



नेशनल टेक्सटाइल कॉर्पोरेशन लिमिटेड

NATIONAL TEXTILE CORPORATION LIMITED

(भारत सरकार का उपक्रम)

(A GOVERNMENT OF INDIA UNDERTAKING)

CIN : U74899DL1968GOI004866

पंजीकृत कार्यालय
कोर-4,
स्कोप कॉम्प्लेक्स,
7- लोदी रोड,
नई दिल्ली -110003

Registered Office,
Core-IV,
Scope Complex,
7-Lodhi Road,
New Delhi-110003

**NOTICE INVITING CHARTERED ACCOUNTANT/COST ACCOUNTANT FIRMS FOR APPOINTMENT AS
INTERNAL AUDITORS OF 11 UNITS SITUATED IN SOUTHERN INDIA AND ONE UNIT IN MADHYA
PRADESH FOR FY 2021-22 & 2022-23**

Reference: Tender No. NTC/IA/21-22/22-23 dated 13.04.2022

National Textile Corporation Limited intends to appoint Chartered Accountant/Cost Accountant firm as Internal Auditors for undertaking the Internal Audit work of our **10 Mills and 1 Regional Office in SRO situated in southern India and 1 Mill situated in Madhya Pradesh of India** for the FY 2021-22 and FY 2022-23.

Interested Firms with requisite experience may submit their bids within 15 days i.e. latest by 28.06.2022, 03:00 P.M. at the following address:

Deputy General Manager (Finance/Internal Audit), National Textile Corporation Limited, 6th, Floor, Core IV, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003, Telephone: 011-24360101 / 2622

Detailed Scope of Work, Pre-Qualification Criteria and other details are available at our website www.ntcltd.org. Corrigendum if any will be available on our website/ CPPP portal only.

NATIONAL TEXTILE CORPORATION LIMITED

(A GOVERNMENT OF INDIA UNDERTAKING)

Registered Office: Core IV, Scope Complex, 7-Lodhi Road, New Delhi-110003

Tender for Appointment as Internal Auditors for undertaking Internal Audit work of units situated in Southern India and 1 unit in Madhya Pradesh.

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Introduction

National Textile Corporation Limited, (hereinafter referred as “NTCL”) is a schedule “A” Central Public Sector Enterprise under the Ministry of Textiles, Government of India, having turnover of approx. Rs 1100 crores, engaged in production of yarn and fabric through its 23 mills in operation, located all over India with 8.03 lakhs spindles and 408 looms producing around 550 lakhs kgs of yarn and 200 lakhs meters of fabric per annum.

The textile industry has been hit adversely by ongoing Covid-19 Pandemic resulting non-operation of Mills for past 1.5 yrs which in turn have resulted reduced number of transactions in Mills.

Overview of Internal Audit

With a view to have independence of the internal audit and to further strengthen the internal audit system, the Corporation proposes to appoint reputed, well experience Chartered Accountants/ Cost Accountants firms having certificate of practice for not less than 5 years to undertake the internal audit work of units situated in Southern India and Madhya Pradesh.

Internal audit is an independent appraisal function of the Corporation. It objectively examines, evaluates and reports on the internal control systems after thorough verification. The internal auditor should identify and evaluate the organization’s internal control system as a basis for reporting upon its adequacy and effectiveness.

The internal auditor should ensure adherence to management policies and directives, safeguard of assets, completeness and accuracy of records and compliance with statutory requirements etc. He should be able to exercise judgment, express opinions and present recommendations with impartiality. The internal audit, notwithstanding his employment by the Corporation, should be free from any conflict of interest. Internal auditor should ensure coverage of all areas mentioned in the scope of work. Standard Checklist provided as **Annexure “VIII”** should also be submitted along with the Internal Audit report. **(Standard Checklist is supplementary to the main Internal Audit Report).**

Before issuing the final report, the internal auditor should normally discuss the contents with the Unit Head, and may submit a draft report to them, for confirmation of factual accuracy and their comments. He should ensure that arrangements are made to follow up audit observations to monitor what action has been taken on them.

Final internal audit report along with its Unique Document Identification Number (UDIN) is required to be submitted to the HO under copy to respective unit and regional office. The Audit report should include audit findings, Comments of the branch, recommendations and conclusions of the audit.

Scope of Work

Detailed Scope of Work has been provided as:

- Scope of Internal Audit for Mills as Annexure ‘VI’.
- Scope of Internal Audit for Regional Offices as Annexure ‘VII’.

Tender Notice

NTCL invites sealed tenders under two bid system from **Chartered Accountants/Cost Accountants firms** for the Appointment as internal auditors of its units situated in Southern India and one unit situated in Madhya Pradesh **for FY 2021-22 & 2022-23**. (List of units to be audited by Internal Auditors is annexed at Annexure “IX”) The tender bids enclosing necessary documents may be addressed to:

**Deputy General Manager (F/IA),
National Textile Corporation Limited,
Core IV, Scope Complex,
7-Lodhi Road,
New Delhi 110003**

so as to reach on or before 03:00 P.M., 28/06/2022. The tender may also be dropped in Tender Box placed at Reception of the NTCL. The tenderer should sign and seal in all pages of the tender. NTC shall not be responsible

for any expense incurred by bidders in connection with the preparation and delivery of their bids or any other expenses incurred during the bidding process.

Tender Submission-Two Cover System

1. Tenders should be addressed to DGM (F/IA), Head Office, New Delhi by designation only. Tender should be submitted in following manner:
 - **Envelope A** - (Technical Bid with all enclosures and EMD)
 - **Envelope B** – (Financial Bid)
 - **Envelope C** - Containing both **Envelope “A” & Envelope “B”**
4. Each envelope should be essentially super scribed as **“Tender for Appointment as Internal Auditor for undertaking Internal Audit work of<<Unit Name>>located at<<Unit Address>>”,** as the case may be and should bear the full address of tenderer at left side bottom.
2. The tenderer should submit the tender for each unit separately if applying for more than one unit. A tenderer may submit the tender for maximum of **three (03) units**.
3. Tender can also be submitted on or before the due date and time specified in the tender notice in the TENDER BOX kept at Reception of NTCL.

Alternatively, the tenderer who prefers to submit the tender through post can dispatch the same through Registered Post or Courier so as to reach the above address on or before the due date and time. Tenders received after the due date and time, for what so ever reasons will not be considered, and NTCL will not be liable or responsible for the same.

Due Date & Time

The sealed tenders should reach on or before due date. If the last day happens to be a holiday due to any unforeseen reason the due date would be next working day. The tender received after due date and time or unsealed or incomplete or by electronic mail will be rejected.

Location of Tenderer (Firm)

The Tenderer (Firm) should **have Registered Office / Branch Office in the same state of our unit/s** for which tenderer is sending the bid.

Eligibility Criteria:

Appointment as Internal Auditor

- Should have their Branch Office/ Registered Office in same state of unit applied.
- Firm must be a Partnership Firm/ LLP.
- Firm must have experience in Government/ PSU/ Autonomous organization.
- Firm must have experience in manufacturing sector (preference will be given to the firm having experience in textile sector).
- Firm must have a certificate of practice for 5 Years or more as partnership firm/LLP.

Earnest Money Deposit

Tenderer shall enclose Crossed Demand Draft / Pay Order / Banker's Cheque drawn on any Scheduled Bank in favour of “NATIONAL TEXTILE CORPORATION LIMITED”, payable at New Delhi as non-interest bearing Earnest Money Deposit amounting to Rs. 5,000/- (Rupees five thousand only) per unit with Technical Bid. Technical bid without EMD shall be rejected. If tenderer is sending bids for more than one unit then each technical bid for a unit must be accompanied with EMD of Rs. 5000/-.

On opening Technical Bid Envelope, if it is found that Earnest Money Deposit is not enclosed, and then the bid will be rejected; unless **any category of Tenderer specially exempted by the Government from the payment of Earnest Money Deposit reasons and proof of the same has to be enclosed.**

Refund of EMDs to Unsuccessful Tenderer:

The EMD of Rs 5,000/- of the successful Bidder shall be released after successful completion of internal audit work allotted. The EMD of Rs 5,000/- of the unsuccessful Bidder shall be released within 30 days of the opening of financial Bid.

Tenderer are required to furnish the details of Bank i.e. Name of the Bank, Bank Account Number & Name of Branch with IFSC Code for refund of EMD.

The Earnest Money Deposit/Security Deposit will be forfeited if:

- I. Tenderer withdraws his bid or backs out after acceptance.
- II. Tenderer does not accept assignment after he is selected as L1 and appointment letter is already issued.
- III. Tenderer violates any of the conditions prescribed in the Tender Document.
- IV. Tenderer changes any of the terms, during validity period.

If the tenderer neglects or refuses to accept their rates quoted after submission of their tender or to comply with any of the conditions of the tender, the earnest money deposit already paid will be forfeited.

Technical Bid (Envelope A)

The Technical Bid as prescribed in Annexure I should be filled up along with all the enclosures specified below in a sealed separate envelope (Envelope A) along with all the enclosures specified as under:

- i. Submission letter of tender document.
- ii. Demand Draft for EMD
- iii. Technical Bid for Internal Auditor along with self-attested documents mentioned in format.
- iv. A copy of cancelled cheque for the purpose of refund of EMD.
- v. Bid Undertaking.
- vi. Declaration at Annexure 'V'

Financial Bid (Envelope B)

The financial bid as prescribed in Annexure 'III' should also be filled up and sealed in a separate envelope (Envelope B). **Financial Bid of only technically qualified tenderer will be opened.**

Audit Fee

Internal Audit Fees should be quoted inclusive of TA/DA/Boarding/Lodging etc. and exclusive of applicable Taxes, if any. The audit fee quote should be indicated clearly both in Figures and in Words. If there is any variation between the audit fee quoted in Figures and Words then audit fee quoted in figures will be considered for evaluation.

Audit fees annexed at Annexure 'X' may be considered as minimum annual audit fee for Mills/HO/ROs. Due to the ongoing non-operation of Mills since Covid-19 induced lockdown and consequent reduced number of transactions, Minimum Annual Audit fee has been kept as same as of previous year i.e. FY 2020-21.

Envelope C

Envelope A & B should be kept in Envelope C and Envelope C should be essentially super scribed as **“Tender for Appointment as Internal Auditors for undertaking Internal Audit work of<<Unit Name>>located at<<Unit Address>>”** and should bear the name, full address and contact no. of tenderer firm at left side bottom of Envelope.

Opening of Tender and Evaluation thereon

Tenders will be opened at 11:00 A.M ; 29/06/2022. Evaluation of technical Bid-I shall be as per eligibility criteria and financial Bid of the tenderer shall be opened only if it qualifies the technical Bid-I.

Commencement of Internal Audit

Selected firm will be issued Appointment letters in hard as well as soft copies. Firm is required to send their consent via e-mail to internal_audit_ho@ntcltd.org within 07 days of receipt of Appointment Letter. If consent is not received during specified time period then it would be assumed as accepted. The internal audit should commence immediately after closing of the respective reporting period.

Submission of Internal Audit Reports

Internal Audit reports should be submitted as per the schedule mentioned below for each year:

Financial Year	Reporting period	No. of Reports
2021-22	Annual	1
2022-23	Half-Yearly	2

- Hard copy in triplicate – one copy to In-charge of the unit; one copy to Regional Office; one copy to DGM (F/IA), Head Office at New Delhi;
- Soft copy by e-mail to internal_audit_ho@ntcltd.org

General Terms and Conditions

- Bids are valid for 90 days from the opening of the Bid.
- Firms who have submitted their bids in Tender No. NTC/IA/21-22/22-23 published on 13.04.2022 within the stipulated time, for the units mentioned in Annexure “X” need not to apply again as it will be considered.
- In case audit performance is not found satisfactory, the firm can be removed after giving one month notice during the engagement period of one year. In this case the next firm in the line of L-1 shall be called upon to accept the engagement provided he agrees for L-1 fees.
- The assignment of internal audit of units have been clubbed wherever necessary considering volume of work and location.
- Partially filled technical bid forms will be rejected.
- Tender of Proprietor firm will be rejected.
- All tender documents listed in tender documents must be enclosed the bid.
- Firm should sign and seal relevant annexures wherever their signatures are required.
- Firm having any partner who has retired from the services of NTCL in the last two years prior to FY 2021-22 shall not be considered for this engagement as it affect the independency of internal audit.
- Firm who was assigned the job of internal / statutory / cost /GST audit in any of the units for 3 consecutive years prior to FY 2021-22 shall not be considered for this engagement of appointment in any unit across India.
- Failure to furnish all information required as per the Bidding Document may result in the rejection of the Bid.
- NTC 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 assigning any reason whatsoever, without thereby incurring any liability to the affected Bidder or Bidders or without any obligation to inform the affected Bidder or Bidders of the grounds or the reasons for the said action.

Confidentiality clause

The successful bidder must not disclose the confidential information obtained from the corporation to anyone unless required to do so by law and shall maintain confidentiality. The successful bidder to whom the work is allotted shall carry out the job at their own and shall not sub-let this work to any other Agency/Organization.

Jurisdiction in case of Disputes

In case of any dispute, jurisdiction of courts at New Delhi shall be final and binding upon the parties.

Further clarification w.r.t tender may be sought from the office of **Deputy General Manager (Internal Audit), National Textile Corporation Limited, 6th, Floor, Core IV, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003, Telephone: 011-24360101 / 2622.**

<<To be submitted on the letter head of the Firm>>

Technical Bid for Internal Auditor

Contact details of the Firm	Name: _____ Office Address: _____ _____ City: _____ Pin Code: _____ Office Telephone No: _____ Mobile No: _____ Email: _____ Website: _____
Income tax Permanent Account Number (Self attested Copy of the same shall be enclosed)	
GST No. (Self attested copy of the same shall be enclosed)	
Details of the Firm: 1. Whether LLP or Partnership firm; 2. Date of establishment / incorporation of firm; (as partnership firm/ LLP) 3. No. of partner(s): 4. No. of qualified audit staff: 5. No. of articled clerk:	
Whether firm is having certificate of practice for not less than 5 years as partnership firm or LLP. If Yes, then enclose Self attested copy of the registration certificate.	Yes / No
Details of Earnest Money Deposit Amount	Rs. 5,000/- (Rupees five thousand only) drawn on _____ vide DD / PO / BC No. _____ dated _____ in favour of National Textile Corporation Limited.
Whether engaged as internal / statutory / cost /GST auditor of any of the units of NTC in the last three years prior to FY 2021-22.	Yes / No

If Yes, then give details thereof (Name of the unit, nature of the assignment and FY under audit).	
Whether any partner of the firm has retired from the services of NTC in the last two years prior to FY 2021-22. If Yes, then give details thereof (Name of such partner and date of retirement from NTC).	Yes / No
Whether having experience in internal audit of Public Sector companies, especially manufacturing units during the last 5 years. (Preference to be given to a firm having experience in textiles sector). If Yes, then give number of such assignment along with short brief thereof and <u>enclose stamped copy of completion certificate of assignment issued by PSU or Central / State Govt. Department.</u>	Yes / No
The firm / any partner should not have been convicted in any disciplinary proceedings / criminal case by regulatory authority / court in connection with professional work. Bidder should not be in black list of any PSU or Central / State Govt. Department. Bidder to submit an undertaking in this respect as per attached format.	Undertaking attached : Yes / No
The firm should have office / branch office in the same state of our unit. (Complete address of the branch office along with the details of contact person and his phone number should be submitted on letter head of the Firm).	Complete Address and other details attached : Yes / No
Details of Bank for refund of EMD: Name of Account holder; Account number; Name of Bank; Name of Branch; IFSC code; (enclose a copy of cancelled cheque)	

Signature and seal of tenderer:

Name:

Capacity /authority to sign:

Full address:

<<To be submitted on the letter head of the Firm>>

Format of Undertaking to be submitted along with Technical–Bid Undertaking

We hereby confirm that all the documents submitted in this tender are authentic, genuine, copies of their originals and have been issued by the issuing authority mentioned above and no part of the document(s) / information is false, forged or fabricated.

We hereby confirm that our Bid complies with the total technical-commercial requirements/ terms and conditions of the Bidding Document and subsequent addendum/corrigendum (if any), issued by NTC, without any deviation/ exception/ comments/ assumptions.

We hereby confirm that we are not under any 'liquidation', any 'court receivership' or similar proceedings and 'bankruptcy'. We hereby confirm that firm / any partner has not been convicted in any disciplinary proceedings / criminal case by regulatory authority / court in connection with professional work. We further confirm that, we have not been in negative list / blacklisted by any Public Sector Undertaking / Government Organization / NTC. We also confirm that the contents of this Tender have not been modified or altered by us. We agree that if any noticed in future, our Bid may be rejected / terminated.

We hereby confirm that we have gone through and understood the Bidding Document and that our Bid has been prepared accordingly in compliance with the requirement stipulated in the said documents.

Date:

Signature with seal of the firm

Place:

Name & Full address of the firm:

<<To be submitted on the letter head of the Firm>>

Financial Bid

Tender for Appointment as Internal Auditors for undertaking Internal Audit work of <<Unit Name>> located at <<Unit Address>>

1. I/we hereby submit our Financial Bid for professional fees for undertaking appointment as Internal Auditor of <<Unit Name>> located at <<Unit Address>> .

Particulars	Professional Fees (In Rs)
Internal Audit fees for undertaking appointment as Internal Auditor of <<Unit Name>> located at <<Unit Address>> .	
(In words: Rupees _____)	

2. The Internal audit fees quoted above is inclusive of TA/DA/Boarding/Lodging etc.
3. The Internal audit fees quoted above is exclusive of all applicable taxes.
4. Audit fees will be paid on submission of bill along with the Internal Audit Report.

We hereby agree with all the terms and conditions of the tender and we hereby undertake to abide by same.

Date:

Signature with seal of the firm

Place:

Name & Full address:

<<To be submitted on the letter head of the Firm>>

Submission letter of Tender Document and Declaration

Date: _____

To,
Deputy General Manager (Internal Audit),
National Textile Corporation Limited,
6th, Floor, Core IV, SCOPE Complex,
7, Lodhi Road,
New Delhi – 110003

Sub: Tender for Appointment as Internal Auditors for undertaking Internal Audit work of <<Unit Name>> located at <<Unit Address>>

Dear Madam,

1. We have read and understood all the terms & conditions of the tender and other instructions and hereby undertake to abide by them.
2. We are enclosing herewith, Demand Draft / Pay Order / Bankers' Cheque No. dated _____ in your favour, towards earnest money deposit of **Rs.5,000/-**.
3. We have filled, numbered and signed each page of the tender documents and the same are enclosed here with.

Signature and seal of Tenderer:

Name:

Capacity /authority to sign:

<<To be submitted on the letter head of the Firm>>

Declaration for forfeiture of EMD

Date: _____

To,
Deputy General Manager (Internal Audit),
National Textile Corporation Limited,
6th, Floor, Core IV, SCOPE Complex,
7, Lodhi Road,
New Delhi – 110003

Dear Madam,

I/We<<Name of Firm>>hereby declare that I/We will be liable for forfeiture of earnest money in following conditions:

- I. Tenderer withdraws his bid or backs out after acceptance.
- II. Tenderer does not accept assignment after he is selected as L1 and appointment letter is already issued.
- III. Tenderer violates any of the conditions prescribed in the Tender Document.
- IV. Tenderer changes any of the terms, during validity period.
- V. Tenderer neglects or refuses to accept their rates quoted after submission of their tender

Signature and seal of Tenderer:

Name:

Capacity/authority to sign

Scope of Internal Audit for Mill

- Internal Auditors are required to cover all the areas specified below in the **Detailed Scope of Internal Audit** for financial year 2021-22 & 2022-23.
- Internal Auditors should inform any serious irregularity in the unit to NTC Head Office, New Delhi as “**SPECIAL REPORT TO H.O.**” separately.
- The role of internal Auditor is not confined only to pointing discrepancies but also suggesting remedial measures against these discrepancies and risk involved therein.
- Draft Internal Audit Report should be discussed with the unit head and their replies towards each auditor's observation should also be incorporated in the report.
- **Quarterly/Half yearly Trial balance should be enclosed along with the Internal Audit Report, duly signed by the Internal Auditor and the unit head. Trial Balance should provide Opening Balance, Transaction during the period (Debit and Credit) and Closing Balance.**
- Internal Audit Reports should be submitted **timely** to the unit head and HO and timelines mentioned in the appointment letter should be strictly adhered.

DETAILED SCOPE OF INTERNAL AUDIT

S. No.	Particulars	Particulars
I	Trial Balance	1. Reconcile opening balances of Balance Sheet items with last audited Trial Balance / Balance Sheet. 2. Ensure that no back dated voucher is passed or modification in vouchers passed is done in the previous audit period post completion of audit.
II	Cash / Bank	3. <u>Cash / Bank Position</u> a. To report Cash Balance. b. To report Bank balances in all the bank accounts (including inoperative bank accounts). 4. <u>Inoperative Bank Accounts</u> c. To identify and report inoperative bank accounts i.e. bank account in which there has been no transaction in the last one year and reasons for non-closure of such bank accounts. 5. <u>Cash / Bank Book</u> To check and report whether : d. Cash / Bank book is serially numbered, written, closed and signed by the Accounts in charge daily with due accounting of all receipts and

- payments;
- e. Cash deposited to / withdrawn from bank is entered in Cash / Bank book on the same day;
 - f. Cash / Bank Balance as per books of accounts tallies with the balance as per Cash / Bank Book.
 - g. There was negative cash balance on any day during the period under audit.

6. Bank Reconciliation Statement

- h. To check and report whether Bank reconciliation statement in respect of all the bank accounts is prepared and signed by the Accounts in charge on monthly basis.
- i. Verification of Bank Reconciliation Statement with Bank Statement / Bank Certificate and to check and report whether :
 - Entries appearing in BRS are settled subsequently. If not, then inquire into the nature and details of such outstanding entry.
 - Cheques issued but not cleared appearing in BRS for more than 3 months has been transferred to stale cheques and booked accordingly.

7. FDRs / TDRs

- j. To check and report whether any amount has been kept in FDRs / TDRs with bank. If yes, then report the details thereof along with the reasons thereof.

8. Physical Verification

- k. Physical / surprise verification of cash on the first day of visit during audit and check whether the physical cash balance tallies with the balance shown by the cash book and report the discrepancy found, if any.
- l. Physical verification of unused blank cheque book / cheque leaves and report the discrepancy found, if any
- m. Physical verification of cancelled cheques during the audit period on random basis and report the discrepancy found, if any.
- n. Physical verification of FDRs / TDRs and report the discrepancy found, if any.

9. Cash / Bank Payment / Receipt

To check and report whether :

- o. Payments are made after proper sanction of Authorized person.
- p. Unpaid amount, if any, on account of salary, wages, bonus etc. is deposited in cash office without any delay;
- q. Payments are made only against original supporting bills/invoices and said bills / invoices are marked as "PAID" or "CANCELLED" along with the date of payment after payment is made.
- r. All cash and bank payments are entered in Docket Book.
- s. There was any irregularity while making payment in cash beyond the limit specified under Income Tax Act, 1961.
- t. Cheques and drafts received are deposited in the bank account on the

		<p>same day or next working day.</p> <p>u. Receipts through NEFT / RTGS are entered into the books of account on the same day or next working day.</p> <p>10. <u>Cash / Bank Vouchers</u></p> <p>To check and report whether :</p> <p>v. All the relevant columns of the Cash / Bank Vouchers have been properly filled in and vouchers are properly authorized.</p> <p>w. Signature of the payee is taken by the cashier on the cash payment voucher at the time of making cash payment and a revenue Stamp of Re 1 is affixed thereon where cash payment exceeds Rs. 5,000.</p> <p>11. <u>Insurance Cover</u></p> <p>To check and report whether :</p> <p>x. Cash in safe/cash in transit is within the insurance cover taken.</p> <p>y. Fidelity insurance cover is taken in the names of persons who have the custody of cash.</p> <p>12. <u>Safe Custody</u></p> <p>To check and report whether :</p> <p>x. Cash is kept in safe custody at the close of business hours.</p> <p>y. Cheque books and bank counterfoils are kept in safe custody.</p> <p>z. Post-dated cheques received, if any are kept in safe custody until deposited.</p> <p>13. To report whether the cash handling person is permanent employee of NTC.</p>
III	Fixed Assets	<p>14. To check and report whether proper authorization has been taken from the Appropriate Authority for purchase / sale / transfer of fixed assets during the audit period.</p> <p>15. To check and report whether transactions involving purchase / sale / transfer of fixed assets have been properly recorded in the books of accounts.</p> <p>16. <u>Fixed Asset Register</u></p> <p>To check and report whether :</p> <p>a. Fixed Assets Register (hereinafter referred to as "FAR") is maintained and updated on regular basis (Manual / Computerized).</p> <p>b. FAR give below details of the fixed assets :</p> <ul style="list-style-type: none"> • Description; • Date of purchase; • Quantity; • Location; • Identification Number / Tag Number; • Original Cost / Purchase Price; • Rate of Depreciation / Useful life; • Accumulated depreciation;

		<ul style="list-style-type: none"> • Deletion / Inter-unit Transfer; • Written down value <p>c. Identification number given on the fixed asset tallies with the number given in the FAR on random basis.</p> <p>17. <u>Physical Verification</u></p> <p>To check and report whether :</p> <p>d. Physical verification of fixed asset is carried out by the management at least once in a year.</p> <p>e. Physical verification sheets in respect of fixed assets are properly prepared and duly signed by the persons responsible for carrying out the physical verification. The name, designation of employees and the date of carrying out the physical verification should also be clearly mentioned in the physical verification sheets.</p> <p>18. <u>Purchase of new Plant & Machinery</u></p> <p>To check and report whether :</p> <p>f. Machines are ordered after due approval and authorization at various stages</p> <p>g. Machines are received as per the specification and according to the agreed contract terms and conditions.</p> <p>h. Machines are erected / commissioned on time as per schedule and as per the terms of contract.</p> <p>i. Payments are made as per the agreed terms.</p> <p>j. Expenses incurred for procuring machines have been capitalized along with the capitalization of machines.</p> <p>k. Machines installed and commissioned are lying idle. If so, reasons thereof along with the period remaining idle.</p> <p>l. Performance of machines received with regard to working, speed etc. as per specification of machines or requirement of the mills as per running count.</p> <p>m. Any difficulty / problem are faced after erection / commissioning of machines.</p> <p>n. Suppliers of machines are attending the complaints on time and service thereafter is satisfactory.</p> <p>o. Ensure that the log book in respect of all the plant machinery and equipments are kept properly and up to date. Verify the machine log books and comment on the discrepancies observed.</p>
IV	Sundry Debtors	<p>19. Age-wise analysis of debtors giving details of debtors outstanding for:</p> <ul style="list-style-type: none"> • Less than 3 months • 3-6 months • 6-12 months • More than 12 months <p>20. Verify that collections from debtors are on time and there is no delay in collection and to ensure that interest is charged from parties on delayed payments as per the sales policy. Please verify the details in the Format “B” prescribed in Additional Standard Checklist.</p> <p>21. In case of sales made against Post dated cheques, if cheque has been deposited after due date, special mention in the report may be given along with the reasons.</p> <p>22. Verify the measures taken to recover / reduce sundry debtors and</p>

		<p>report whether the follow up action on outstanding debtors is sufficient or not.</p> <p>23. Comment on the Debtors' account showing closing credit balances along with the details and reasons for credit balances.</p> <p>24. Check the Debtors' account where legal case has been filed and ascertain the progress in the legal case.</p>
V	Sundry Creditors	<p>25. Age-wise analysis of creditors giving details of creditors outstanding for:</p> <ul style="list-style-type: none"> • Less than 3 months • 3-6 months • 6-12 months • More than 12 months <p>26. Comment on the Creditors account that are outstanding to be paid since long (unclaimed Creditors) and that can be considered for a write back in the books of account.</p> <p>27. Comment on the Creditors' account showing closing debit balances along with the details and reasons for debit balances.</p> <p>28. Check the Creditors' account where legal case has been filed and ascertain the progress in the legal case.</p>
VI	Purchases	<p>To check and report whether:</p> <p>29. Purchases are made as per the approved purchase manual /policy / prescribed procedures / sanction of authorized person.</p> <p>30. Interest / carrying charges paid, if any, are as per the terms of Purchase order (PO) / MoU / Contract. Please verify the details in the Format "B" prescribed in Additional Standard Checklist.</p> <p>31. Purchase Register is maintained and updated regularly (manual / computerized) indicating below details:</p> <ul style="list-style-type: none"> • Item Code • Name of the item • Purchase Order Number • Rate per Item • Quantity purchased • Total Purchase Amount • Discount / Rebate, if any. <p>32. Rate Variations over a period of time in respect of item of purchases should be noted. Reasons for purchases made at varying rates should be obtained. Rate Variations without a proper justification should be reported.</p> <p>33. Carry out a scrutiny of Indents / Purchase requisitions to ensure that the purchase orders are placed as per the requirements given in the Indents.</p> <p>34. Ensure that various terms and conditions entered with the suppliers regarding quantity, quality, rate, discounts / rebates, commission, transportation and GST/TDS are properly adhered.</p> <p>35. Obtain a list of Indents pending for conversion into PO and comment upon the old pending indents.</p> <p>36. Obtain a list of POs pending for delivery and comment upon the old pending PO where the due date of delivery of material has expired.</p> <p>37. <u>Inward Material</u></p> <ol style="list-style-type: none"> a. Check that entry for the incoming material is made at the entry

		<p>gate register and GRN is issued.</p> <p>b. Ensure that the weighing / counting of the incoming material are made properly and correctly at the receiving section.</p>
VII	Sales	<p>To check and report whether:</p> <p>38. Sales are made as per the approved sales policy / prescribed procedures.</p> <p>39. Sale of scrap items is made only through tender / open auction.</p> <p>40. Interest / carrying charges are collected on delayed payments, if any, as per the terms of MoU / Contract.</p> <p>41. Ensure that the discounts / rebates offered to the customers and commission to agents / dealers are as per the approved sales policy / prescribed procedures.</p> <p>42. Ensure that the weighing / counting of the outgoing material are made properly and correctly at the dispatch section.</p>
VIII	Waste Sale (Like Cotton Waste)	<p>43. Verification of sale procedure of waste variety wise and valuation thereto.</p> <p>44. To check and report whether sale of waste is made only to the registered parties.</p> <p>45. Ensure that the weighing / counting of the outgoing material are made properly and correctly at the dispatch section.</p>
IX	Inventory	<p>To check and report whether :</p> <p>46. Actual Inventory levels are as per the Inventory norms w.r.t:</p> <ul style="list-style-type: none"> • Yarn • Cloth • Stores & Spares • Raw Material • W.I.P <p>47. Age-wise analysis of finished stock giving details for finished stock lying :</p> <ul style="list-style-type: none"> • Less than 06 months • 06-12 months • More than 12 months <p>48. Age wise summary of obsolete/damaged, non-moving and slow moving stock has been prepared and reported to Head Office for further instructions. If so, then report the details along with the amount thereof.</p> <p>49. Physical verification of inventory is carried out by the management at least once in a year.</p> <p>50. Samples sent outside the mills are received back within a reasonable time.</p> <p>51. Whether the systems of inventory control like Maximum level / Minimum level / EOQ / Perpetual inventory system / Bin Cards etc are prepared.</p> <p>52. Items of raw material and stores & spares are procured and not issued within 6 months. If so, then report the details along with the reasons thereof.</p> <p>53. Unused Stores & spares lying within a particular department are properly recorded / accounted.</p> <p>54. Raw material is valued on weighted average system, finished stock is</p>

		<p>valued at lower of cost or net realizable and WIP is valued properly at different stages.</p> <p>55. Monthly Quantitative Reconciliation Statement</p> <table><tr><td>Particulars</td><td>Opening Stock</td><td>Purchased</td><td>Consumed</td><td>Closing Stock</td></tr><tr><td>(i) Raw Material</td><td></td><td></td><td></td><td></td></tr><tr><td>(ii) RM to FG (Yarn)</td><td></td><td></td><td></td><td></td></tr><tr><td>(iii) Yarn to Cloth Reconciliation</td><td></td><td></td><td></td><td></td></tr></table>	Particulars	Opening Stock	Purchased	Consumed	Closing Stock	(i) Raw Material					(ii) RM to FG (Yarn)					(iii) Yarn to Cloth Reconciliation				
Particulars	Opening Stock	Purchased	Consumed	Closing Stock																		
(i) Raw Material																						
(ii) RM to FG (Yarn)																						
(iii) Yarn to Cloth Reconciliation																						
X	Accounting / Vouching	<p>To check and report whether :</p> <p>56. Monthly reconciliation of all accounting records such as bank accounts, sub-ledger with main ledger accounts, stock ledger etc is done.</p> <p>57. Proper distinction between revenue and capital expenditure is made while accounting.</p> <p>58. All the relevant columns of the Vouchers have been properly filled in and vouchers are properly authorized and supported by bills / invoices etc.</p> <p>59. Voucher is prepared only in respect of original Bills / Invoices.</p> <p>60. Bills / invoices are passed strictly as per the terms of purchase order / MoU / Contract.</p> <p>61. To check the correctness of the accounting head – expenses or income and report the discrepancy, if any.</p> <p>62. Ensure that input credit under GST is properly recorded in the books of accounts.</p>																				
XI	Repairs & Maintenance of Plant & Machinery	<p>To check and report whether :</p> <p>63. Schedule of preventive maintenance of plant & machinery and equipments has been made at regular intervals.</p> <p>64. Preventive maintenance schedule includes all the plant machinery and equipments.</p> <p>65. There is any deviation from the planned preventive maintenance schedule. Enquire in to the reason for such a deviation and comment upon it.</p>																				
XII	Insurance	<p>66. Obtain a list / statement of all the Insurance policies and ensure that all the assets of the company are fully and adequately insured.</p> <p>67. Obtain a list of all the insurance claims pending for settlement and comment upon the old pending cases.</p> <p>68. Ensure that the Insurance policies are renewed in time i.e. before the expiry of the period of validity.</p> <p>69. Prepaid insurance expenses are booked adequately.</p>																				
XIII	Advance to employees	<p>70. Obtain list of Advance to employees to ascertain the amount outstanding in the name of each employee and the date since when the advance is outstanding to be settled. Enquire and report cases where advances have not been settled for a long period along with the reasons thereof.</p> <p>71. Ensure that no further advance is given to an employee unless the previous outstanding advance is cleared by him.</p>																				

XIV	Work Contracts	<p>To check and report whether:</p> <p>72. There was any lacuna in procedure adopted for award of civil work contract, which was not beneficial to NTC</p> <p>73. The rates for carrying out the jobs work was finalized after a proper comparison of the rates and further negotiation.</p>
XV	Statutory Compliances	<p>74. To check and report whether the provisions of Income Tax / GST / PF / ESI / Professional Tax have been complied with.</p> <p>75. To check and report whether tax payments are made and returns are filed within the due date.</p> <p>76. To report month wise payment of statutory dues in the format given as Annexure 'A'.</p>
XVI	MVRS	<p>77. To check and report whether MVRS funds, if any, are kept in a separate bank account and there is no diversion of funds for any other purpose.</p> <p>78. Whether Utilization Certificate of funds released for MVRS or any other purpose is given from time to time.</p> <p>79. To check that there is no deviation w.r.t to the guidelines contained in NTC Modified Voluntary Scheme.</p> <p>80. To check date of birth of the employee as per service record and to ensure that there is no change in date of birth.</p> <p>81. To check the date of joining and to ensure that ex-gratia payment is made to workers as per guidelines contained in MVRS.</p>
XVII	Budgets	<p>82. To report month wise performance of the unit in technical and financial parameters given as Annexure 'B' & 'C'.</p>

XVIII	Personnel	<p>83. Review the personnel service files of employees kept by the Personnel Department to check whether –</p> <ul style="list-style-type: none"> • All the copies of certificates / testimonials have been taken from the employees at the time of joining. • Copies of appointment advice / appointment letters / confirmation letters etc are kept in the service files • Nomination in case of Gratuity / Pension / PF / superannuation etc has been collected from the employees. • All other documents like increment letters / promotion letters etc are properly filed in the service files. <p>84. Ensure that the Personnel Department is taking due care in case of contract labour employed by it to ensure that legal and statutory obligation like PF / ESI are taken care of. The Personnel Department should maintain proper attendance record in respect of the contract labour and should obtain copies of monthly PF / ESI challans from the contractor.</p> <p>85. Check that the various licenses like the Factory license etc. are renewed in time.</p> <p>86. Ensure that the various provisions of industrial and labour laws like The Apprentices Act / Factories Act / Payment of wages Act / Minimum wages Act etc. are duly complied with.</p> <p>87. Ensure that proper attendance / leave records are maintained by the Personnel Department in respect of all the workmen / staff / officers/ managers / higher management.</p> <p>88. Verify system of settlement of terminal dues.</p>
XIX	Time Office	<p>To check and report whether :</p> <p>89. Actual strength of employees / labour is as per the sanctioned strength. If actual strength is more than the sanctioned strength, then check approval for extra manpower deployed.</p> <p>90. System of marking attendance has adequate checks and controls. Point out the lacunae / weakness in the internal control system.</p>
XX	Additional points	<p>91. To assess adequacy of internal checks & internal controls in the organization.</p> <p>92. To comment on the adequacy of laid down procedures.</p> <p>93. To evaluate Joint Venture's transactions and monitors its result to ensure commitments of the strategic partners in the Joint Ventures.</p> <p>94. Scrutinizing tenders / contracts of high value (Rs. 10 Lakhs & above).</p> <p>95. Verification and review of old outstanding loans and advances and details provided to Head Office for further consideration.</p> <p>96. Whether the action plans to comply with the Cost Auditors observations have been made and action taken report in respect of action plan is being submitted.</p>

NAME OF UNIT _____

STATEMENT SHOWING PAYMENT OF DUES
FOR THE MONTH OF _____

S. No.	Particulars	Amount Due	Amount Paid	Due Date of Payment	Date of Payment	Remarks, if any
1	<u>Provident Fund</u>					
	a. Employees' Contribution					
	b. Employers' Contribution					
2	<u>ESI</u>					
	c. Employees' Contribution					
	d. Employers' Contribution					
3	Professional Tax					
4	TDS					
5	GST					
6	Custom Duty					
7	Property Tax					
8	Land Revenue / Cess					
9	Electricity Bill					
10	Water Bill					
11	Others, Please Specify					
	Total					

Note: This information shall be prepared for each month of applicable audit reporting period.

NAME OF UNIT _____

**STATEMENT SHOWING PERFORMANCE IN TECHNICAL PARAMETERS
FOR THE MONTH OF _____**

S.No.	Particulars	Unit	Budgeted	Actual	Deviation - Positive / Negative	Reasons for deviation	Remarks, if any
TECHNICAL							
1.	Working days	Nos.					
2.	Commissioned Capacity	Nos.					
	a) Spindles						
	b) Looms						
	c) Processing						
3.	Utilization	%					
	a) Spinning						
	b) Weaving						
	c) Processing						
4.	Grams/Spdl (40conv)	Grams					
	a) Cotton						
	b) Blends						
	c) Overall						
5.	Actual (Grams/Spdl.)	Grams					
	a) Cotton						
	b) Blends						
	c) Overall						
6.	HOK (overall)						
7.	Yarn Realisation	%					
	a) Carded						
	b) Combed						
	c) Blends						
	d) Overall						
8.	Avg. Employment-per day	Nos.					
9.	Hands/000Spindles	Nos.					
10.	Hands/00 Looms	Nos.					
11.	Power/000 Spindles	Units					
12.	Power/00 Looms	Units					
13.	Power Rate/Unit	Rs. / Unit					

14.	Production a) Ring Stage Cotton Yarn Blend Yarn Overall Yarn b) Packed Yarn Cotton Yarn Blend Yarn Overall Yarn	Lakhs Kgs. Lakhs Kgs.					
15.	Raw material rate a) Cotton b) Blends c) Overall	Rs /Kg					
16.	Hard Waste	%					
17.	Average Count	Nos.					

Note: This information shall be prepared for each month of applicable audit reporting period.

NAME OF UNIT _____

**STATEMENT SHOWING PERFORMANCE IN FINANCIAL PARAMETERS
FOR THE MONTH OF _____**

S.No.	Particulars	Unit	Budgeted	Actual	Remarks, if any
1	Sales a) Yarn b) Cloth	Rs. in Lakhs			
2	Production Value including Misc. Income	Rs. in Lakhs			
3	Raw material	Rs. in Lakhs			
4	Power & Fuel	Rs. in Lakhs			
5	Other Manufacturing Expenses	Rs. in Lakhs			
6	Gross Contribution	Rs. in Lakhs			
7	Administrative, Selling & Distribution Expenses	Rs. in Lakhs			
8	Net Contribution	Rs. in Lakhs			
9	Wages & Salaries	Rs. in Lakhs			
10	Net Contribution/wages & salaries	%			
15	Interest paid	Rs. in Lakhs			
16	Cash Profit / (Loss)	Rs. in Lakhs			
17	Depreciation	Rs. in Lakhs			
18	Gratuity Provisions etc.	Rs. in Lakhs			
19	Operating Profit / (Loss)	Rs. in Lakhs			

Note: This information shall be prepared for each month of applicable audit reporting period.

Scope of Internal Audit for Regional Offices

- Internal Auditors are required to cover all the areas specified below in the **Detailed Scope of Internal Audit** for financial year 2021-22 & 2022-23.
- Internal Auditors should inform any serious irregularity in the unit to NTC Head Office, New Delhi as “**SPECIAL REPORT TO H.O.**” separately.
- The role of internal Auditor is not confined only to pointing discrepancies but also suggesting remedial measures against these discrepancies and risk involved therein.
- Draft Internal Audit Report should be discussed with the unit head and their replies towards each auditor's observation should also be incorporated in the report.
- **Quarterly/Half yearly Trial balance** should be enclosed along with the Internal Audit Report, duly signed by the Internal Auditor and the unit head. Trial Balance should provide Opening Balance, Transaction during the period (Debit and Credit) and Closing Balance.
- Internal Audit Reports should be submitted **timely** to the unit head and HO and timelines mentioned in the appointment letter should be strictly adhered.

DETAILED SCOPE OF INTERNAL AUDIT

S. No.	Particulars	Particulars
I	Trial Balance	1. Reconcile opening balances of Balance Sheet items with last audited Trial Balance / Balance Sheet. 2. Ensure that no back dated voucher is passed or modification in vouchers passed is done in the previous audit period post completion of audit.
II	Cash / Bank	3. <u>Cash / Bank Position</u> a. To report Cash Balance. b. To report Bank balances in all the bank accounts (including inoperative bank accounts). 4. <u>Inoperative Bank Accounts</u> c. To identify and report inoperative bank accounts i.e. bank account in which there has been no transaction in the last one year and reasons for non-closure of such bank accounts. 5. <u>Cash / Bank Book</u> To check and report whether : d. Cash / Bank book is serially numbered, written, closed and signed by the Accounts in charge daily with due accounting of all receipts and payments;

		<p>e. Cash deposited to / withdrawn from bank is entered in Cash / Bank book on the same day;</p> <p>f. Cash / Bank Balance as per books of accounts tallies with the balance as per Cash / Bank Book.</p> <p>g. There was negative cash balance on any day during the period under audit.</p> <p>6. <u>Bank Reconciliation Statement</u></p> <p>h. To check and report whether Bank reconciliation statement in respect of all the bank accounts is prepared and signed by the Accounts in charge on monthly basis.</p> <p>i. Verification of Bank Reconciliation Statement with Bank Statement / Bank Certificate and to check and report whether :</p> <ul style="list-style-type: none"> • Entries appearing in BRS are settled subsequently. If not, then inquire into the nature and details of such outstanding entry. • Cheques issued but not cleared appearing in BRS for more than 3 months has been transferred to stale cheques and booked accordingly. <p>7. <u>FDRs / TDRs</u></p> <p>j. To check and report whether any amount has been kept in FDRs / TDRs with bank. If yes, then report the details thereof along with the reasons thereof.</p> <p>8. <u>Physical Verification</u></p> <p>k. Physical / surprise verification of cash on the first day of visit during audit and check whether the physical cash balance tallies with the balance shown by the cash book and report the discrepancy found, if any.</p> <p>l. Physical verification of unused blank cheque book / cheque leaves and report the discrepancy found, if any</p> <p>m. Physical verification of cancelled cheques during the audit period on random basis and report the discrepancy found, if any.</p> <p>n. Physical verification of FDRs / TDRs and report the discrepancy found, if any.</p> <p>9. <u>Cash / Bank Payment / Receipt</u></p> <p>To check and report whether :</p> <p>o. Payments are made after proper sanction of Authorized person.</p> <p>p. Unpaid amount, if any, on account of salary, wages, bonus etc. is deposited in cash office without any delay;</p> <p>q. Payments are made only against original supporting bills/invoices and said bills / invoices are marked as "PAID" or "CANCELLED" along with the date of payment after payment is made.</p> <p>r. All cash and bank payments are entered in Docket Book.</p> <p>s. There was any irregularity while making payment in cash beyond the limit specified under Income Tax Act, 1961.</p>
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		<p>t. Cheques and drafts received are deposited in the bank account on the same day or next working day.</p> <p>u. Receipts through NEFT / RTGS are entered into the books of account on the same day or next working day.</p> <p>10. <u>Cash / Bank Vouchers</u></p> <p>To check and report whether :</p> <p>v. All the relevant columns of the Cash / Bank Vouchers have been properly filled in and vouchers are properly authorized.</p> <p>w. Signature of the payee is taken by the cashier on the cash payment voucher at the time of making cash payment and a revenue Stamp of Re 1 is affixed thereon where cash payment exceeds ` 5,000.</p> <p>11. <u>Insurance Cover</u></p> <p>To check and report whether :</p> <p>x. Cash in safe/cash in transit is within the insurance cover taken.</p> <p>y. Fidelity insurance cover is taken in the names of persons who have the custody of cash.</p> <p>12. <u>Safe Custody</u></p> <p>To check and report whether :</p> <p>x. Cash is kept in safe custody at the close of business hours.</p> <p>y. Cheque books and bank counterfoils are kept in safe custody.</p> <p>z. Post-dated cheques received, if any are kept in safe custody until deposited.</p> <p>13. To report whether the cash handling person is permanent employee of NTC.</p>
III	Fixed Assets	<p>14. To check and report whether proper authorization has been taken from the Appropriate Authority for purchase / sale / transfer of fixed assets during the audit period.</p> <p>15. To check and report whether transactions involving purchase / sale / transfer of fixed assets have been properly recorded in the books of accounts.</p> <p>16. <u>Fixed Asset Register</u></p> <p>To check and report whether :</p> <p>a. Fixed Assets Register (hereinafter referred to as "FAR") is maintained and updated on regular basis (Manual / Computerized).</p> <p>b. FAR give below details of the fixed assets :</p> <ul style="list-style-type: none"> • Description; • Date of purchase; • Quantity; • Location; • Identification Number / Tag Number; • Original Cost / Purchase Price;

		<ul style="list-style-type: none"> • Rate of Depreciation / Useful life; • Accumulated depreciation; • Deletion / Inter-unit Transfer; • Written down value <p>c. Identification number given on the fixed asset tallies with the number given in the FAR on random basis.</p> <p>17. <u>Physical Verification</u></p> <p>To check and report whether :</p> <p>d. Physical verification of fixed asset is carried out by the management at least once in a year.</p> <p>e. Physical verification sheets in respect of fixed assets are properly prepared and duly signed by the persons responsible for carrying out the physical verification. The name, designation of employees and the date of carrying out the physical verification should also be clearly mentioned in the physical verification sheets.</p>
IV	Sundry Debtors, if any	<p>18. Age-wise analysis of debtors giving details of debtors outstanding for:</p> <ul style="list-style-type: none"> • Less than 3 months • 3-6 months • 6-12 months • More than 12 months <p>19. Verify that collections from debtors are on time and there is no delay in collection and to ensure that interest is charged from parties on delayed payments as per the sales policy. Please verify the details in the Format “B” prescribed in Additional Standard Checklist.</p> <p>20. In case of sales made against Post dated cheques, if cheque has been deposited after due date, special mention in the report may be given along with the reasons.</p> <p>21. Verify the measures taken to recover / reduce sundry debtors and report whether the follow up action on outstanding debtors is sufficient or not.</p> <p>22. Comment on the Debtors’ account showing closing credit balances along with the details and reasons for credit balances.</p> <p>23. Check the Debtors’ account where legal case has been filed and ascertain the progress in the legal case.</p>
V	Sundry Creditors, if any	<p>24. Age-wise analysis of creditors giving details of creditors outstanding for:</p> <ul style="list-style-type: none"> • Less than 3 months • 3-6 months • 6-12 months • More than 12 months <p>25. Comment on the Creditors account that are outstanding to be paid since long (unclaimed Creditors) and that can be considered for a write back in the books of account.</p> <p>26. Comment on the Creditors’ account showing closing debit balances along with the details and reasons for debit balances.</p> <p>27. Check the Creditors’ account where legal case has been filed and ascertain the progress in the legal case.</p>

VI	Scrap Sales	28. To check and report whether sale of scrap items is made only through tender / open auction.
VII	Accounting / Vouching	<p>To check and report whether :</p> <p>29. Monthly reconciliation of all accounting records such as bank accounts, sub-ledger with main ledger accounts etc is done.</p> <p>30. Proper distinction between revenue and capital expenditure is made while accounting.</p> <p>31. All the relevant columns of the Vouchers have been properly filled in and vouchers are properly authorized and supported by bills / invoices etc.</p> <p>32. Voucher is prepared only in respect of original Bills / Invoices.</p> <p>33. Bills / invoices are passed strictly as per the terms of purchase order / MoU / Contract.</p> <p>34. To check the correctness of the accounting head – expenses or income and report the discrepancy, if any.</p> <p>35. Ensure that input credit under GST is properly recorded in the books of accounts.</p>
VIII	Insurance	<p>36. Obtain a list / statement of all the Insurance policies and ensure that all the assets of the company are fully and adequately insured.</p> <p>37. Obtain a list of all the insurance claims pending for settlement and comment upon the old pending cases.</p> <p>38. Ensure that the Insurance policies are renewed in time i.e. before the expiry of the period of validity.</p> <p>39. Prepaid insurance expenses are booked adequately.</p>
IX	Advance to employees	<p>40. Obtain list of Advance to employees to ascertain the amount outstanding in the name of each employee and the date since when the advance is outstanding to be settled. Enquire and report cases where advances have not been settled for a long period along with the reasons thereof.</p> <p>41. Ensure that no further advance is given to an employee unless the previous outstanding advance is cleared by him.</p>
X	Work Contracts	<p>To check and report whether:</p> <p>42. There was any lacuna in procedure adopted for award of civil work contract, which was not beneficial to NTC</p> <p>43. The rates for carrying out the jobs work was finalized after a proper comparison of the rates and further negotiation.</p>
XI	Statutory Compliances	<p>44. To check and report whether the provisions of Income Tax / GST / PF / ESI / Professional Tax have been complied with.</p> <p>45. To check and report whether tax payments are made and returns are filed within the due date.</p> <p>46. To report month wise payment of dues in the format given as Annexure 'A'.</p>

XII	MVRS	<p>47. To check and report whether MVRS funds, if any, are kept in a separate bank account and there is no diversion of funds for any other purpose.</p> <p>48. Whether Utilization Certificate of funds released for MVRS or any other purpose is given from time to time.</p> <p>49. To check that there is no deviation w.r.t to the guidelines contained in NTC Modified Voluntary Scheme.</p> <p>50. To check date of birth of the employee as per service record and to ensure that there is no change in date of birth.</p> <p>51. To check the date of joining and to ensure that ex-gratia payment is made to workers as per guidelines contained in MVRS.</p>
XIII	Budgets	<p>52. To report whether budgeted estimates of expenditures are deviated.</p>
XIV	Personnel	<p>53. Review the personnel service files of employees kept by the Personnel Department to check whether –</p> <ul style="list-style-type: none"> • All the copies of certificates / testimonials have been taken from the employees at the time of joining. • Copies of appointment advice / appointment letters / confirmation letters etc are kept in the service files • Nomination in case of Gratuity / Pension / PF / superannuation etc has been collected from the employees. • All other documents like increment letters / promotion letters etc are properly filed in the service files. <p>54. Ensure that the Personnel Department is taking due care in case of contract labour employed by it to ensure that legal and statutory obligation like PF / ESI are taken care of. The Personnel Department should maintain proper attendance record in respect of the contract labour and should obtain copies of monthly PF / ESI challans from the contractor.</p> <p>55. Check that the various licenses are renewed in time.</p> <p>56. Ensure that the various provisions of industrial and labour laws like The Apprentices Act / Payment of wages Act / Minimum wages Act etc. are duly complied with.</p> <p>57. Ensure that proper attendance / leave records are maintained by the Personnel Department in respect of all the workmen / staff / officers/ managers / higher management.</p> <p>58. Verify system of settlement of terminal dues.</p> <p>59. To check and report whether the system of marking attendance has adequate checks and controls. Point out the lacunae / weakness in the internal control system.</p>

XVI	Additional points	<p>60. To assess adequacy of internal checks & internal controls in the organization.</p> <p>61. To comment on the adequacy of laid down procedures.</p> <p>62. To evaluate Joint Venture's transactions and monitors its result to ensure commitments of the strategic partners in the Joint Ventures.</p> <p>63. Scrutinizing tenders / contracts of high value (Rs. 10 Lakhs & above).</p> <p>64. Verification and review of old outstanding loans and advances and details provided to Head Office for further consideration.</p> <p>65. Whether the action plans to comply with the Cost Auditors observations have been made and action taken report in respect of action plan is being submitted.</p>
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NAME OF UNIT _____

**STATEMENT SHOWING PAYMENT OF DUES
FOR THE MONTH OF _____**

S. No.	Particulars	Amount Due	Amount Paid	Due Date of Payment	Date of Payment	Remarks, if any
1	<u>Provident Fund</u>					
	a. Employees' Contribution					
	b. Employers' Contribution					
2	<u>ESI</u>					
	c. Employees' Contribution					
	d. Employers' Contribution					
3	Professional Tax					
4	TDS					
5	GST					
6	Custom Duty					
7	Property Tax					
8	Land Revenue / Cess					
9	Electricity Bill					
10	Water Bill					
11	Others, Please Specify					
	Total					

Note: This information shall be prepared for each month of applicable audit reporting period

Standard Checklist on Adequacy of Internal Checks / Internal Controls

S. No	Particulars	Test Description	Checked		Comments/ Remarks
			Yes	No	
1	Personnel & Time Office	Verify the bills of daily rated employees, medical and hospitalization bills, loans and advances to employees, workload agreements implementation etc.			
		Whether system of engagement of contractual workers is transparent and necessary procedures have been followed.			
		Whether system of engagement of permanent/badli workers is transparent and necessary procedures have been followed.			
		Verify the system of engagement of casual/badli workers with reference to rate of wages and other benefits extended to them.			
		Whether random verification of workers and rates offered to them have been checked and found in order. If yes, dates of random verification may please be given.			
		Whether actual deployment of workers is as per workload agreements and record the variance if any.			
		If financial implication is arising on a/c of variance between actual strength and strength as per workload agreement, then payment made to them and actual strength working in the mills is checked on monthly basis. (as per format "I" below)			
		Verify the correctness of deduction of PF and ESI.			
		Does System of attendance, have adequate checks and controls.			
		Whether payment of other allowance/ incentive payments/ overtime etc. is made after proper review and whether system of such review is adequate.			
		If the reply to above is negative, a separate detail of sample checks and irregularity and suggestions for improvement may also be given.			

Format "I" (Monthly statement of contractual workers)

S. No.	Particulars of workers	Strength as per Workload Agreement	Actual Sanctioned strength	Actual on roll	Actual deployment	Variance between	Variance between	Remarks
		a	b	c	d	(a-b)	(b-d)	
1	Skilled							
2	Semi-skilled							
3	Unskilled							

S. No	Particulars	Test Description	Checked		Comments/ Remarks of the Internal auditors
			Yes	No	
2	Purchases	A) Raw Material			
		Whether Raw material is procured as per the prescribed/ approved policy of the corporation and in line with indent.			
		Whether deviation in respect of quality, stocking, payment and any other terms if any, in procurement dealt with as per purchase policy and tender terms and conditions.			
		Verify that purchases are made against the confirmed supply orders.			
		Ensure the correctness of order placed with most economical party after due comparison.			
		Whether interest carrying charges have been paid to raw material supplier. If so, whether the payment is as per contract/ MOU/ Purchase order, Please verify in the prescribed format 'II' below.			
		(i) Whether quality control on cotton purchases exists. (ii) If yes, whether sample selection procedure is transparent and adequate. (iii) Whether size of sample checked is adequate.			
		B) Stores and Spares			
		(i) Whether purchases of stores and spares are against the indent placed by user department and with reference to stock available, average consumption per month along with future consumption pattern. (ii) Whether the system from raising of indent to issuance of stores and spares is adequate.			
		Whether purchase procedure and system adopted for procurement of stores and spares is transparent and adequate.			
		Whether purchase of stores and spares is as per existing policy if any.			
		Verify the accounting of purchases of stores and spares.			
		Whether movement of stores and spares has been checked.			
		Ensure the correctness of order placed with most economical party after due comparison.			
		C) Capital Purchases			
		Whether capital purchases on P&M, building have been done with proper approval of HO.			
		Whether capital purchases of miscellaneous items like Add on items, staff car, furniture and fixtures etc. have been done with proper approval of HO/RO/Mill			
		Whether utilization of funds for purpose for which released has been done?			

Format “B”

S.No.	Party Name Order details	Amount of order as per P.O.	Date of Supply	Date of Payment	Due date of Payment	No. of days of delay	Rate of interest %	Amount of Interest	Remarks/ reasons for delay

S. No	Particulars	Test Description	Checked		Comments/ Remarks of the Internal auditors
			Yes	No	
3	Expenditures as per Budgeted Estimates	Whether verification of head wise actual expenditures made against approved annual budgeted estimates for raw material, salary, power & fuel, consumption of stores etc. is done.			
		Whether check and verification of expenditures on projects against their approvals done especially in case of Greenfield projects			
		Whether check and verification of working capital requirement and its utilization done.			
		Whether utilization of funds released has been done for purpose for which it has been approved.			
4	Quality Controls	Whether quality check of work in process material and finished goods is done.			
		Whether sample size is adequate and quality control is proper.			
		Whether deviations if any are dealt with as per procedure.			
5	Sales	A) Sales			
		Whether Sales are made as per the Sales Policy with regard to cash discount, Qty discount, godown charges, forward Sales, Interest collected for delayed payments etc.			
		Whether review of sale of yarn and cloth below floor prices done and found to be authentic.			
		Whether Performa invoice has been prepared as per order and whether the actual deliveries made accordingly. Reasons for deviation should be recorded by mill management.			
		B) Sold stock not lifted			
		Verify quantity sold but not lifted.			
		Whether reason for non-lifting within specified time has been recorded.			
		Whether interest/penalty has been charged for late lifting.			
		Whether such material has been used / disposed off after specified period.			
		Whether any loss/cost on account of above has been incurred by the company and same has been debited to party or not.			

		C) Scrap/Waste Sale			
		Whether process wise scrap and waste identified and segregated.			
		Whether sales procedure has been followed for sale of scrap and waste.			
		Whether un-lifted scrap is lying for unreasonable period? Reasons for the same should be recorded by the management. Please also specify whether it has been dealt with as per procedure.			
6	Miscellaneous	Whether proper follow up for goods sent as samples and in case of non-return within specified time the 'suppliers account' is debited with the cost of samples is ensured?			
		Verify the correctness of repair and maintenance of vehicle and review the nature of repairs.			
		Verification of inputs and outputs, recovery of yarn, stoppage, packing reports and maintenance along with idle capacity.			
		Verify the maintenance of cost records as per cost accounting records rules			
		Whether verification of cloth produced is done as per production plan.			
		Whether MIS reports given to HO reconciled with records maintained by Mills on random basis with regard to production, raw material & power consumption, Sales etc.			
		Whether verification of variety wise waste product done.			
		Whether verification of actual power cut from State Electricity Board done as per register maintained in the unit?			
		Whether power purchased from private party as per approved power agreement?			
		Whether actual shortage of power cut assessed from record?			
		Whether purchased of diesel is done as done as per procedure?			

List of units to be audited and their details**Category I - Running mills**

S. No.	Particulars of the Running Mills	Location	Capacity	
			Spindles (Nos.)	Looms (Nos.)
1.	Pioneer Mills	Paramakudi, Tamil Nadu	46176	-
2.	Keleeswarar 'B' Mills	Kalayarkoil, Tamil Nadu	52768	-
3.	Coimbatore S. & W Mills	Coimbatore, Tamil Nadu	17136	-
4.	Vijay Mohini Mills	Thiruvananthapuram, Kerala	25056	-
5.	Cannanore Spg. & Wvg, Mills	Mahe, Puducherry	28560	-
6.	Cannanore Mills	Kannur, Kerala	52032	-
7.	Alagappa Mills	Thrissur, Kerala	45296	-
8.	Kerala Laxmi Mills	Thrissur, Kerala	42944	-
9.	Tirupathi Mills	Tirupathi, Andhra Pradesh	8640	-
10.	Pankaja Mills	Coimbatore, Tamil Nadu	31500	-
11.	New Bhopal Textile Mills	Bhopal, Madhya Pradesh	51264	-

***Operations have been suspended in all the above-mentioned mills since March'2020.**

Category III - Regional Office(s)

S. No.	Particulars of the Regional Office(s) / Sub Office(s) / Divisional Office	Location
1*	Southern Regional Office & Closed Mills of Bangalore Office.including minerva mill	Coimbatore, Tamil Nadu

*** The assignment of internal audit of units has been clubbed wherever necessary considering volume of work and location.**

Minimum Annual Audit Fee

Sl. No.	Name of the unit	Location of unit	Minimum Annual Audit Fee* (in Rs.)
1.	Pioneer Mills	Paramakudi, Tamil Nadu	18,000.00
2.	Keleeswarar 'B' Mills	Kalayarkoil, Tamil Nadu	18,000.00
3.	Coimbatore S. & W Mills	Coimbatore, Tamil Nadu	15,750.00
4.	Vijay Mohini Mills	Thiruvananthapuram, Kerala	21,500.00
5.	CannanoreSpg. &Wvg, Mills	Mahe, Puducherry	21,500.00
6.	Cannanore Mills	Kannur, Kerala	21,500.00
7.	Alagappa Mills	Thrissur, Kerala	18,000.00
8.	Kerala Laxmi Mills	Thrissur, Kerala	21,500.00
9.	Tirupathi Mills	Tirupathi, Andhra Pradesh	20,000.00
10.	Pankaja Mills	Coimbatore, Tamil Nadu	18,000.00
11.	New Bhopal Textile Mills	Bhopal, Madhya Pradesh	20,000.00
Total Audit Fee of 11 Running Mills			213,750.00
1	Southern Regional Office & Closed Mills of Bangalore Office.including minerva mill	Coimbatore, Tamil Nadu	26,000.00
Total Audit Fee of 1 Regional Office			26,000.00
Grand Total			239,750.00

** Minimum Annual Audit fee has been kept as same as of previous year i.e. FY 2020-21 as mills are non-operational since March'2020.*