



# वेस्टर्न कोलफील्ड्स लिमिटेड

(मिनीरत्न कंपनी) (की अनुषंगी कंपनी .कोल इंडिया लि)



आंतरिक लेखा विभाग

Internal Audit

Department

संदर्भ संख्या/Ref.No.वेकोलि /आंले/20-21 /

दिनांक/Date 04 .01.2021

## EOI Notice No.hq-oth-ia-stores-002/20-21

### NOTICE INVITING EXPRESSION OF INTEREST FOR APPOINTMENT OF FIRMS FOR CONDUCTING PHYSICAL VERIFICATION OF STORES & SPARES IN WESTERN COALFIELDS LIMITED FOR THE F.Y. 2020-21

Applications are invited from the Chartered Accountants / Cost Accountants firms in prescribed Proforma appended below for appointment / empanelment of Audit Firms for Physical Verification of Stores & Spares to be conducted at **Central Stores / Regional Stores / Colliery Stores / Nandan Washery / Central Workshop / Regional Workshops** in the Areas of WCL for the Financial Year 2020-21.

The prescribed form and detailed criteria, scope, terms and conditions and audit fees are available on [CPP Portal www.eprocure.gov.in](http://www.eprocure.gov.in) and CIL's e-mode portal <https://coalindiatenders.nic.in> can be downloaded from 05.01.2021 at 15.00 hrs to 19.01.2021 11.00 hrs.

The willing firms may upload their Expression of Interest (EOI) / applications in the prescribed proforma in A-4 size papers with seal and signature of the firm. The Expression of Interest (EOI) should be uploaded on or before 19.01.2021 up to 11.00 hrs.Expression of Interests (EOIs) will be opened at 11.00 hrs on the 20.01.2021

The E.O.I. / application in any other form or incomplete applications are liable to be summarily rejected. E.O.I. / Applications received after the due date & time will not be considered.

#### PROFILE OF THE AUDIT FIRM

1. i) Name / Title of the Firm :  
ii) Year of Establishment :  
iii) Status of Firm (Proprietorship / Partnership) :  
iv) Details of Partners / Proprietor :
2. Registration No of the Audit Firm :

(Please upload the copy of certificate of Registration issued by the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India in evidence of informations at Sl. No. 1 & 2.)

3. Name of Qualified Assistants with Membership No. :

(Please upload copy of the Membership Certificates issued by the respective Institute.)

4. Name of Semi – Qualified Assistants :  
(Please upload copies of marksheets/ certificates.)

5. Audit experience in Coal India Ltd & its subsidiaries:  
(Please upload copies of the Appointment Orders)

I) Name of the Coal Company (Please upload copies of the Appointment Orders.)	II) Nature of Audit	III) Year of Audit
--	---------------------	--------------------

6. Audit Experience in other Public Sector Undertakings:

I) Name of the Company (Please upload copies of the Appointment Orders.)	II) Nature of Audit	III) Year of Audit
---	---------------------	--------------------

7. GST Registration No. :  
(Please upload copy of the G S T Registration.)

8. PAN :  
(Please upload copy of the PAN Card.)

9. I) Address of the Head Office :  
II) Telephone No. (Land Line / Mobile):  
III) E mail ID

10. I) Address of the Branch Office within 200 Km. of :  
Nagpur/ Chandrapur (If any, as indicated in the certificate of  
Registration issued by the respective Institute.)

II) Telephone No. (Land line / Mobile) :	III) Email ID :
--	-----------------

11. BANK A/C DETAILS FOR EFT

I) NAME OF BANK	:
II) ACCOUNT NO.	:
III) NAME / STYLE OF ACCOUNT	:
IV) NATURE OF ACCOUNT	:
V) BRANCH ADDRESS	:
VI) RTGS / IFSC No.	:

Place:

Date:

Signature of Partner with Name  
and Office Seal

**CRITERIA FOR APPOINTMENT OF AUDITORS FOR PHYSICAL VERIFICATION OF STORE & SPARES**

SL. No.	PARTICULARS	CRITERIA FOR STORES AUDIT	MAXIMUM POINTS
1.	Year of Establishment (Maximum 10 Years)	2 Points Per Year up to maximum of 10 points for firms formed up to 10 years. Firms formed more than 10 years will only be given a maximum of 5 points (See Note No 6).	10
2.	No. of Partners (Maximum 2 Partners.)	2 Points Per Partner (up to 2 Partners) Maximum 4 Points.	4
3.	No. of Qualified persons Employed (CA / ICWA)	1 Point Per Qualified Person	3
4.	Experience in Public Sector as Internal / Wages / Stores Auditors	1 Point Per Year.	5
5.	Location within 200 K.ms. of Nagpur / Chandrapur /		8
<b>TOTAL POINTS</b>			<b>30</b>

1. For Physical Verification of Stores & Spares, the appointment is to be given for small audit firms of Cost Accountants / Chartered Accountant firms having two or less Partners.
2. Firms which have done Stores Audit for three consecutive years in WCL, will not be considered for subsequent 3 years.
3. If a firm has been allotted any other type of audit i.e. Wages Audit, P & M Audit, Internal Audit, cost audit, Statutory audit in WCL will not be considered for appointment for Stores Audit for that year. Therefore, a firm can be considered for appointment only for one type of Audit in WCL for a particular year.
4. For giving Points, completed years as on 31.03.2020 are to be taken into consideration.
5. While drawing out list on the basis of Selection Criteria, the firms securing same number of points will be sorted out as follows : In order to give encouragement to new Proprietary firms / Partnership firms which have recently started practice i.e. since last 10 years are to be considered .
6. Firms which have done Stores Audit for 1 or 2 years may be considered for re -appointment for a further term limiting it to 3 years (including the years already done) if their performance is satisfactory and if they fulfill the criteria.
7. Total 11 (Eleven) Firms are to be appointed.

## SCOPE OF WORK FOR PHYSICAL VERIFICATION OF STORES & SPARES AUDIT

The Scope of the work of Physical Verification of Stores & Spares will be as under:

1. The physical verification shall be done at **Central Stores / Regional Stores / Colliery Stores / Nandan Washery / Central Workshop / Regional Workshops in the Areas of WCL** including diesel & lubricants under Central / Regional Stores,
2. Audited physical balance statement as on 31<sup>st</sup> March of the previous year, if any, shall be taken as opening balance.
3. Checking and verification of physical balances as on the day of verification, which includes counting / measuring / weighing etc.
4. Tracking the receipt and issue of the material between the intervening period with reference to kardex / bin card / stores ledger along with necessary adjustment to arrive at the derived physical balances as on 31<sup>st</sup> March.
5. Itemwise discrepancies, if any, between book balance as on 31<sup>st</sup> March, and derived physical balance as on 31<sup>st</sup> March, to be submitted to the Depot Officer for verification and acceptance.
6. List of stores and spares for which no D.S.R. / D.R.R. has been prepared as on date of physical verification is to be submitted separately with reasons thereof.
7. Whether action taken by the management against discrepancies observed in the physical verification report of last year is to be reported by the auditor.
8. Statement of physically verified obsolete / non moving stores & spares beyond three years and five years, if any, to be reported separately along with last date of movement.
9. Whether the records maintained in respect of scrap material are satisfactory and complete is to be reported.
10. To report the status of recovery of store materials issued on loan, if any, to the employees and contractors.
11. Agewise insurance claims lodged with insurance company for shortage / damaged materials received in stores and their current status should be submitted.
12. The auditor has to report whether the materials lying in stores have been properly stored to avoid damage and pilferage.
13. All the stock and stores are to be physically counted even if quantity in Kardex is nil. Nil card having physical balance will be paid.
14. At the time of verification with kardex, in case the physical balance and kardex / coalnet balance vary, the deficit / excess shall be reconciled by going into details of transaction and physical balance will be matched with kardex balance & tallied with priced stores ledger.

## TERMS AND CONDITIONS:

For appointing the firms for conducting physical verification of stores & spares as on 31-03-2020 in respect of accounting stores of different Areas as specified below with the following terms and conditions:

<u>Name of the Area.</u>	<u>Name of Stores</u>
Pathakhera	Regional Stores / Colliery Stores / Regional workshop.
Pench	Regional Stores / Colliery Stores / Regional workshop.
Kanhan	Regional Stores / Nandan washery / Colliery Stores / Regional workshop.
Nagpur	Regional Stores / Colliery Stores / Regional workshop.
Umrer	Regional Stores / Colliery Stores / Regional workshop.
Majri	Regional Stores / Colliery Stores / Regional workshop.
Chandrapur	Regional Stores / Colliery Stores / Regional workshop.
Ballarpur	Regional Stores / Colliery Stores / Regional workshop.
Wani	Regional Stores / Colliery Stores / Regional workshop.
Wani North	Regional Stores / Colliery Stores / Regional workshop.
Central Stores / CWS, Tadali	Central Stores / Central Work Shop.

## SCOPE OF WORK:

1. Physical verification of all stores items available in **Central stores / Regional Stores/ Colliery Stores / Nandan Washery / Central Workshop / Regional Workshops** in the Areas of WCL. It includes counting/ measurement / weighing the physical balances on the day of verification. All stock and stores are to be physically counted even if quantity in kardex card is nil. Nil cards having physically balance will be paid. Verification sheets will be prepared in duplicate as per the Annexures enclosed which has to be signed duly by respective Store Keepers, Head of Department and Store Auditors of all the WCL Areas / Sub Areas & Nandan Washery / Central Works Shop / Central Stores/ / Regional Works Shop as the case may be and one copy shall be furnished to depot holder of the Area. At the time of verification with kardex in case physical balance and kardex vary, the deficit / excess shall be reconciled by auditors with the help of Store Keeper / Depot Officer / Head of Department, Nandan Washery / Central Works Shop / Central Stores / Regional Works Shop in the Areas of WCL and duly corrected balance will appear on kardex.

2. Considering the quantity, value, diversity of physical storage & declining % of closing stock, ABC analysis should be adopted as follows :

<b>Items</b>	<b>Cost Per Unit (Rs)</b>	<b>% of Physical Verification</b>
“A”	Rs 10,000/- & more	100 %
Safety Items	All Items	100 %
“B”	Rs 2000/- to 9999/-	25 %
“C”	Less than Rs 2000/-	5 %

- 3) It should be ensured that at least 70 % of value of closing stock should be verified by Store Auditor.
- 4) The following criteria may be considered for ascertaining Obsolete & Non Moving Stores
  - a) Where there is no movement in the stock of Stores & Spares in the Bin for a period of 5 years & more may be treated as “Obsolete Stock” (Annexure - II (D),
  - b) where there is no movement in the stock of Stores & Spares in the Bin for a period of 3 years & more may be treated as “Non Moving Stock” (Annexure - II (C).
- 5) The following criteria may be considered for physical verification of Slow Moving / Obsolete Stock
  - a) 100 % physical verification for “A” category Obsolete / Slow Moving items by Store Auditor,
  - b) 20 % physical verification for “B” category Obsolete / Slow Moving items by Store Auditor on rotation basis.
- 6) The details of Scrap Materials are to be maintained by store officer regularly. The Store Auditor will examine the records of scrap & will submit his report in the prescribed format as per Annexure II (E).

The duly reconciled kardex balance will be matched with the Price Ledger prepared/ maintained by the Area as on 31/03/2020 and discrepancies, if any, will be pointed out and reconciled. All the Annexures uploaded i.e. Annexure - I, Annexure II (A), Annexure II (B), Annexure II (C), Annexure II (D), Annexure II (E) & Annexure – II (F) shall be prepared and will be signed by Store Keeper, Head of Department & Store Auditor of all the WCL Areas / Sub Areas, Nandan Washery/ Central Works Shop/ Central Stores / Regional Works Shop, as the case may be, alongwith the Auditors.

7. A detailed report of above reconciliation will be prepared and submitted to the following:
  - a. Depot Officer / General Manager, Nandan Washery/ Central Works Shop/ Central Stores/ Sub Area Manager/ In- Charge, Regional Works Shop
  - b. Area Finance Manager & Area General Manager.
  - c. General Manager (MM) (Stores) WCL Hq., Nagpur.
  - d. Chief of Internal Audit, WCL Hq., Nagpur.

#### 8. PERIOD OF WORK:

**The physical verification work is to be started at the earliest (i.e) 01.04.2021 and to be completed by 04/04/2021. Final report should be submitted by 08/04/2021. Detailed programme to be drawn by Auditors in consultation with the Areas concerned. While drawing out the programme, Area should confirm completion of Price Ledger and Guest House accommodation.**

#### 9. REMUNERATION:

- (a) For carrying out the Physical Verification of Stock of Stores & Spares, the Auditors may be paid a remuneration of Rs 20 /- (Plus GST) per verified Bin Card. No fees may be payable for Bin Card having Nil stock on the date of Physical Verification. Further for reconciliation of Numerical Ledger (NL) with Priced Ledger (PL), an additional fee @ 50 % of the Rate Per Live Card may be paid.
- (b) In addition to above, Travelling expenses, Boarding, Lodging & Local Transportation expenses shall be reimbursed as per existing policy of the company.

10. PAYMENT TERMS:

- (1) Payment will be made on the basis of actual number of cards/ items physically verified excluding cards having no physical balance. More than one card for the same material are to be treated as one card only for the purpose of report and also for payment.
- (2) Bills of audit fees will be submitted at the concerned area on prescribed format in quadruplicate.
- (3) After acceptance, the bills submitted by the Store Auditors will be passed & paid at the WCL Areas. The following documents will be enclosed along with the bill:
  - (i) Pre-receipted bills in quadruplicate.
  - (ii) A certificate from Depot officer indicating number of items physically verified.
  - (iii) GST registration Certificate.
  - (iv) Copy of PAN Card.
- (4) A certificate from AFM that all the discrepancies pointed out have been admitted for rectification.

11. PAYING AUTHORITY: The paying Authority will be Area Finance Manager, WCL Areas.