



**Security Printing & Minting Corporation of India Limited  
(A Mini Ratna Category – I CPSE)  
(Wholly owned by Government of India)  
16<sup>th</sup> Floor, Jawahar Vyapar Bhawan, New Delhi -110001**

Phone: 011-443582223

Fax No.011-443582293

Website: www.spmcil.com

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## **Standard Bidding Document (SBD)**

**TENDER FOR ENGAGING PARTNERSHIP/LIMITED LIABILITY PARTNERSHIP FIRMS OF CHARTERED/COST ACCOUNTANTS FOR CONDUCTING INTERNAL AUDIT IN NINE UNITS AND CORPORATE OFFICE OF SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED (SPMCIL) FOR THE FINANCIAL YEAR 2017-18.**

**Tender No. SPMCIL/FIN/254/EOI/IA/2017**

**Dated 14.12.2017**

**This Tender Document Contains 32 Pages**

**Details of Contact person in SPMCIL, New Delhi regarding this tender:**

**(Sanjay Maheshwari),  
Additional General Manager (Finance), SPMCIL,  
16<sup>th</sup> Floor, Jawahar Vyapar Bhawan,  
New Delhi - 110001**

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## **SECTION -I NOTICE INVITING TENDER (NIT)**

**Security Printing & Minting Corporation of India Limited**  
**(A Mini Ratna Category – I CPSE)**  
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**16<sup>th</sup> Floor, Jawahar Vyapar Bhawan, New Delhi -110001**

Phone: 011-443582223

Fax No.011-443582293

Website: www.spmcil.com

No. SPMCIL/FIN/254/EOI/IA/2017(CHO/FIN/2016/5247)

Date 14.12.2017

SPMCIL invites sealed tenders from eligible and qualified tenderers for the following service: -

<b>Description</b>	<b>Earnest Money (In Rupees)</b>
TENDER FOR ENGAGING PARTNERSHIP/LIMITED LIABILITY PARTNERSHIP FIRMS OF CHARTERED/COST ACCOUNTANTS FOR CONDUCTING INTERNAL AUDIT IN NINE UNITS AND CORPORATE OFFICE OF SPMCIL FOR THE FINANCIAL YEAR 2017-18	Rs.10,000/- (Rupees Ten thousand only)

Type of Tender	Two Bid Open Express Tender
Dates of submission of tender documents	From 15.12.2017 to 29.12.2017 (up to 05:00 PM) on all working days (Saturday and Sunday is weekly off in SPMCIL)
Place of receipt of tenders	SPMCIL corporate office
Time and date of opening of tenders	29.12.2017 at 05.10 P.M
Place of opening of tenders	SPMCIL corporate office

1. Interested tenderers may obtain further information about this requirement from the above office.

2. Tenderer may download the tender documents from the web site [www.spmcil.com](http://www.spmcil.com) and submit its tender by utilizing the downloaded document.
3. Tenderers shall ensure that their tenders, duly signed and stamped on each page and complete in all respects as per instructions contained in the Tender Documents, are dropped in the tender box located at the address given below on or before the closing date and time, failing which the tenders will be treated as late and rejected.
4. In the event of any of the above mentioned dates being declared as a holiday/ closed day for the SPMCIL the tenders will be received/ opened on the next working day at the appointed time.
5. Quotation received by fax, e-mail will be ignored.
6. Quotations must be enclosed in a sealed cover both bearing the Tender Number and due date.

**(Sanjay Maheshwari),  
Additional General Manager (Finance),  
SPMCIL, 16<sup>th</sup> Floor,  
Jawahar Vyapar Bhawan,  
New Delhi - 110001**

## Section – II: FORMAT FOR APPLICATION

1. Name of the Firm:

2. Registration No. of the Firm:

(Institute of Chartered/Cost Accountants of India)

3. i. Date of Registration of the Firm :

ii. Type of firm : Partnership firm/ LLP firm

4. Details of Head Office & Branch Office(s): Head Office:

<b>Address</b>	<b>Date of Establishment</b>	<b>Contact No(s)/Fax</b>	<b>E-mail</b>

Branch Office 1

<b>Address</b>	<b>Date of Establishment</b>	<b>Contact No(s)/Fax</b>	<b>E-mail</b>

Branch Office 2

<b>Address</b>	<b>Date of Establishment</b>	<b>Contact No(s)/Fax</b>	<b>E-mail</b>

(Insert further branch office(s) , if any)

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

S.No.	Name of the Partner	Membership No.	Membership Status ACA/ACMA/ FCA/FCMA	CISA/DISA/IS A or equivalent qualification	Date of Joining the firm As Partner
1					
2					
3					
4					
5					
6					

(Please attach certificate issued by institute of chartered accountants of India (ICAI)/ Institute of cost accountants of India (ICAI) in support of information furnished at Sl. No. 1, 2, 3, 4 and 5 above)

6. Is the partner of Firm/LLP :-

S. No.	Particular	Yes/ No
a.	Dismissed Government Servant	
b.	Removed from approved list of vendors	
c.	Demoted to a lower class of vendors	
d.	Having business banned/suspended by any government in the past	
e.	Convicted by a court of law	
f.	Retired engineer/official from engineering Department of Govt. of India within last two years	
g.	Direction of partner of any other company/ firm enlisted with CPWD or any other department	
h.	Member of Parliament or any State Legislative Assembly	

7. Is any Partner/Person working with the applicant is a near relative of the officer/ official of SPMCIL: Yes/ No.

8. Details of Qualified Assistants (i.e Chartered/Cost Accountants employed by the firm)

Sl.no.	Name of the Assistant	Membership No.	Whether ACA/ACMA/FCA/FCMA (Please attached membership certificate issued by respective institutes for each qualified assistant)	Date of joining the firm as qualified assistant
1				
2				
3				
4				

9. Details of Experience in PSU Sector:

Sl.no.	Name of the Company	Year of audit	Type of audit – whether statutory/internal audit (please attach copy of appointment letter for each year & for every company)
1.			
2.			
3.			

10. Details of Experience in conducting audit in organization working on SAP ERP Platform :

S.No.	Name of the Company	Year of Audit	Type of Audit – Whether Statutory/Internal Audit (Please attach copy of appointment letter for each year & for every company)
1			
2			
3			

11. Income Tax PAN No. of the Firm :

12. GST Tax Registration No. :

13. Bank details for EFT :

1.	Bank Name	
2.	Branch Name and Address	
3	Bank Account Number & Type of Account i.e Saving/Current	
4.	IFSC Code	

**Note: A Cancelled Cheque is to be enclosed in support of details as filled in Sr. No. 17 above.**

14. Turnover of the Firm:-

TURNOVER (F.Y.)  ( in Rs. Lakhs )	2016-2017	2015-2016	2014-2015



15. It is confirmed that all the requirements as per section 3 to the tender documents have been complied with.
16. We confirm that we have not taken any deviation from the terms & conditions, of the tender documents. A copy of complete tender document duly signed and stamped on all pages as a token of acceptance of all terms & conditions is attached.

I/We certify that the information given above is true to the best of our knowledge. I/We also understand that if any of the information is found wrong. I/we are liable to be debarred.

Date .....

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

**Note: 1. List of documents to be submitted along with the applications: - Please refer to the instructions mentioned at section no. III of the tender.**

### **Section III: SPECIAL INSTRUCTIONS TO AUDIT FIRMS AND DOCUMENT LIST**

#### **(A) Instruction to Audit Firms:**

1. Format of Application must be completely filled in. Incomplete applications will be rejected outrightly.
2. Please ensure that date of opening of Head Office, Branch Office, entrance dates of all Partners into the firm, date of joining firm as qualified assistants should be invariably indicated in the application.
3. All bids will be evaluated on the basis of the documents furnished along with applications only. Any additional document received, after last date & time of receiving the bids as stipulated in the Notice Inviting tender, will not be entertained. However, in case the Technical evaluation committee (TEC) finds it necessary to call for some document/clarification, then that document as called for will be taken into account during evaluation.
4. Since, all the applications will be evaluated strictly on the basis of Selection and eligibility Criteria as per section VII & IX respectively, please avoid attaching unsolicited information/documents so as to enable us to process applications expeditiously.
5. All submitted documents should be signed by a Partner with his name and under the seal of the firm.
6. The bid would consist of following:-
  1. Envelop No. 1 to contain the following:
    - i. EMD of Rs 10,000/-.
  2. Envelope No. 2 to contain the Technical Bid as per note 1 at section VII.
  3. Envelope No. 3 to contain the Financial Bid as per format prescribed on section XI.

Envelop No. 1 & 2 form **First part, will be known as 'Technical Bid', and the Envelop No. 3 will form second part i.e. 'Financial bid'. Tenderer shall seal separately 'Technical Bid' and 'Financial bid' and covers will be suitably super scribed. All three these sealed covers shall be put in a bigger cover super scribing the Tender No. & date and marked in bold letters "Application for engagement of Chartered Accountant Firm/Cost Accountant Firm for conducting internal audit of FY 2017-18" thereon and sealed. The name and address of the firm must also be indicated on the body of the envelope.**

**Application not accompanying EMD would be summarily rejected and their Technical and Financial bids will not be opened. No communication in this regard will be entertained in future.**

7. Application may be submitted in by hand or by post/courier to the office of The Additional General Manager (Finance), Security Printing and Minting Corporation of India Limited,

Corporate Office, 16th Floor, Jawahar Vyapar Bhawan, Janpath, and New Delhi-110001. SPMCIL does not take any responsibility for loss of application in transit. Applications sent through Fax or E-mail will not be considered.

8. Any application received after the stipulated date and time, due to any reason whatsoever, will be rejected out-rightly.

**(B)List of documents to be submitted along with the application:**

Interested audit firms are advised to go through contents of the tender documents carefully and submit all self-attested copies of the following documents in proper sequence along with the bid as described hereinafter:

1. Registration certificate of the firm issued by the Institute of Chartered Accountants of India and / or Institute of Cost Accountants of India, Information related to year of establishment of Head Office & Branch Office(s), addresses, details of partners and their membership nos. etc. as indicated in the Certificate will be treated as conclusive and final information for evaluation of tenders.
2. Membership certificates of the qualified assistants issued by the Institute of Chartered Accountants of India and / or Institute of Cost Accountants of India.
3. Copies of appointment letters for Statutory/Internal audit **in organizations working on SAP ERP Platform.**
4. Copy of PAN Card.
5. Copy of GST Registration.
6. A cancelled cheque of the Bank to which Fee payments will be made.
7. A copy of complete tender document duly signed and sealed as a token of acceptance of all terms and conditions.

#### **Section IV: OBJECTIVES OF INTERNAL AUDIT**

<b>S. No.</b>	<b>Objectives</b>
1.	To review and evaluate internal control systems and procedures to determine reliability and integrity of information and documents.
2.	To ensure that the SPMCIL maintains proper accounting records as required by law and follows prescribed accounting standards and practices and policies consistently.
3.	To assess adequacy of systems and procedures for procurement, obtaining sanction for disbursement and utilization of resources.
4.	To ensure compliance of statutory laws, rules and regulations.
5.	To review corporate Governance practices.
6.	Evaluation of performance management system with reference to yearly plan and budget.
7.	To assess the adequacy of the internal financial control systems and procedures for safeguarding the interest of the SPMCIL, detecting fraud or irregularities and safeguarding the assets of the SPMCIL.
8.	To review Internal Financial control on financial reporting.
9.	Fixed Asset Verification

## **Section V: SPECIAL CONDITIONS OF CONTRACT (GCC)**

- i. **Appointment of Audit firm's will be done Unit wise.**
- ii. The SPMCIL reserves its right to accept or reject any application/s without assigning any reasons. The decision of the SPMCIL for selection of the Firms will be final and binding upon the parties participating in the tender.
- iii. **Internal Audit shall be conducted in three phases** i.e. 1<sup>st</sup> Phase starting from 01.04.2017 to 30.09.2017, 2<sup>nd</sup> phase starting from 01.10.2017 to 31.12.2017 and 3<sup>rd</sup> phase starting from 01.01.2018 to 31.03.2018.
- iv. The Internal Auditor will ensure that the information obtained in respect of the operations of the Unit is maintained in strict confidence and secrecy. A certificate towards maintaining confidentiality is to be provided by the Internal Auditor at the time of acceptance of Audit assignment.
- v. The appointment of the Audit Firm will be for one year i.e. for 2017-18 and may be extended on yearly basis in 2<sup>nd</sup> and 3<sup>rd</sup> year i.e. for F.Y 2018-19 and F.Y 2019-20 respectively subject to satisfactory performance of the firms on same rates and terms & conditions.
- vi. If progress/performance of the audit firm is not found satisfactory by SPMCIL or there are in-ordinate delays in submission of reports, the management reserves the right to terminate the appointment of the Firm.
- vii. The Audit firm will be debarred from getting, in future, Internal Audit assignments in SPMCIL in the following cases:
  - a. If the Firm obtains the appointment on the basis of false information/false statement at the time of submission of application/documents for the tender.
  - b. The Audit Firm is found to have sub-contracted the work.
  - c. If the Firm does not take up audit in terms of the appointment letter.
  - d. If the Firm does not submit Audit Report, complete in all respect, in terms of the appointment and within the specified date.
- viii. Please refer to our website for further details  
**“<http://www.spmcil.com/spmcil/uploaddocument/git.pdf> (GIT contains 32 pages and will form part of this tender document)”**  
  
**and**  
  
Please refer to our website for further details  
**“<http://www.spmcil.com/spmcil/uploaddocument/gcc.pdf> (GCC contains 28 pages and will form part of this tender document)”**
- ix. **The tenders shall remain valid for acceptance for a period of 120 days.**

**Section VI: LIST OF REQUIREMENT (SCOPE AND EXTENT OF COVERAGE OF  
AUDIT**

<b>Sl. No.</b>	<b>Scope</b>	<b>Periodicity/Extent of Coverage</b>
1.	<b>Sales &amp; Revenue :</b> Verification of all heads of revenue along with all the supporting Documents.	Quarterly – 100%
2.	<b>Procurement (pre award and execution) :</b> (a) Contracts of value up to Rs.5 lakhs (b) Contracts of value between Rs.5 lacs to Rs.10 lakhs (c) Contracts of value above Rs. 10 lakhs Ensure that the guidelines as per procurement manual are duly Complied with. It will also include checking of performance bond/guarantee for validity and safe custody, insurance and risk management Procedure.	Quarterly – 25% Half yearly – 50% Quarterly – 100%
3.	<b>Contracts on nomination basis :</b> Verification of contract/PO awarded on nomination basis and single tender basis valuing Rs.1.5 lakh and above.	Quarterly – 100%
4.	<b>Contractors' bills :</b> Checking of running account bills with respect to quantity and quality of work, certification of work, adjustment of advances, application of penalty clause etc. as per the terms of contract.	Quarterly – 50%
5.	<b>Payroll : Verify whether</b> (a) Salaries, wages and other deductions are authorized and recorded on a timely basis and payroll deductions are determined in accordance with legal requirements and are paid to Government and other specified parties as per specified timelines. (b) All authorized employee benefit plans and related costs are appropriately controlled and administered. (c) PAO claims are properly administered.	Quarterly – 100%  Quarterly – 50%  Half yearly– 100%
6.	<b>Human Resource &amp; Establishment:</b> (a) Leave records (b) Payment of all types of advances to the employees (c) Review of sub ledgers and recovery of advances (d) LTC records (e) Pay fixation (f) Training & development	Half yearly – 50% Quarterly – 100% Quarterly – 100% Half yearly – 50% Half yearly – 100% Half yearly – 100%

7	<b>Bank reconciliations:</b> Verification of BRS of all the bank accounts including outstanding entries in the previous BRS.	Quarterly – 100%
8.	<b>Receivables:</b> Periodical age wise analysis of all receivables with respect to pricing, tenure of credit and collection.	Quarterly -50%
9	<b>Accounts :</b> Vouching of all vouchers (cash, bank, JVs)	Quarterly -50%
10.	<b>Guest House:</b> (a) To check the level of utilization i.e. occupation of rooms by guests. (b) Receipt of revenue (c ) Purchase of consumables (d) Purchase and use of assets (e) Repairs and maintenance of assts.	Half yearly – 50%
11.	<b>Inventories:</b>  (a) Periodical Physical verification of inventories. (b) Reporting the variances as per physical verification and as per books of account (c ) Valuation in accordance with the applicable accounting policies prescribed by ICAI (d) Identification of slow moving and excess inventories and its periodical reporting to management with suggesting measures.	(a), (b), (c) – Yearly - 50%    (d) – quarterly – 50%
12.	<b>Fixed Assets:</b>  (a) Conduct the Physical verification of fixed assets in accordance with the applicable Accounting policies.  (b) Reporting the variances as per physical verification and as per Books of Account.  (c) Check proper records are maintained including Fixed Assets Register and Depreciation is properly calculated and accounted for in accordance with the applicable Accounting policies.	Yearly – 100%  Yearly – 100%  Yearly – 100%
13	<b>Provisions:</b>  To ensure that all the known liabilities have been provided after duly authorization including retirement benefits and claims in respect of employees. To ensure actuarial valuation as per applicable accounting standards.	Yearly – 100%

14.	<b>Township</b> (a) To check whether the allotment, occupation and vacation of quarters is in accordance with the laid down practices. (b) Receipt of revenue. (c) Stores management. (d) Repair and maintenance of building and roads.	Half yearly – 50%
15.	<b>Investments:</b> (a) Periodic physical verification of investment and deposits (b) To ensure that the booking of income on investments and deposits as per the terms of investment made (c) Ensure that the DPE guidelines on the subject are duly complied with.	Yearly – 100% (only at corporate office)
16.	<b>Compliance to DPE guidelines :</b> To go through the DPE guidelines and compliance thereof in company and point out any variation /deviation.	Quarterly – 100% (only at corporate office)
17.	<b>CSR activities :</b> (a) Contracts of the value below Rs. 10 Lacs (b) Contracts of the value equal to or more than Rs. 10 Lacs	Half yearly – 50% Half yearly – 100%
18.	<b>IFC:</b> (a) Perform a diagnostic review of existing internal financial control system from the management’s perspective and to identify deficiencies, if any. Provide recommendations to mitigate such deficiencies. (b) Identifying significant accounts and mapping with business processes and sub-processes for identification of financial reporting risks (materiality, quantitative & qualitative judgment), Recommend on documentation guidelines and Advice on updating the IFC Framework. (c) Provide recommendations on ways that the SPMCIL may address control weaknesses. (d) Review of risk and control matrices including documentation of controls i.e., entity level controls, pervasive IT controls and process level controls. (e) Any other activities/studies/reports if necessary, in connection with development of Internal Financial Control Framework not covered above.	Yearly – 100% Yearly – 100% Yearly – 100% Yearly – 100%
19.	<b>Statutory Compliances :</b> To ensure compliance of all the applicable statutes and laws governing the organization that all the taxes and statutory dues are deposited in time and the required reports and returns have been filed periodically on time.	Quarterly – 100%

**Note:** The firm undertaking internal audit has to exercise their discretion and apply their minds & rely on their judgment so as to ensure that all essential and significant areas of checking have been covered by them and no important area of checking has been left out.



**Section VII: SELECTION CRITERIA (POINT ALLOCATION)**

<b>Sl. No</b>	<b>Particulars</b>	<b>Points to be allocated</b>	<b>Maximum Points</b>	<b>Supporting Documents</b>
1.	Year of establishment of the Audit firm/Limited Liability Partnership Firm.	<p>a) 25 Years or more - 10 points</p> <p>b) 15 - 24 years - 5 points</p> <p>c) Less than 15 years- 2 points</p> <p>Cutoff date shall be last day of the month previous to month in which bids are invited.</p>	10 (ten)	Registration certificate of the firm issued by the Institute of Chartered accountants of India and / or Institute of Cost Accountants of India. Information related to year of establishment of Head Office(s) & Branch office(s), addresses, details of partners and their membership nos. etc. as Indicated in the Certificate.
2.	No. of Partners in the Firms/Limited Liability Partnership Firm who with the Firm for a minimum period of year as on date of application.	<p>a)1 (One) for each Partner who is ACA/ACMA.</p> <p>b) 2 (Two) for each Partner who is FCA/FCMA.</p>	10 (ten)	Registration certificate of the firm issued by the Institute of Chartered accountants of India and / or Institute of Cost Accountants of India. Information related to year of establishment of Head Office(s) & Branch office(s), addresses, details of partners and their membership nos. etc. as Indicated in the Certificate.
3.	No. of Qualified Assistants (Chartered/Cost accountants) employed with the firm.	<p>a) More Than 10 CAs/ CMAs –10 Points</p> <p>b) 5 - 10 CAs / CMAs – 5 points</p> <p>c) Less than 5 CAs/ CMAs but more than 3 CAs/ CMAs – 2 points</p>	10 (ten)	Copy of details filed with the Institute of Chartered/Cost Accountants of India.
4.	Experience of the Firm in Organisation working on SAP ERP Platform as Statutory /Internal Auditor.	3 (Three) per year of Audit (fraction of the year to be ignored).	15 (Fifteen)	Copies of appointment orders for statutory audit/ internal audit /PSU /Govt./ Scheduled Bank/others in evidence experience along with certification in SAP.

5.	Experience of the firm in internal audit of PSU.	4 (Four) per PSUs for minimum period of three years.	20 (Twenty)	Copies of appointment orders for statutory audit/internal audit in any central /state PSU / Govt./ Scheduled Bank in evidence of experience.
6.	Turnover of audit firm in F.Y. 2016-17.	a) More than Rs. 200 Lacs = 15 points b) Rs. 100 – 200 Lacs = 10 points c) Less Than Rs. 100 Lacs = 5 points	15 (fifteen)	The audited annual accounts of audit firm for F.Y 2016-17.
7.	Average Turnover of the internal audit clients during F.Y. 14-15, 15-16, & 16-17.	a) Up to Rs. 1000 Cr. - 5 points b) Above Rs. 1000 Cr. to Rs. 2500 Cr. - 10 points c) Above Rs. 2500 Cr. to Rs. 5000 Cr. - 15 points d) Above Rs. 5000 Cr.- 20 points	20 (twenty)	Copies of relevant pages of audited financials for all the clients for F.Y. 14-15, 15-16 & 16-17 to be enclosed.

**Notes:-**

- All above mentioned supporting documents along with application (format of application) will constitute “Technical Bid”.**
- The Bidder will mention self-evaluated score against each parameter and will provide related documentary evidence against each parameter given above. The self-evaluated scores of the Bidder will be verified by the Evaluating Committee of SPMCIL based on the documentary evidence provided. The scores given by the Committee after verification with the documentary evidences as provided by the Bidder shall be considered final.
- Only those firms who secure **at least 70%** and above marks as per selection criteria mentioned above at section VII shall be **considered for opening of Financial bid.**
- The appointment of an Audit Firm will be made based on Combined Quality Cum Cost Base System (CQCCBS) with weightages of 70:30 (70% for Technical Proposal and 30% for Financial Proposal).**

5. Proposal with the lowest fees (L1) will be given a financial score of 100 and other proposal will be given financial score which is inversely proportional to their prices.

For e.g. only two bids L1 & L2 are received.

L1's Financial bid= Rs. 50000.00 and L2's Financial bid = Rs. 60000.00

Then, L1's Financial Score is 100.

L2's Financial score would be  $100/60000*50000 = 83.33$ .

The bidder securing the highest aggregate score after applying the respective weightage for technical and financial parameters would be selected.

**6. In case of tie, the following sequence shall be adopted for selection:**

- a) The Audit Firm having longer experience will be given preference based on the year of Establishment.
- b) The Audit Firm having office in the City of the SPMCIL unit for which evaluation is being done .
- c) The Audit Firm having office in the State of the SPMCIL unit for which evaluation is being done
- d) The Audit Firm with a higher number of Fellow Members of the Institute of Chartered Accountants or Cost Accountants of India as partners will be considered.
- e) The Audit Firm with a higher number of Associate Members of the Institute of chartered Accountants and Cost Accountants of India as partners will be considered.

For the purpose of selection of the Internal Audit Firm in case of tie, only clause (a) mentioned above will be considered. However, in a situation where even after considering clause (a), the tie continues, the remaining clauses i.e. (b) to (e) will be considered individually until the tie is broken.

7. The present Statutory Auditors (as appointed by the C&AG) of the units will not be eligible for bidding in compliance with the provisions of section 144 of the Companies Act, 2013. Accordingly, the following shall also not be eligible for bidding:-

- Any of the partners of the firm doing Statutory audit of the units (to be referred as statutory audit firm).
- Any of its parents, subsidiary or associate entity, if any,
- Any other entity whatsoever, in which the statutory audit firm or any of its partners have significant influence or control.
- Any other entity whose name or trademark or brand is used by the statutory audit firm or any of its partners.

## **Section VIII: AUDIT FEE & REPORTING REQUIREMENTS**

### **Audit fee**

- i. Audit Firms are required to quote the audit fees for Internal Audit of each unit separately as per defined price bid format at section XI. Keeping in mind the minimum Man-days required for each unit as given at section XII. **It is to be noted that Evaluation of Firms shall be done for each unit separately.**
- ii. **If required man days are not fulfilled by the audit firm after award of contract then payment will be deducted proportionately.**
- iii. **No other expenses like TA/ DA / Boarding/Lodging will be reimbursed by the SPMCIL.**
- iv. GST or any other tax as applicable will be paid extra as per respective Tax Act.
- v. The Firm shall be eligible for payment up to 50% of audit fee for 1<sup>st</sup> phase and 25% for each 2<sup>nd</sup> and 3<sup>rd</sup> Phase. Such fee shall be released only after submission of report for that phase followed by the bill and all supporting evidences/documents required to process such bills including wrap up discussion report with management for each Phases.
- vi. The bill of fees should be duly accompanied by details of man power deployed in each phase of the audit assignment.

### **Reporting requirement**

On completion of the Audit of the respective Audit Unit of each phase, the following steps should be followed before finalization of the report and the partner of the firm should meet and discuss the audit observations.

- (i) The salient audit observations of the respective preliminary Audit shall be discussed with the Head of Finance along with the GM of units so that timely corrective action may be taken and based on the outcome, a draft composite Audit Report covering all the Audit areas within the scope shall be compiled/prepared, including additional information if any, that may be provided/obtained during such discussions and rectifications carried out on the instance of audit. The report should also contain specific suggestions for improvements, if any.
- (ii) Based on the outcome of the discussions, the Audit Report thus compiled shall be structured as outlined hereunder:

**Internal Audit Reports should be divided into five separate parts, namely:**

#### **Part-I Compliance and Report:**

This part shall cover the comments of the Auditors on the adequacy of the compliance and action taken for rectification of errors/discrepancies pointed out by previous auditor pertaining to earlier phase and also Phase-I of the current year. It shall also contain the confirmation regarding implementation of policies, systems, controls etc. to avoid the recurrence of such irregularities in future. It may be ensured that the compliance report on audit observations pointed out in reports

relating to earlier audits is made and corrective actions taken on those points are furnished in the Audit Report. In other words it may be ensured while conducting the audit, compliance report of the audit observations pointed out in the earlier report of preceding period, is furnished along with the corrective action taken. **Physical Verification of Fixed Assets report shall also be given.**

### **Part-II Important Observations / Findings:**

This part shall contain all such significant discrepancies observed during the current Audit and the observations in which, the auditor feels immediate attention of management specifying the financial implications, if any. In this part Auditor shall also bring the important areas requiring improvement and their recommendation, if any. Also to indicate the improvements made by the SPMCIL based on the audit observations. Further to report any deviations/observations from policies, systems and procedures of SPMCIL.

### **Part-III Report on Testing of Effectiveness of Internal Controls:**

Perform Internal Financial control Audit as given in Scope of Work and submit the report giving recommendations on the ways that the SPMCIL may address control weaknesses. The Auditors would be required to include their findings in Part-III of their report.

### **Part-IV Report on Contracts/POs placed on single tender & nomination basis:**

It has been decided that internal auditors will report separately on Contracts/Purchase Orders (POs) placed on single Tender/Nomination basis. The coverage of such contracts and the format for such contracts and the format for such reporting is included in the statement below which may kindly be adhered to.

### **Part-V Detailed Report:**

In this part, the Auditor shall furnish the detailed results of the Audit and Auditors confirmation whether SPMCIL's system/guideline/propriety has been adhered to in the areas viz. works including O&M contracts, procurement, operation, establishment records in Finance & HR, establishment expenses, other expenses, depreciation, Commercial billing & its realization/reconciliation, maintenance of fixed assets register, current assets, capital work in progress, mandatory spares, stores, inter unit accounts, review of accounts, township, guest house provision of liabilities.

The Internal Auditor's report shall be in the same sequence as given in the scope of audit and in case any item is not applicable to the audit unit, the same should be mentioned as nil.

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

- (I) Particulars of records along with their volume (i.e. total no. of vouchers in each category for each phase) and value/volume checked as compared to the total volume and value of transactions viz. BRV/BPV/CRV/CPV etc. Similar statistics are required with reference to audit of contracts with the total no. of contracts awarded and the percentage of audit done.
- (II) A report indicating the number of Tender/Contracts awarded on single tender & nomination basis in two categories viz. (i) Value more than Rs. 5 Lac and (ii) Value up to Rs. 5 Lac and furnish the same in the following statement indicating the contracts selected for review.

Sl.No.	Package Name	Awarded Party	LOA No. & Date	Award Value (Rs. Lac)	Whether Proprietary items/Source Standardization/Urgency	Policies & Procedures for award of contracts have been adhered to (Yes/No), if No, state the reasons

- (III) A summary report indicating the important observations for each phase and for each area.
- (IV) A statement indicating the audit personnel deployed (designation) including the visits of partners and the period of audit for each substation. It is expected that the entire scope is covered in a systematic manner and to facilitate the reporting as per the requirement.
- (V)The report should be furnished for each audit unit/office separately.

## **Section IX:QUALIFICATION / ELIGIBILITY CRITERIA**

The qualification criteria are as under:-

- i. Bidder firm should have conducted one Statutory/Internal audit in last 5 years to any organisation working on SAP ERP Platform.
- ii. Average annual turnover of the bidder firm during last 3 years should be more than Rs. 12,00,000/-.
- iii. Bidder firm should not have suffered any financial loss for more than one year during the last three years.
- iv. Audit firms should have office at one location (atleast) out of below mentioned cities:-
  - a. Delhi/NCR
  - b. Mumbai
  - c. Kolkata
  - d. Nashik
  - e. Dewas
  - f. Hyderabad
  - g. Bhopal
  - h. Indore
  - i. Hoshangabad

**Only those bids that meet all the eligibility requirements shall be considered for Stage 2 i.e. Technical evaluation.**

**Section X: Tender Form**

Date.....

To

**SECURITY PRINTING &  
MINTING CORPORATION OF INDIA LTD.  
16TH FLOOR, JAWAHAR VYAPAR BHAWAN,  
NEW DELHI - 110001**

Ref: Your Tender document No. ....dated .....

We, the undersigned have examined the above mentioned tender enquiry document, including amendment No. -----, dated ----- (*if any*), the receipt of which is hereby confirmed. We now offer to supply and deliver..... (*Description of goods and services*) in conformity with your above referred document for the sum of \_\_\_\_\_ (total tender amount in figures and words), as shown in the price schedule(s), attached herewith and made part of this tender.

If our tender is accepted, we undertake to supply the goods and perform the services as mentioned above, in accordance with the delivery schedule specified in the List of Requirements.

We further confirm that, if our tender is accepted, we shall provide you with a performance security of required amount in an acceptable form in terms of GCC clause 6, read with modification, if any, in Section V – “Special Conditions of Contract”, for due performance of the contract.

We agree to keep our tender valid for acceptance for a period up to \_\_\_\_\_, as required in the GIT clause 19 read with modification, if any in Section-III – “Special Instructions to Tenderers” or for subsequently extended period, if any, agreed to by us. We also accordingly confirm to abide by this tender up to the aforesaid period and this tender may be accepted any time before the expiry of the aforesaid period. We further confirm that, until a formal contract is executed, this tender read with your written acceptance thereof within the aforesaid period shall constitute a binding contract between us.

We further understand that you are not bound to accept the lowest or any tender you may receive against your above-referred tender enquiry.

.....  
(Signature with date)

.....  
(Name and designation)

Duly authorized to sign tender for and on behalf of

.....  
.....



**Section XI: Price / Financial bid format**

Sl. no.	Name of units	Partner fee (a)	Qualified assistants Fee (b)	Assistants Fee (c)	Grand total (a+B+c)
1	IGM, Mumbai				
2	IGM, Kolkata				
3	IGM, Hyderabad				
4	IGM, Noida				
5	CNP, Nashik				
6	BNP, Dewas				
7	ISP, Nashik				
8	SPP, Hyderabad				
9	SPM, Hoshangabad				
10	Corporate office, Delhi				

Note:-

- (1) GST shall be paid extra as applicable.
- (2) The fees mentioned above are for all the three phases viz, phase –I, phase –II, Phase –III.
- (3) The audit fees for financial year 2018-19 & 2019-20 (if extended for further years) will remain the same as quoted for the first year i.e. 2017-18.
- (4) Firms have to quote fees unit wise as L1 will be decided unit wise. It is not mandatory for firms to quote for all the units.
- (5) Evaluation will be done for each unit separately based on the selection criteria mentioned at section VII.

## Section XII: MAN-DAYS REQUIREMENT

S.No.	Name of the units	Minimum man day requirement		
		Partners	Qualified Assistants	Assistants(including at least one semi qualified assistant)
1	IGM, Mumbai	20	36	72
2	IGM, Kolkata	20	36	72
3	IGM, Hyderabad	16	24	48
4.	IGM, Noida	16	24	48
5	CNP, Nashik	24	48	96
6	BNP, Dewas	24	48	96
7	ISP, Nashik	24	48	96
8	SPP, Hyderabad	12	24	40
9	SPM, Hoshangabad	24	48	96
10	Corporate office, Delhi	12	24	40

1. The firm has to quote rates separately against the each location mentioned above.
2. The allocation of manpower by audit firm amongst phases will be as follow:-
  - i) Half year ended September : 50%
  - ii) Quarter ended December : 25%
  - iii) Quarter ended March : 25%
3. The man-days requirement is exclusive of travel time.
4. For better monitoring of audit assignment, SPMCIL units shall maintain records of man power deployed for each phase by the Firm. A man day shall consist of minimum 8 hours each day and shortfall in working hours will be adjusted on pro rata basis. However, there will not be any additional payment for the manpower deployed in excess of the minimum man days.

**Section XIII EARNEST MONEY DEPOSIT**

- i. The bidder firm shall be required to submit earnest money **deposit (EMD) of Rs. 10,000/-** along with the bid.
- ii. The EMD is required to be submitted only in one of the following forms:
  - a) Account Payee Demand Draft or
  - b) Fixed Deposit Receipt or
  - c) Banker's cheque
- iii. The demand draft, fixed deposit receipt or banker's cheque shall be drawn on any scheduled bank in India in favour of SPMCIL.
- iv. The EMD shall remain valid for a period of forty five (45) days beyond the tender validity period.
- v. **Bank Guarantee Format for EMD**

Whereas ..... (hereinafter called the "Tenderer") has submitted its quotation dated ..... for the supply of ..... (hereinafter called the "tender")

Against SPMCIL's tender enquiry No. ....

Know all persons by these presents that we ..... of .....

(hereinafter called the "Bank")

having our registered office at .....

are bound unto .....

(hereinafter called the "SPMCIL")

in the sum of .....

for which payment will and truly to be made to the said SPMCIL, the Bank binds itself, its successors and assigns by these presents.

Sealed with the Common Seal of the said Bank this..... day of .....20.....

The conditions of this obligation are —

(1) If the Tenderer withdraws or amends, impairs or derogates from the tender in any respect within the period of validity of this tender.

(2) If the Tenderer having been notified of the acceptance of his tender by SPMCIL during the period of its validity:-

a) Fails or refuses to furnish the performance security for the due performance of the contract.

b) Fails or refuses to accept/ execute the contract.

We undertake to pay SPMCIL up to the above amount upon receipt of its first written demand, without SPMCIL having to substantiate its demand, provided that in its demand SPMCIL will note that the amount claimed by it is due to it owing to the occurrence of one or both the two conditions, specifying the occurred condition(s).

This guarantee will remain in force for a period of forty five days after the period of tender validity and any demand in respect thereof should reach the Bank not later than the above date.

.....

(Signature of the authorized officer of the Bank)

.....

.....

Name and designation of the officer

.....

Seal, name & address of the Bank and address of the Branch

## **Section XIV: TIMELINES FOR CONDUCTING INTERNAL AUDIT**

The internal audit shall be conducted in accordance with the timelines as specified below:-

S.No.	Particulars	2017-18 Due Date
<b>A</b>	<b>Internal audit for half year ended September (Phase – I)</b>	
	Submission of final Audit report	28.02.2018
<b>B</b>	<b>Internal audit for quarter ended December (Phase – II)</b>	
	Submission of final Audit report	15.03.2018
<b>C</b>	<b>Internal audit for quarter ended March (Phase – IV)</b>	
	Submission of final Audit report	15.04.2018

Note:

1. Any delay beyond 15 days in furnishing of internal audit report consequently for two phases due to non-deployment of manpower or any other reason attributable to the audit firm within stipulated dates mentioned as above will render audit firm to disqualify for future assignment and their nomination will not be considered for subsequent years.
2. Internal Audit for F.Y 2018-19 and F.Y 19-20 shall be carried out on quarterly basis for which timelines shall be decided later at the time of extension of contract.

**Section XV: SECURITY DEPOSIT**

- i. The selected firm shall be required to submit security deposit of the value of 10% of the total annual contract value within 21 days from the date of award of contract, valid up to sixty days after the date of completion of all contractual obligations by the supplier, including the warranty obligations (if any).
- ii. The Performance security shall be denominated in Indian Rupees or in the currency of the contract and shall be in one of the following forms:
  - a. Account Payee Demand Draft or Fixed Deposit Receipt drawn on any Scheduled bank in India, in favour of SPMCIL, New Delhi.
  - b. Bank Guarantee issued by a Scheduled bank in India, in the prescribed form as provided in section XV of this document.
- iii. The Security deposit shall be released by SPMCIL after 60 days from the date of satisfactory execution of the work order/contract in all respects.
- iv. No interest shall be payable to the firm on the amount of security deposit.
- v. Forfeiture of security deposit:

In event of default on the part of firm in satisfactory execution, security deposit shall be forfeited by SPMCIL. The forfeiture of security deposit shall be without prejudice to any other rights arising or accruing under relevant provisions of contract like penalty/damages for delay or risk execution of work including suspension of business dealings for a specific period.

vi. **Bank Guarantee Format for Performance Security**

\_\_\_\_\_ [insert: Bank’s Name, and Address of Issuing Branch or Office]

Beneficiary: \_\_\_\_\_ [insert: Name and Address of SPMCIL]

Date: \_\_\_\_\_

PERFORMANCE GUARANTEE No.: \_\_\_\_\_

WHEREAS ..... (Name and address of the supplier) (hereinafter called “the supplier”) has undertaken, in pursuance of contract no..... dated ..... to supply (description of goods and services) (herein after called “the contract”).

AND WHEREAS it has been stipulated by you in the said contract that the supplier shall furnish you with a bank guarantee by a scheduled bank recognized by you for the sum specified therein as security for compliance with its obligations in accordance with the contract;

AND WHEREAS we have agreed to give the supplier such a bank guarantee;

NOW THEREFORE we hereby affirm that we are guarantors and responsible to you, on behalf of the supplier, up to a total of ..... (amount of the guarantee in words and figures), and we undertake to pay you, upon your first written demand declaring the supplier to be in default under the contract and without cavil or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the supplier before presenting us with the demand. We further agree that no change or addition to or other modification of the terms of the contract to be performed thereunder or of any of the contract documents which may be made between you and the supplier shall in any way release us from any liability under this guarantee and we hereby waive notice of any such change, addition or modification.

We undertake to pay SPMCIL up to the above amount upon receipt of its first written demand, without SPMCIL having to substantiate its demand.

This guarantee will remain in force for a period of Sixty days after the currency of this contract and any demand in respect thereof should reach the Bank not later than the above date.

.....

(Signature of the authorized officer of the Bank)

.....

Name and designation of the officer

.....

Seal, name & address of the Bank and address of the Branch

.....

Name and designation of the officer

.....

.....

Seal, name & address of the Bank and address of the Branch