit Firms will be reviewed quarterly at each GM Unit based on the Audit Report submitted.

(c) MTNL Management may, without prejudice to any other remedy available for the breach of any conditions of EOI, by a written notice of 14 days, issued to successful bidder at its registered office, terminate this agreement under any of the following circumstances:

- (i) Successful bidder failing to perform any obligation(s) under the EOI.
- (ii) Successful bidder failing to rectify, within the time prescribed for rectification, any lacuna in performance of obligation as may be pointed out by MTNL.
- (iii) Performance of the successful bidder is not in conformity with the scope of the work.
- (iv) Successful bidder going into liquidation or ordered to be wound up by competent authority.

In such a situation, MTNL shall not be responsible for any damage or loss caused or arisen of aforesaid action.

(d) The firms will have to submit Internal Audit Report to the auditee i.e., G.M. of area concerned on monthly/quarterly basis by 15th of the following month. There are 23 units in all as per details at Annexure – E in Delhi and Mumbai.

(e) The firms will have to submit monthly/quarterly Internal Audit Report in scanned copy and hard copy duly signed and stamped by 30th of the next month to the following officers:

- (i) G.M. (Finance)/CO – Room no: 4202, 4th floor, Mahanagar Door Sanchar Sadan, CGO Complex, Lodi Road, New Delhi-110003
- (ii) DGM (FC & IA), MTNL, CO Room no: 4305, Mahanagar Door Sanchar Sadan, CGO Complex, Lodi Road, New Delhi-110003
- (iii) GM of the area concerned in Delhi / Mumbai.
- (iv) G.M. (Finance)/Delhi/Mumbai and G.M. (F)/WS for Delhi unit & DGM (F)/WS unit Mumbai.
- (v) Sr.Mgr. (IA & RA)/MTNL, Mumbai and DGM (IA)/HQ Delhi unit.
- (vi) No TA/DA, Hotel and other expenses will be paid/reimbursed.

(f) MTNL reserves the right to accept or reject any EOI, and to annul the process and reject all EOIs at any time without assigning any reason whatsoever and without thereby incurring any liability to the affected firm/firms.

(g) It is the sole responsibility of the Firm to comply with the all labour laws and other applicable Laws in relation to the Firm's staff engaged in MTNL for internal Audit assignment.

(h) The firm shall abide by the obligations of Internal Audit standards.

(i) The Firm should depute Audit Team(s) to complete the work within scheduled time as mentioned in Scope of Work (SOW) of this document and each Audit Team should comprise sufficient number of incumbents headed by qualified CA. Name of the Qualified CA is to be intimated in writing to MTNL at each Unit level. Any change in name of CA may be intimated to MTNL at each Unit level.

(j) The appointed Firm will be debarred from getting, in future, any work in MTNL in the following cases:

(i) If it is found that the Firm has obtained the appointment on the basis of false information, false statements, misrepresentation, unfair means and solicitation.

(ii) If the Firm does not take up the assigned work in terms of appointment.

(iii) If the Firm does not submit the report completed in all respect in terms of appointment.

(iv) If the Firm violates any of the terms and conditions stipulated under this EOI. Also the Internal audit work assigned through this EOI may be withdrawn with immediate effect.

(k) GST as applicable on the date of payment will be paid extra by the MTNL. Rates should be offered exclusive of GST.

(l) TDS or other statutory deductions as applicable will be deducted by MTNL at the rates notified by the Govt. of India from time to time for each bill.

(m) In case of discrepancies in the amounts quoted in the financial bid, the amount quoted in words in price bid form would prevail.

(n) Payment shall be released by the respective units on quarterly basis along with a certificate confirming number of persons deployed during the quarter and timely submission of the Report along with satisfactory completion certificate at each Unit level.

(o) Date of start of audit will be within 5 days from the date of issue of letter of appointment (LOA).

(p) No extra days will be allowed or no extra cost is to be paid for consumption of extra days beyond the stipulated period without showing convincing reason and obtaining specific prior approval/order of the competent authority.

(q) The designated team will work in strict confidence and will ensure that the information in respect of the operation of the area/unit is dealt in strict confidence and secrecy.

(r) Scope of work is given in **Annexure-F**.

2. GENERAL INSTRUCTIONS TO THE INTERNAL AUDITORS:

- (a) The internal auditor has to audit and report the existence and effectiveness of the Internal Control Systems and adequacy or otherwise of the same with focus towards improving the internal control structure as well as promoting better corporate governance and also evaluation of efficiency and effectiveness of the controls and recommending new controls wherever required including those of IT System in respect of ERM, the processes at various levels are to be reviewed.
- (b) Internal Auditor has to conduct internal investigations in the matters where there is suspected fraud or irregularity or a failure of internal control systems of the material nature and shall report such matters to audit committee/Board of Directors through the Head of the Finance Control i.e., CFO or CEO.
- (c) **The bidding companies have to give clause by clause compliance by signing all pages of EOI by an authorized signatory upto Annexure – F and also return a copy of this duly signed tender document along with the bid.**
- (d) Any other items of work or specified or special task assigned exclusively with reference to any of the subject matter mentioned or any other issue although not mentioned related to above broad scope of work.

SECTION – IV

Terms & Conditions of On-Line tender:-

The tender can be submitted online only through e-tendering website <https://eprocure.gov.in/eprocure/app> Please note that bidding on-line requires the bidder to possess a Digital Signature Certificate). It is also essential that the bidders should familiarize themselves adequately with the electronic procurement system of NIC well in advance to avoid last minute glitches/errors preventing successful uploading of bid within specified time frame.

The bidders are required to keep a watch on the e-tendering website w.r.t. any amendment to the tender document or to any clarification to the queries raised by the bidders till ten days prior to opening of the tender.

MTNL reserves the right for rejection of bids if the bids are submitted without taking into account these amendments/clarifications. Further, bidders shall be fully responsible for downloading of the tender document and amendments for their completeness.

For any clarification, please feel free to contact Smt. Usha Sharma/ Sh. Abhishek Singh Kuntia on mobile nos: 9868139197/ 9013135419 and e-mail ids dgmfcc@gmail.com and caoifco@gmail.com.

2. AMENDMENT TO BID DOCUMENTS:

At any time, prior to the date of submission of bids, the Purchaser may, for any reason, whether at its own initiative or in response to clarification requested by a prospective bidder, modify bid documents, if any. The amendment shall be displayed on website <https://eprocure.gov.in/eprocure/app> and these amendments will be binding on all the bidders. In order to afford prospective bidders a reasonable time to take the amendment into account for preparing their bids, the purchaser may, at its discretion, extend the deadline for the submission of bids suitably. Pre-bid meeting, if required, shall be held and minutes circulated.

3. LATE BIDS:

E-procurement is date and time locked. The system will not accept any bid after the scheduled date and time of submission of the bids.

4. MODIFICATIONS AND WITHDRAWAL OF BIDS:

The bidders may modify or withdraw his bid after submission prior to the deadline prescribed for submission of bids. No bid shall be modified subsequent to the deadline for submission of bids.

5. BID SECURITY/EARNEST MONEY DEPOSIT:

- 5.1** In lieu of Bid Security / EMD, bidders (other than MSE / SSI unit registered with NSIC / MSME bodies) are required to submit "**Bid Security Declaration**" alongwith their bid in the format given in **Annexure D**.
- 5.2** The bid security **Declaration** is required to protect the purchaser against the risk of bidder's conduct, which would warrant the action as per **Annexure D**.
- 5.3** The bid security declaration shall be in the form of **Annexure D** valid for a period of 180 days from the date of tender opening.
- 5.4** The bid not secured in accordance with para 5.1 & 5.3 shall be rejected by the Purchaser being non-responsive at the bid opening stage and returned to the bidder unopened.
- 5.5** If the bidder fails to comply the conditions of bid security declaration as per **Annexure D**, they will not be eligible to participate in the MTNL tender for any item / product for one year from the date of issue of LOI. The bidder will not approach the court against the decision of MTNL in this regard.
- 5.6** Further , if the said bidder is MSE/SSI unit registered with NSIC/MSME bodies, in addition to action as mentioned under para 5.5 above , such bidder will also be deprived of from exemption from tender fee, and Performance Security (PBG) for next one year after they become eligible to participate in MTNL tenders.

6. PERFORMANCE SECURITY

- 6.1** The Firm shall furnish performance security to the MTNL for an amount equal to 3% of the Work Order as per number of units allotted within 14 days from the date of issue of LOI (Letter of Intent) by the MTNL. The firms (small scale units) who are registered with National Small Scale Industries Corporation UNDER SINGLE POINT REGISTRATION SCHEME are exempted from payment of performance security up to the amount equal to their monetary limit. In case of suppliers having monetary limit as "NO LIMIT", "WITHOUT LIMIT" or "MORE THAN Rs. 50 LAKHS", the exemption will be limited to Rs.50,00,000/- (Rs. Fifty Lakh) only as per existing policy of MTNL. A proof regarding current registration with NSIC for the tendered items will have to be attached along with the bid.

- 6.2** The proceeds of the performance security shall be payable to the MTNL as compensation for any loss resulting from the supplier's failure to complete its obligations under the period of EOI.
- 6.3** The performance security bond will be discharged by the MTNL after completion of the Firm's performance obligations under the period of EOI with extension if any.
- 6.4** The format for performance bank guarantee will be notified to the successful bidders at the time of LOI (Letter of Intent).
- 6.5** Without prejudice to its rights of any other remedy, MTNL shall encash the BG in case of any breach in terms and conditions of the contract or in case of failure to carry out internal audit work as per the agreed schedule & parameters, on part of Firm. If the firm breaches the term and conditions of the EOI or in case of failure to carry out internal audit work as per terms and conditions prescribed under EOI, it shall be the responsibility of the concerned GM/DGM to intimate the C.O. such failure on the part of bidder.
- 6.6** The Firm shall extend the validity of the BG on yearly basis or as directed by C.O. till the entire internal audit work with extension if any under the EOI is satisfactorily completed.

SECTION – V

1. COST OF BIDDING:

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

2. PERIOD OF VALIDITY OF BID:

The validity of the proposal shall for 150 days from the date of opening of the Technical Bid without any change in the proposed price for the assignment.

3. SUBMISSION OF BIDS:

Bids can be submitted ONLINE only.

Bidders are required to familiarize themselves well in advance with e-procurement system and on line bidding procedure. Bidders are advised to upload their bid well in time to avoid last minute problem/error/mistake etc. The Special instructions to Bidders for e-Tendering in this regard are given in **Section VI** of this document. In case of any problem uploading of bid on web-portal, M/s NIC may be contacted during business hours on working days.

Bidders are requested to submit hard copies in originals of the following documents before due date & time of opening of Techno-commercial bids to MTNL :-.

- (i) Bid Security declaration on the format attached as Annex-D.**
- (ii) Cost of tender document in DD/Pay order form**
- (iii) Power of Attorney**
- (iv) NSIC/MSME Certificate (if applicable)**

Non submission of above documents (in original) by any bidder prior to due date & time of opening of Techno-commercial bids, may lead to rejection of Techno-commercial bid of such bidder(s).

4. OPENING OF THE BID:

Tender will be opened online by the designated tender opening committee of MTNL on the scheduled date and time of opening of the bids. The representative of the bidders may attend the bid opening online after logging on the e-procurement portal. The financial bids will be opened in respect of only those bidders who found to be Techno-commercially Responsive the Eligibility criteria.

5. PROCEDURE FOR EVALUATION:

Six Firms which will satisfy prescribed eligibility conditions and whose technical bids are accepted shall be shortlisted solely on the basis of ranking of fees quoted from L-1 to L-6. The bidders shall quote for all the 23 units referred to in Annexure – E of EOI and the evaluation will be done on the basis of Net-cost to MTNL excluding GST Credit eligible amount for all 23 units. Evaluation criteria for (L-1) bidder will be as under:

Monthly rate quoted for Delhi x 11 Units x 12 months plus
Monthly rate quoted for Mumbai x 12 Units x 12 months

The L-1 firm will be awarded the work of 7 units. The L-2 firm will be awarded 4 Units at the rate of L-1. The L-3 firm to L-6 firm will be awarded 3 units each at L-1 rate. In case, the L-2 to L-6 firms do not accept the offer to work on L-1 rate, then the units will be offered to five other bidders down the ranking L-7 to L-11 at the rate of L-1 unconditionally. In case, no bidder accepts the L-1 price, then the units of L-2 to L-6 firms will be offered to L-1 bidder and L-1 bidder will be required to accept the full assignment as per Scope of work. The decision of the MTNL for allotting the units either in Delhi or Mumbai shall be binding on the selected bidders.

In case of tie amongst Firms, the Firms will be evaluated based on the conditions detailed under the head 'eligibility conditions'. A tie in this stage also will further lead the evaluation based on the date of registration and the Firm with oldest date of registration will be selected. If there is tie for date of registration also, then the selection of a Firm will be based on the greater number of partners in the Firm. However, MTNL reserves the right to consider/ not to consider the Firm with the least quote due to any reason. The decision of the MTNL would be final and binding on the bidder in this regard.

6. PLACE OF AUDIT:

The appointed Firm will depute their 'Audit Team(s)' at the Units located at Delhi and Mumbai as per List attached with the EOI and Unit (Delhi/Mumbai) assigned to them. The audit should be conducted at MTNL premises only and no auditor will be allowed to carry Company's documents outside the premises of MTNL's office.

7. PERIOD OF WORK ORDER :-

The work shall initially be awarded for a period of **one year i.e. from 01.04.2021 to 31.03.2022**, which can be extended further for a period of **another one year** subject to mutual consent and satisfactory completion of work.

8. DISPUTE RESOLUTION, ARBITRATION, APPLICABLE LAW AND JURISDICTION

The parties shall endeavor to resolve any dispute under the Agreement through mutual discussions and negotiations. However, If, after thirty (30) days from the commencement of such negotiations, the efforts to resolve all or any of the disputes through negotiations fails, in that event, such disputes or differences, whatsoever arising between the parties

in respect of this Agreement/contract shall be referred to Arbitration, unless the matter is time barred as per the Limitation Act, in accordance with the following provisions:

- (a) For this purpose the Purchaser/MTNL shall publish a Panel of Arbitrator, meeting the requirements of the Arbitration and Conciliation Act as amended from time to time, consisting of eminent persons having wide experience in Telecom, Telecom Finance, Civil and Electrical fields. This panel will be of serving or retired officers of Government Departments or of Public Sector Undertakings of the rank of Joint Secretary to Govt. of India or above.
- (b) Matters to be arbitrated upon shall be referred to the sole Arbitrator where the total value of claims does not exceed Rs. 20 crores. Beyond the claim limit of Rs.20 crores, there shall be a panel of three Arbitrators.
- (c) For the disputes to be decided by the sole Arbitrator, the party invoking the Arbitration Clause shall submit a list of three Arbitrators from the aforesaid Panel along with the letter invoking the Arbitration. The other Party shall convey its consent for the one name as an Arbitrator out of three names within 15 days of receipt of such request.
- (d) For the disputes to be decided by a Panel of three Arbitrators, the party invoking the Arbitration Clause shall submit one name from the aforesaid Panel, as its Nominee, along with the letter invoking the Arbitration. The other Party shall also convey the name of its nominee from the aforesaid Panel to the Party invoking the Arbitration, within 15 days of receipt of such request. Both the nominated Arbitrators shall nominate a third Arbitrator from the aforesaid Panel, who shall act as the presiding Arbitrator.
- e) Thereafter, the appointment order of the sole arbitrator/panel of three Arbitrators will be issued by ED Delhi/Mumbai /CMD, MTNL or any other officer on his behalf. In case, the office of ED Delhi/Mumbai /CMD, MTNL becomes non-existent due to restructuring or any other reason whatsoever, the officer who shall look after the works of ED Delhi/Mumbai /CMD shall issue the appointment order.
- (f) Payment terms for Arbitration fees and transport allowance will be as per the MTNL guidelines. Other arbitration proceedings shall be in accordance with the Arbitration and Conciliation Act 1996, as amended from time to time, and the rules made there under shall be applicable. The Arbitration proceedings shall be held in Delhi/Mumbai.
- (g) In the event of such an Arbitrator, to whom the matter is originally referred, being vacating his office or neglecting his work or being unable to act for any reason whatsoever, the new Arbitrator(s) shall be appointed after following the procedure as enumerated hereinabove. The person(s) so appointed shall be entitled to proceed from the stage at which it was left out by his predecessors.
- (h) No person other than the Empanelled Arbitrators of MTNL shall be appointed as an Arbitrator to adjudicate the dispute.
- (i) The Arbitration proceedings shall be in English language.

- (j) The law of land as promulgated/modified /amended or replaced from time to time shall govern this agreement. The agreement shall be subject to exclusive jurisdiction of courts at Delhi/Mumbai.

9. ARBITRATION CLAUSE- FOR COMMERCIAL CONTRACTS WITH OTHER CPSES AND GOVERNMENT DEPARTMENTS/ ORGANISATIONS.

“In the event of any dispute or difference relating to the interpretation and application of the provisions of this Commercial contract(s)/ agreement, between the Central Public Sector Enterprises (CPSEs)/ Port Trust 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 the either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013-DPE(CM)/FTS-1835 dated 22/05/2018”.

The court at Delhi/Mumbai shall have the exclusive Jurisdiction to entertain any dispute or claim arising out of contract.

SECTION - VI

Instructions to Bidders for Online Bid Submission

The bidders are required to submit soft copies of their bids electronically on the CPP Portal, using valid Digital Signature Certificates. The instructions given below are meant to assist the bidders in registering on the CPP Portal, prepare their bids in accordance with the requirements and submitting their bids online on the CPP Portal.

More information useful for submitting online bids on the CPP Portal may be obtained at: <https://eprocure.gov.in/eprocure/app>.

1. REGISTRATION

- 1) Bidders are required to enroll on the e-Procurement module of the Central Public Procurement Portal (URL: <https://eprocure.gov.in/eprocure/app>) by clicking on the link “Online bidder Enrolment” on the CPP Portal which is free of charge.
- 2) As part of the enrolment process, the bidders will be required to choose a unique username and assign a password for their accounts.
- 3) Bidders are advised to register their valid email address and mobile numbers as part of the registration process. These would be used for any communication from the CPP Portal.
- 4) Upon enrolment, the bidders will be required to register their valid Digital Signature Certificate (Class III Certificates with signing key usage) issued by any Certifying Authority recognized by CCA India (e.g. Sify / nCode / eMudhra etc.), with their profile.
- 5) Only one valid DSC should be registered by a bidder. Please note that the bidders are responsible to ensure that they do not lend their DSC’s to others which may lead to misuse.
- 6) Bidder then logs in to the site through the secured log-in by entering their user ID / password and the password of the DSC / e-Token.

2. SEARCHING FOR TENDER DOCUMENTS

- 1) There are various search options built in the CPP Portal, to facilitate bidders to search active tenders by several parameters. These parameters could include Tender ID, Organization Name, Location, Date, Value, etc. There is also an option of advanced search for tenders, wherein the bidders may combine a number of search parameters such as Organization Name, Form of Contract, Location, Date, Other keywords etc. to search for a tender published on the CPP Portal.

- 2) Once the bidders have selected the tenders they are interested in, they may download the required documents / tender schedules. These tenders can be moved to the respective „My Tenders“ folder. This would enable the CPP Portal to intimate the bidders through SMS / e-mail in case there is any corrigendum issued to the tender document.
- 3) The bidder should make a note of the unique Tender ID assigned to each tender, in case they want to obtain any clarification / help from the Helpdesk.

3. PREPARATION OF BIDS

- 1) Bidder should take into account any corrigendum published on the tender document before submitting their bids.
- 2) Please go through the tender advertisement and the tender document carefully to understand the documents required to be submitted as part of the bid. Please note the number of covers in which the bid documents have to be submitted, the number of documents - including the names and content of each of the document that need to be submitted. Any deviations from these may lead to rejection of the bid.
- 3) Bidder, in advance, should get ready the bid documents to be submitted as indicated in the tender document / schedule and generally, they can be in PDF / XLS / RAR / DWF/JPG formats. Bid documents may be scanned with 100 dpi with black and white option which helps in reducing size of the scanned document.
- 4) To avoid the time and effort required in uploading the same set of standard documents which are required to be submitted as a part of every bid, a provision of uploading such standard documents (e.g. PAN card copy, annual reports, auditor certificates etc.) has been provided to the bidders. Bidders can use “My Space” or „Other Important Documents“ area available to them to upload such documents. These documents may be directly submitted from the “My Space” area while submitting a bid, and need not be uploaded again and again. This will lead to a reduction in the time required for bid submission process.

Note: *My Documents space is only a repository given to the Bidders to ease the uploading process. If Bidder has uploaded his Documents in My Documents space, this does not automatically ensure these Documents being part of Technical Bid.*

4. SUBMISSION OF BIDS

- 1) Bidder should log into the site well in advance for bid submission so that they can upload the bid in time i.e. on or before the bid submission time. Bidder will be responsible for any delay due to other issues.

- 2) The bidder has to digitally sign and upload the required bid documents one by one as indicated in the tender document.
- 3) Bidder has to select the payment option as “offline” to pay the tender fee / EMD as applicable and enter details of the instrument.
- 4) Bidder should prepare the EMD as per the instructions specified in the tender document. The original should be posted/couriered/given in person to the concerned official, latest by the last date of bid submission or as specified in the tender documents. The details of the DD/any other accepted instrument, physically sent, should tally with the details available in the scanned copy and the data entered during bid submission time. Otherwise the uploaded bid will be rejected.
- 5) Bidders are requested to note that they should necessarily submit their financial bids in the format provided and no other format is acceptable. If the price bid has been given as a standard BoQ format with the tender document, then the same is to be downloaded and to be filled by all the bidders. Bidders are required to download the BoQ file, open it and complete the white colored (unprotected) cells with their respective financial quotes and other details (such as name of the bidder). No other cells should be changed. Once the details have been completed, the bidder should save it and submit it online, without changing the filename. If the BoQ file is found to be modified by the bidder, the bid will be rejected.
- 6) The server time (which is displayed on the bidders’ dashboard) will be considered as the standard time for referencing the deadlines for submission of the bids by the bidders, opening of bids etc. The bidders should follow this time during bid submission.
- 7) All the documents being submitted by the bidders would be encrypted using PKI encryption techniques to ensure the secrecy of the data. The data entered cannot be viewed by unauthorized persons until the time of bid opening. The confidentiality of the bids is maintained using the secured Socket Layer 128 bit encryption technology. Data storage encryption of sensitive fields is done. Any bid document that is uploaded to the server is subjected to symmetric encryption using a system generated symmetric key. Further this key is subjected to asymmetric encryption using buyers/bid opener’s public keys. Overall, the uploaded tender documents become readable only after the tender opening by the authorized bid openers.
- 8) The uploaded tender documents become readable only after the tender opening by the authorized bid openers.
- 9) Upon the successful and timely submission of bids (i.e. after Clicking “Freeze Bid Submission” in the portal), the portal will give a successful bid submission message &

a bid summary will be displayed with the bid no. and the date & time of submission of the bid with all other relevant details.

- 10) The bid summary has to be printed and kept as an acknowledgement of the submission of the bid. This acknowledgement may be used as an entry pass for any bid opening meetings.

5. ASSISTANCE TO BIDDERS

- 1) Any queries relating to the tender document and the terms and conditions contained therein should be addressed to the Tender Inviting Authority for a tender or the relevant contact person indicated in the tender.
- 2) Any queries relating to the process of online bid submission or queries relating to CPP Portal in general may be directed to the 24x7 CPP Portal Helpdesk.

Dy. Genl. Manager (FC & IA),
MTNL, Corporate Office,
New Delhi

Documents to be attached with the EOI:-

- I. EOI document fee
- II. Technical bid as per Annexure A
- III. Financial bid as per Annexure B
- IV. Bid Form as per Annexure C
- V. All eligibility conditions related qualifying certificates/proofs as mentioned in Technical Bid.
- VI. No-relative Certificate as per Section II of Eligibility Conditions
- VII. Bid Security Declaration (as per Annexure D).
- VIII. Any other relevant document as per T&C of EOI.

ANNEXURE-‘A’

SI No	Particulars	
1.	Name of the firm & addresses of the registered office of the firm along with no. for existence.	As per certificate issued by Institute of Chartered Accountants/ Cost Accountants of India. Proof of Regn. No.
2.	Date of formation of the firm.	As per certificate issued by Institute of Chartered Accountants/ Cost Accountants of India. Proof of Regn. No.
3.	No. of partners along with details	Latest certificate issued by the institute concerned along with partnership deed
4.	No. of qualified employees CA/ ICWA along with their names and qualification	Copy of certificate.
5.	Details of audit experience of Central PSU or Telecom Company as Internal Auditors or Statutory Auditors for the last seven years.	Work order and completion certificates of the respective PSUs
6.	Turnover of the firm for the last three financial years	P&L accounts of the company for the last three years
7.	Name of the contact person along with landline and mobile numbers	
8.	Permanent Account Number(PAN) of the firm	Proof
9.	GST Registration No of the firm	Proof
10.	E-mail address, Phone No and Fax No of the Head Office of the firm	
11.	Details of offices along with addresses in Delhi & Mumbai.	

ANNEXURE-‘B’

PROFORMA FOR FINANCIAL BID FOR INTERNAL AUDIT WORK

Details of Units in Delhi and Mumbai	Rate offered per Unit per Month (exclusive of GST)	GST as applicable
DELHI: (units in Delhi are as follows:) 1. Corporate Office 2. Wireless Unit 3. North 4. West 5. Central 6. Transyamuna 7. Nehru Place 8. Broadband/ LD/ VAS 9. Planning & MM 10. PCE 11. HQ		
Mumbai: (units in Mumbai are as follows:) 1. Zone 1 2. Zone 2 3. Zone 3 4. Zone 4 5. Zone 5 6. CETTM 7. Traffic-1 & LC 8. BD & MM 9. TCA & PF Unit 10. TRG, ICB & Banking 11. HQ 12. WS, Mumbai		

Note: The bidder shall quote for both Delhi and Mumbai units and the ranking will be decided on the basis of lowest offer received exclusive of GST. The distribution of units from L-1 to L-6 is also the prerogative of MTNL. Evaluation criteria of L-1 bidder will be as under:

Monthly rate quoted for Delhi x 11 units x 12 months plus

Monthly rate quoted for Mumbai x 12 units x 12 months

ANNEXURE-‘C’

BID FORM

Tender No. _____

Date: _____

To,
DGM(FC&IA)
Mahanagar Telephone Nigam limited
9, CGO Complex, Lodhi Road
New Delhi- 110 003

Dear Sir/ Mam

1. Having examined the conditions of contract and specifications including addenda Nos _____ the receipt of which is hereby duly acknowledged. We, undersigned, offer to supply and deliver _____ in conformity with the said drawings, conditions of contract and specifications for the sum shown in the schedule of prices attached herewith and made part of this Bid.
2. We undertake, if our bid is accepted, to commence deliveries within () months and to complete delivery of all the items specified in the contract within () months calculated from the date of issue of your purchase order.
3. If our bid is accepted, we will obtain the performance guarantees of a Scheduled Bank for a sum @ 3%of the contract value of the due performance of the contract.
4. We agree to abide by this Bid for a period of _____ days from the date fixed for Bid opening and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
5. Until a formal purchase order of contract is prepared and executed, this Bid together with your written acceptance thereof in your notification of award shall constitute a binding contract between us.
6. Bid submitted by us is properly sealed and prepared so as to prevent any subsequent alteration and replacement.
7. We understand that you are not bound to accept the lowest or any bid, you may receive.

Dated this _____ day of _____ 2021.

Name and Signature :

In the Capacity of :

Duly authorized to sign the bid for and on behalf of :

Witness :

Address :

ANNEXURE-‘D’

BID SECURITY DECLARATION

Subject: Declaration of bidder (other than MSME) in lieu of submission of Bid Security Deposit/ Earnest Money Deposit

Sir/ Mam

We M/s _____ are submitting this declaration in lieu of Bid Security Deposit/ Earnest money Deposit against MTNL Tender Enquiry No. _____ dated _____.

2. We do hereby declare that we will not withdraw or modify our bids during the period of validity of bid specified in tender document and if we are awarded that contract, we will sign the contract and submit a performance security of requisite amount before the deadline defined in the bids/ LOI.

3. We further declare if we are failed to comply as per our declaration at para 2 above, we M/s _____ will not be eligible to participate in the MTNL tender for any item/ product for one year from the date of issue of LOI. We will not approach the court against the decision of MTNL in this regard.

Signature of Authorised Signatory

Name _____

Address _____

Office Stamp _____

ANNEXURE-‘E’

List of Units in Delhi and Mumbai

DELHI UNIT:-

1. North
2. West
3. Central
4. Transyamuna
5. Nehru Place
6. Broadband/ LD/ VAS
7. Planning & MM
8. PCE
9. HQ

MUMBAI UNIT:-

1. Zone 1
2. Zone 2
3. Zone 3
4. Zone 4
5. Zone 5
6. CETTM
7. Traffic-1 & LC
8. BD & MM
9. TCA & PF Unit
10. TRG, ICB & Banking
11. WS, Mumbai

WS Units 2 (1 in Delhi and 1 in Mumbai)

Corporate Office- 1

Total:23 Units

ANNEXURE 'F'

MAHANAGAR TELEPHONE NIGAM LIMITED

SCOPE OF WORK

1. Cash & Bank Balances :

To confirm that –

- Cash in hand has been verified physically on monthly / quarterly / yearly basis and tallies with the cash book balances. A certificate should be given by the Internal Auditor in the cash book and signed by him.
- Monthly/quarterly/yearly balance as per cash book agreed with physical cash in hand and no unauthorized appropriation is made in physical cash balance.
- Revenue and Postage stamps and balance in franking machine is verified physically and certified by the concerned units. Entry for consumption of stamps is passed correctly in the accounts book on regular basis.
- Certificate for closing balance with bank is taken from the respective bank and balance agreement is done with MTNL records. Cheques collected but not remitted to bank is taken correctly under the had “ Cheques in Hand’.
- Comment on the utilization of weekly fund may be offered.

Bank Reconciliation:

- Review of Bank Reconciliation statement of Revenue and Operational A/c.
- Details of wrong debits / credits, cheques dishonored and bank charges is taken from the Bank and adjusted in respective bank book.
- Commission and other service charges debited by Bank is checked from records and no discrepancy is found its calculation.
- Delay in deposit of cash/Cheques & their realization may be commented upon along with loss of interest thereon.

2. Fixed Assets:

To Confirm that -

- Stock Register is kept for each item of Assets by the concerned unit officer.
- Fixed Assets Register is maintained in the proper format and kept up to date.
- Periodical verification of fixed assets is done and ensure that it is in agreement done with stock register and fixed assets register.
- Adjustment is made in the accounts book for excess / shortage/losses of assets and scrapped / unserviceable / decommissioned assets.
- Fixed Assets schedule is prepared in proper format. Inter unit transfer and

adjustment for difference in opening balance is taken separately in adjustment column in fixed assets schedule. Deduction from gross block and depreciation is made to the extent of original cost and accumulated depreciation in case of assets sold / decommissioned / scrapped. Such transaction is shown separately in the fixed assets schedule. The same shall be in the FMS duly complied with manual.

3. Depreciation:

To Confirm that –

- 100% depreciation is charged on assets of small value as under:
- Purchases below 5000/- (Rupees Five Thousand only)
- A & P, Training & Testing equipment upto Rs.10,000/-
- Partitions upto Rs.2,00,000/- (Rupees Two Lacs Only).
- Depreciation is worked out on pro-rata basis at following Rates:

Sl	Description of Assets	Present Useful life
1	Lease hold Land (to amortize in 99 years.)	
2	Building (i) Office Building (ii) Exchange Building	60 30
3	Electrical Fittings (i) A.C. – Window/ Split type/Package Type (Air Cooled) (ii) A.C.- Package Type (Water Cooled)/ Single Phase Elect. Motor/ Elec. Pumps (3000 RPM) (iii) Chilled Water Central AC Plants (Water Cooled)/ Mechanical Ventilation fans/ 3 phase elec. Motors/ Lifts / Fire Detection System (iv) Chilled Water central AC plants (Air Cooled)/ Diesel Engine Pumps above 10 HP (v) Ceiling Fans (vi) Exhaust Fans/ Table Fan/ Pedestal Fan/ Air Circulator/ Elec. Pumps – 1500 RPM/ Diesel Engine Pump up to 10HP/ MDF Tag Block NE/DP	10 10 10 10 10 10
4	Apparatus & Plants (i) (a) New Tech. Switching Equipments – OCB/EWSD/ESS/NGN, (b) Substation Equipment- HT/ LT Switcgear/ panels/ Transformers (ii) DLC/BBDLc/EPBAX/WLL CDMA Access (iii) MES Equipment/SDH Equipment/MPLS (iv) GSM Legacy Switch/ Wireless Equipments (v) Towers of Wireless Services	10 10 10 10 10 10

	(vi) Mast & Aerials	10
	(vii) Coaxial Equipment incl. Terminal, Repeater, Carrier, VFT	10
	(viii) PCM/ MUX & Data Modems/MDLN/MLLN/Modems	10
	(ix) Broadband Equipments-NOC/BBRAS/Tier 1&2/DeSLAMs	10
	(x) ADSL, VDSL and MES CPEs	10
	(xi) Power Plant- SMPs/Conduit wiring in coastal areas/ casing and capping wiring	10
	(xii) Power Plant- Conventional/ Engine Alternators up to 62.5 KVA	10
	(xiii) Power Plant- Output Cabinet	10
	(xiv) UPS/ Battery sets more than 200AH capacity	10
	(xv) Battery Sets up to 200 AH capacity	10
	(xvi) Engine Alternators above 62.5 KVA capacity	10
	(xvii) Subscriber Telephone Instrument	10
5	Cables	
	(i) Under Ground Cables (Electricals)/ Un-armored local cable	18
	(ii) Aerial Cable/ Submarine Cable	18
	(iii) Armoured Local Cable/ OFC, Unarmoured in HDPE pipe/ OFC	18
	(iv) Coaxial Symmetrical and other Trunk Cables	18
	(v) Aerial OFC	18
6	Lines & Wires	10
7	Furniture & Fitting	10
8	Motor Vehicles	
	(i) Motor Cycle, Scooter & Other Mopeds	10
	(ii) Motor Buses, Motor Lorries (Heavy Vehicles)	8
	(iii) Motor Cars (including electrically operated vehicles)	8
9	Office Equipment	
	(i) Printer/ Scanner/ Fax	5
	(ii) Teleprinters	5
10	Other Electric Installation & Equipments	10
11	Computer & Data Processing unit and IT Equipments	
	(i) Server/ Routers/ Switches	6
	(ii) Modems/ Misc Internet Equipments	6
	(iii) Laptop/ Desktop/ PC Terminal	3

4. Advances:

To Confirm that :

- Agreement of subsidiary records with general ledger done on monthly basis and action taken for adjustments in respect of expenditure already incurred during the year and recovery for delayed supply/execution of work or non performance for any other reason.

- Interest bearing advances is being recovered from the staff and others. Records maintained as per terms and conditions of the agreement and recoveries of principal amount made and interest is worked out correctly and outstanding amount of interest is being recovered and credited to 'Interest Received' in time.
- Tax is deducted at source on payment of advance to contractors, landlords and others as per income tax act and deposited in Govt. account in time.
- Leave cases of staff is settled and overpayment is worked out and taken under the relevant HOA. Action is taken to recover the amount from the staff and reason for heavy outstanding balance against staff to be ascertained.
- Temp. Advance and Imprest is reviewed periodically and expenditure incurred for the purpose it is taken and advance fully recovered / adjusted regularly.
- Accrued Interest on HBA has been calculated properly.

5. Personnel and Establishment :

- All the promotions, creation of posts, fixation of pay, Special Pay allowances and confirmation are according to administrative orders.
- The particulars of amounts held under objections and their subsequent adjustment by recovery are noted in the register and recovery particulars are entered in the register.
- The service books are being maintained & completed in all respect. Leave Account of employee is maintained upto date.
- Is an Index register for Service Books for staff of the unit maintained & complete? For staff posted to unit and transferred out & appointed – their service books are maintained properly and all the entries are made and noted therein.
- Have all the nominations in respect of DCRG / CPF /Pension/Family Pension / Insurance been obtained and kept on record in service Book.
- Have the retention / sanctions for the temporary posts obtained in all cases. Accordingly Scale check register has been maintained by the unit and may be critically examined . Any deviation / objections may be reported in the report.
- PIC is issued in each case.

6. Pension Cases:

- Whether annual verification of service of all the officials for previous years w.r.t. pay bills was completed and necessary certificate has been recorded in the service book.
- In respect of employees who have either completed 25 years of service or have 5 years of service left before retirement on superannuation whichever is earlier and period of qualifying service has been reviewed. In case of non-completion, whether action has been initiated to get the work completed.
- Whether a register of Pension cases is maintained to watch that various cut off dates are being followed strictly as per pension rules.
- Whether checking of calculation of Pension /DCRG / Leave encashment has been done and cases settled are with reference to prevailing rules applicable to MTNL/PSU.
- Cases where payment of pension is delayed should be reviewed and cause of delay identified and commented upon.

- Whether Head of Office is issuing forms of Pension/DCRG/Commutation and Nomination papers in time.

7. Current Liabilities:

To confirm that :

- Subsidiary records are maintained in respect of all liability heads and agreement done with the general ledger.
- Saving declaration forms of all the employees to be checked for Income Tax purpose.
- Income Tax is recovered at source at the time of credit to the account of staff and contractor and paid to Govt. account on due date. Agreement is done between the tax paid and amount shown in tax return filed in time.
- Liability for stores supplied, works done or service rendered by the suppliers/contractors or other parties for which no bill received or paid are provisionally adjusted with reference to available records, i.e. Purchase order, Proforma Invoice, Delivery Challan etc.
- GST is recovered correctly and paid through “MM” branch to Govt. Account on the due date and return filed in time.
- The Input Tax Credit (ITC) Rules are followed strictly and credits are availed.
- Stale cheques are transferred to the relevant HOA after the expiry of 3 months from the date of issue and recorded in a separate register. Any payment made from this account is done after detailed scrutiny and certification by customers with the consent of competent authority.
- Recoveries from salaries are remitted to the respective authority offices in time e.g. LIC, PLI etc. and CPF & EPF recoveries remitted to Corporate office by 3rd of following month through AO (TA).
- Provision for Pension contribution is to be made as per the percentage prescribed on the maximum of basic pay on corresponding BSNL scales for GPF optees. Similarly provision has to be made for Pension contribution and leave salary for non-absorbed employees as per FR/SR. Any payment to unabsorbed employees on superannuation for death as well as leave salary of leave availed while deputation are recoverable from DoT till terms of deputation are finalized. For all absorbed employees provision for Leave Encashment is to be made on actuarial valuation and Gratuity provision for CPF optees is to be made on actuarial valuation.
- Following Ind-AS related checks are to be specifically made:
 - (a) To check specifically viz Customer Relation Period (C.R.P), Expected Credit Loss (E.C.L.). Discounting Rate, Subsidiary ledgers vis-a-vis Schedules and Party wise ledger accounting, Tax accounting including GST and Input Tax Credit, Reconciliation of Debtors and Creditors balances, B.R.S, assets held for sale in Non-current assets etc.
 - (b) To check the GPF Trust, Gratuity Trust and Leave Encashment Trust accounts w.r.t.the investment timing, yields at which ROR is placed, the quality of investment, timely realization of instrument, maturity proceeds w.r.t. cases of non recovery of interest, principal amount of bonds repayment, debenture interest, dividend etc. as

- well as principal amount of maturity. All cases of overdue maturity principal amount of interest more than 90 days shall be reported in the report
- (c) Implementation of GST in MTNL that is w.r.t. the compliance part, carry forward of balances to GST with effect from 01.07.2017.

8. Expenditure:

To conform that :

- All fixed overheads i.e. rent, electricity, water, hiring charges, police escorts etc. are adjusted for four months.
- Any arrear bill paid on receipt of court judgement for Government orders is taken to the current year expenditure and also any bill upto Rs.1,00,000/- (Rs One Lakh) even for the previous year is to be charged to current year.
- 100% verification of Vouchers may be carried out – for their sanction & approval, Head of a/c. In case of Journal Vouchers – emphasis may be laid on narrations and proper reference vis a vis cash, bank voucher, ATC / ATD etc.

9. Audit Compliance :

- To ensure that all paras of audit memos & half margins are complied with. Also ensure that qualifications as given in the audited accounts of Delhi / Mumbai are not repeated.
- Whether costing records are maintained as per the provision of Companies Act.

10. Intern-Unit Transactions:

- To ensure that inter unit balance with other areas are confirmed and ATD raised by the unit are acknowledged.

11. Work in progress:

To confirm that :

- Proper records is maintained for sanction of estimate and actual expenditure incurred / booked under WIP.
- Expenditure incurred for capital works has only been taken in WIP and maintained expenditure charged in the year of transaction made.
- Confirmation for status of on going works taken on regular basis from respective unit officer and reconciled with records.
- Spill over / surplus store adjusted based on intimation / ACE-5 received from units.
- Age-wise analasys of pending balance in Work-in-Progress to be reported:

- < 6 Months
- 6 months- 1 Year
- >1<2 Years
- >2<3 Years
- >3 Years

12. Capitalization and scrapping & Insurance of Assets:

To confirm that :

- Fixed asset is capitalized as per certificate of the unit officer, wherever applicable.
- Land is capitalized when possession of land is taken. Free hold and leasehold land is shown correctly and separately in Accounts and Fixed Assets Schedule.
- Building is capitalized to the extent it is ready for use.
- A & P is capitalized as and when the exchange is commissioned and put to use in full or in part.
- Lines & Wires are capitalized as and when erected or laid and to the extent of completion certificate issued.
- Cable is capitalized as and when ready for connection to the main system.
- Vehicle & Other items not forming part of the project and capitalized as and when purchased.
- Temporary sheds and maintenance tools are charged to revenue and not capitalized.
- Expenditure on replacement and rehabilitation work is capitalized if enhancement in revenue earning capacity is certified by the unit officer.
- Electrical works executed through DOT is capitalized based on certificate from DOT electrical wing or consignee unit. Provision is made for estimated liability on jobs completed but not billed.
- Full amount of cost of assets is capitalized even though payment is made in part but item received in full as per purchase order by taking the unpaid amount as liability in books.
- Scrapping of assets is done as per rules of the company and scrapped assets sold are removed from Gross Block and sale proceeds are properly accounted for by Unit concerned instead of simply booking as revenue.
- Insurance of assets is available and claims of losses are raised in time and settled on time and status of insurance claims.

13. Inventory:

To confirm that :

- Physical verification of inventory done and item wise list showing quantity of stores in hand and value prepared and reconciled with general ledger and priced stores ledger.
- Excess / Storage / Crapped / Unserviceable / Slow Moving items identified and adjusted in the books .
- 100% cost charged to inventory items on receipt of stores even though part payment made to the suppliers.

- Items under stores in transit are not kept for more than 15 days and value agreed with relevant general ledger HOA.
- Adjustments made for exchanges decommissioned / assets scrapped during previous year and also for the sale / action of these stores during this period.
- Scrapped assets are taken at written down value or market value whichever is low and loss, if any, is adjusted under loss. Final adjustment under profit or loss will again be made in the year of sale.
- Provision for slow/ non-moving and obsolete store are done.

14. Telephone Revenue Account :

(a) Land line and Broadband:

To confirm that :

- Revenue assurance of all billed amount for fixed line services, Broadband Services and other value added services.
- Bills are issued in respect of all working connections of the area and accounted for as revenue under the concerned detailed heads. “No Master Cases” may be examined and action taken to complete them may be commented upon.
- Adjustment made under “Misc. Income” as per computer output is taken under the concerned liability and deposit heads.
- Opening balance of accrued debited to the revenue for the year under the respective heads and accrued revenue for the year is worked out based on computer output and exchange records and adjusted in the concerned revenue heads.
- Opening balance of advance revenue credited to the respective revenue heads and income received in advance during the year is not taken as revenue and transferred to advance revenue head.
- Proper billing of broadband usage, accounting and revenue assurance.
- In case of private local /STD PCOs full amount of revenue is accounted for and commission paid to the PCO holder is taken as expenditure item separately.
- In case of Deptl. CCB PCOIs collection efficiency as compared to exchange meter reading is not abnormally low.
- In case of EPABX / PABX/ PBX bills are issued for services provided to all the customers except service connections, amount collected and accounted for correctly under the proper account code.
- Surcharge collected/cancelled on bills taken under the detailed surcharge heads.
- GST is calculated correctly in computerized bills / supplementary bills and demand notes issued by TRA and commercial branch credited to the relevant HOA by debiting the relevant HOA and balance under both the heads agreed with computer outputs.
- Adjustment made from voluntary deposit on account of outstanding telephone bills and other charges due from customers is transferred to the debtors head and balance of voluntary deposit is agreed with the computer output.
- Proper amount of Security Deposit is taken from the defaulting customers whose outstanding is abnormal and cheques for payments are frequently dishonoured by bank.

- Reconciliation of billed calls and metered calls.
- Comment on disconnection for nonpayment of bills may be given whether the disconnection has been done on time.
- Incase of value added services and other services chargeable from subscriber are billed or not.
- Accounting of VCC cards, remittance, stocks etc.
- Reconciliation of money collected at QCSC's i.e. sale of VCC, BOL, Anmol, Trump Recharge coupons, TR collections, Dolphin connections etc. and remittance thereof.
- Pursuit of Old outstanding, DOD/DID Billing, Clearance of payment errors, generalizing of ABF, Analysis of Sundry Debtors booking in Trial Balance, Write off of Bad debts.
- Review of journalizing of Refund transaction with reference to outstanding bills, calculation of advance income, journalizing of income relating to Mobile services, Pursuit of Court cases may be commented upon.
- Proper accounting of GST and Input Tax Credit (ITC) and also credits due to CGST, SGST & IGST and online return filing.
- Correct application of revenue recognition principal as per IND-AS.

(b) IUC Billing:

- All the payments & Receipts under IUC billing are to be properly checked and accounted for.
- To check all the billings for IUC is properly done.
- IUC reconciliation (internal/external efforts with other operators)-from WS unit.
- Revenue assurance of all billed amount.

(c)Leased Line/ Enterprise Business:

- Billing for all leased line and enterprise business cases.
- Debtor reconciliation
- GST reconciliation
- Revenue assurance of all billed amount.

(d)GSM:

- GSM Revenue Billing for post paid and Accounting and Revenue reconciliation.
- Sale of Post paid SIM and Re-charge coupons and reconciliation thereof.
- Debtors reconciliation.
- GST reconciliation and accounting.
- Stock verification of GSM Instruments and reconciliation.
- All the payments and receipts under IUC billing including SMS are properly checked and accounted for.
- Bulk SMS billing, revenue assurance, accounting, SMS IUC Billing and payments.
- Revenue assurance of all post-paid, Pre-paid, IUC, Bulk SMS, VAS and other revenue items.
- Settlement, accounting of national roaming claims of other operators.

- Settlement, accounting of international roaming receipts / claims of other operators.
- Stock verification of SIM Cards and reconciliation.
- Disposal of time barred Re-charged coupons
- Calculation of WPC and License fee.
- Roaming billing for inward roamers.
- Other items: (1) Checks of Billing, Recovery and Reconciliation of building rent recovery.
- (2) License fee and spectrum fee proper computation and accounting.

15. Current Assets:

To confirm that :

- Sundry debtors for surcharge and GST is taken under the correct heads in accounts books and agreed with the computer output.
- Sundry debtors contain debtors outstanding against bill issued after 1.4.86 i.e. MTNL periods and also does not include DOT/MPs constituency outside Delhi / Sterling / UDI or M & N debtors. It is agreed with the sub ledger. (Computer output).
- Cheques collected during, previous year but dishonoured before the date of periodical / annual closing of accounts of the area is taken under sundry debtors.
- Ageing of debtors is done after review provision is made for doubtful debts in the books.

16. Monthly Revenue:

- Vouching of cash, bank, advances, purchases and salaries.
- Bank reconciliation.
- Reconciliation of subsidiary ledger with general ledger.
- Reconciliation of fixed expenditure heads with subsidiary records.
- Reconciliation of verification of stock and assets.

17. A. Building – Owned Building:

- Whether a register of buildings is maintained and updated indicating further additions / alternations, sale, abandonment, change of ownership are recorded.
- Whether any portion of the building owned was let to any private firm/ person and if so whether Rent and other Municipal taxes are being realized as per agreement entered in this regard and such agreements are renewed periodically.
- Classification of expenditure in respect of Telecom Building is as per the provision in accounting / purchase policy of the MTNL.
- Whether Inventory of electrical fittings is maintained.
- A register of furniture is maintained which must contain the details of all furniture. It is to be seen that whether physical verification of furniture is conducted every year.
- Whether exchange and stores lying at site are fully insured.
- Whether the lease charges & property taxes (if any) for buildings and vacant plots are being paid regularly on time to avoid penalties and subsequent cancellation of plots.

B. Hired or Leased :

- Whether proper lease deed has been executed by the lessee and deposit have been properly accounted for.
- Whether the lease deed has been renewed on due date and administrative approval / sanction have been taken to renew the lease.
- The rate of licence fee fixed is being paid by the lessee on due dates.

(C) . Staff Quarters :

- Review the allotment registers to see that the allotments are made as per seniority and wherever deviations are made, the competent authority's approval is obtained.
- Review the quarters register to see whether any quarters are lying vacant / un-allotted for long periods. Find out whether proper justification exists for non-allotment of quarters.
- See that there is no delay in receipt of advance from civil department about taking over / vacation of quarters and in advising Accounts thereof and rent recoveries are regulated according to allotment rules.

D. Guest Houses:

- Check the register of furniture & fixtures with reference to Fixed Assets Register , Register of Occupation, Register of Trunk Calls, Property Register for crockery, utensils, Linens & other consumables etc.
- See that the register of occupation is properly maintained and proper rates of room rent etc. are charged & bringing out the short recoveries / discrepancies, if any. The Guest House collections are remitted promptly to the Accounts Department.

18. Electricity :

Comments of Power consumption / load :

- Sanction load vis-à-vis consumption load is as per standards. If the consumption load is more than the sanctioned load – Action has been taken to get the additional load sanctioned from the Electric Company.
- If the consumption load is far below the sanctioned load – charges (if any) paid by MTNL for power factor may be examined.
- Whether the electricity connection is temporary or permanent. If any case for temporary connection is detected – Action taken to get permanent connection by the unit concerned.
- Checking utilization of Diesel in exchanges in the event of power cuts with reference to records and comments on adequacies.

19. I.T. & I.S. Auditing :

A. HARDWARE :

- Whether any contract exists for equipment maintenance.
- If 'Yes' whether it is first line of maintenance or second line maintenance.
- What is the down time per month between the two, in terms of hours and minutes and separate down time during the second line maintenance peripheral-wise?
- Whether any contract exists for the maintenance of the A/C plants – any tender called for – how it is decided, to whom and at what rate is it given ? What are the terms and conditions ? Any down time for the A/C maintenance and reason thereof.
- Whether any contract exists for procurement of consumables like ribbons etc. for line printers, procedure followed thereof and how these are accounted for etc.
- Procedure in regard to procurement of different type of Bands for Line printers and maintenance of utility registers.
- What is the procedure followed for proper control on the inventory of computer spares – ways and means to procure them, Utility details and Register of Maintenance etc.

B. Software – CSMS:

- What is the currency of wait listed exchanges updation regarding commercial file preparation in respect of additions, deletions, modifications and shifts?
- Whether any watch is kept on the error list thrown out in the billing operations for its re-feeding etc. by the TRA in area.
- How is the DQ maintenance carried out regarding updation of Directory Master file.
- Whether detailed documentation of all the application programs are kept.
- Whether any register is maintained to clearly indicate the authenticity of all modifications and if so, the orders of the competent authority be indicated.
- Whether any documentation for all the billing application program exists.
- Any modification done to the existing programs has got proper order from the competent authority - any registers / files are maintained to denote these particulars.
- Whether any requests are coming from the TRA units etc. for improvements or modifications to the existing programs and if so, what actions is taken ?
- Whether log book analysis is done on manual basis in the area.
- Whether ringing and Disc. Lists are produced within a reasonable time from the date of issue of the bill and if not , what action is taken to gear up the machinery – AO (TR) in area.
- While processing whether all the checks and pre-checks are being verified for all the runs and if so, whether any register is being maintained and reviewed – AO (CSMS) in area.
- For important runs of the billing system, whether proper back up policy is there or not to fall back in case of necessity.

- Whether any tape / MOD/cartridges / STD / ISD register or loose leaf ledgers maintained and updated.
- After the billing process is over, whether a list of 'No Master Cases' is taken out for review.
- Whether reconciliation on Metered & Billed Calls is being done.
- What is the procedure adopted for checking the output produced and whether there are any exception report produced after each billing period.
- Whether any time schedule followed for handing over to the mailing agency etc.
- Whether bills for high callers being checked by AOTRs for further disposal.

C. SOFTWARE – WFMS:

- Any correction in amount / Cheque No./HOA should be done by authorized officer.
- For security of the system, User password must be changed frequently on need basis.
- Since bank reconciliation for the operational bank account is done, the same may be examined for correctness.
- Reconciliation of Loans & Advances is to be critically examined with reference to manual registers and recovery register. The interest application on advance must be checked for its correctness.
- In case of Transfer / posting, the LPCs issued by the unit should be checked for balance of advance / interest for the outgoing / coming officer.
- Similarly, Income Tax deducted, GPF / CPF transferred must be checked for its correctness.
- For Budget control, the programs available in the WFMS may be studied and any deviation may be pointed out in the report.
- In case of Inter-Unit Transaction (Schedule 51, 52, 54 & 55) may be studied and variables may be reported in the report for reconciliation.

20.The Internal Control Audit:-

The internal auditor has to audit and report the existence and effectiveness of the Internal Control Systems and adequacy or otherwise of the same with focus towards improving the internal control structure as well as promoting better corporate governance and also evaluation of the enterprise risk management. It includes evaluation of efficiency and effectiveness of the controls and reporting test results and recommending new controls wherever required including those of IT System in respect of ERM the process at various levels are to be reviewed.

22. Internal Auditor has to look into the matters where there is suspected fraud or scope of irregularity or a failure of internal control systems of the material nature and shall report such matters to management immediately through special report within shortest possible time.

23. Companies Act 2013, while giving statutory recognition to the Internal Audit and making it mandatory for certain class of companies vide Rule 13 of the Companies

(Accounts) Rules 2014, recognizes the importance and usefulness of Internal Audit by providing that the report of Board of Directors shall contain the details in respect of adequacy of Internal Financial control with reference to the Financial Statement (sub rule 4 and 5) of Rule 8 of Companies (Accounts) Rules 2014. IA firms, therefore, to check the ICFR testing with test sampling report.

24. All the above activities in preparation of accounts under the IND AS principles and the compliance with reference to accounting and disclosure as per IND AS shall also be checked and confirmed in the Internal Audit report.

25 Miscellaneous: Any other items of works or specific or special task assigned exclusively with reference to any of the above subject matter mentioned or any other issue although not mentioned related to above broad scope of work.
