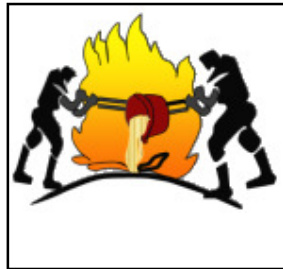


# **Tender for Preparation of Accounts, Finance, Purchase & Stores Manual**



**The Hutti Gold Mines Co Ltd**

**December  
2018**

# **THE HUTTI GOLD MINES COMPANY LIMITED, HUTTI**

## **1. INTRODUCTION**

1.1 The Hutti Gold Mines Company Limited (HGML), a Government of Karnataka Undertaking has the unique distinction of being the only primary producers of gold in the country. The corporate office of the Company is at Bangalore and gold extraction plants at Hutti. HGML has been active in the process of exploration, development and exploitation of gold deposits occurring in Karnataka.

1.2 At present the company on an average extracts 2 metric tonnes of gold per year. The extraction capacity of gold may be increased to 3 tonnes in the next 2 years' time. HGML has huge reserves of gold and may take up further expansion in future.

1.3 Location of the Mines	: Lingsugur Taluk, Raichur Dist, Karnataka State
Distance	: 480 KM North of Bengaluru 300 KM Southwest of Hyderabad 80 KM West of Raichur 20 KM Northeast of Lingsugur
Railway Station	: Raichur, south Central Railway – 80.km
History of Mining	: a) Ancient Mining – 2000+ years old (Pre-Ashokan era) b) Modern Mining – Main Mine during Nizam's period (1902 -1918) c) Modern Mining – Rediscovery of parallel Lodes and Mining from 1947 onwards.
Present Mine Depth	: 26 <sup>th</sup> Level, 842 Metres

1.4 The Company has four major Departments which play main roles in extraction of primary gold.

Mining Department  
Exploration Department  
Metallurgical Department  
Engineering Department

### 1.5 Performance of the Company during last 3 years:-

(Rs. in lakhs)			
Particulars	FY 2015-16	FY 2016-17	FY 2017-18
Production			
a) Ore treated (MT)	548237	569087	568692
b) Net recovery grade	2.39	2.78	2.88
c) Gold produced (kgs)	1310.00	1579.72	1638.16
Income / Turnover	43971.74	47882.46	43703.29
Profitability	679.15	3156.85	3043.19

### 1.6 Disclaimer

This Tender Document is not an agreement and is not an offer or invitation by The Hutti Gold Mines Co Ltd (HGML) to any party other than the one that qualifies to submit the Bid. The purpose of this Tender Document is to provide information to the potential bidders to assist them in responding to this Tender Document. Though this Tender Document is prepared with sufficient care to provide all required information to the potential bidders, they may need more information than what has been provided in this document. In such cases, the potential bidder is solely responsible to seek the information required from HGML. HGML reserves the right to provide such additional information at its sole discretion. In order to respond to the tender, if required, and with the prior permission of HGML, each bidder may conduct his own study and analysis, as may be necessary.

HGML makes no representation or warranty and shall incur no liability under any law, statute, rules or regulations on any claim the potential bidder may make in case of failure to understand the requirement and respond to the Tender document. HGML may, in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this Tender Document.

## **2.0 Scope of work**

Preparation of manual covering the activities of Account, Finance, Purchase and Stores of the company. The scope includes preparation of delegation of financial powers to various authorities. The brief of work being carried out by Finance department is provided as under

## **3.0 Functions of Finance Department**

### **3.01 Functions of Head of Department**

- Financial appraisal of project reports.
- Providing financial concurrence for purchase, service and work / project proposals, costing more than Rs.5.00 lakhs.
- Compliance reports / replies to Statutory and CAG Audit reports
- Compliance / Replies, Appeals in respect of Income-Tax, CE, Service-Tax matters
- Tax planning & project import handling for big projects
- Hon. Secretary for 4 Trusts
- Finalization of yearly accounts, statutory audit, Govt. audit
- Finalization of Commercial and Tax matters for Tender documents. Evaluation of tenders, Financial bids.
- Arranging for Tax audit, filing of Income Tax, Wealth Tax yearly returns on time.
- Finalisation of Budget estimates

### **3.02 Functions of HOD's Office**

- Monitoring Bank Payments & Receipts.
- Liaison with Banks, Auditors and Statutory Authorities etc.
- EMD/SD Refunds.
- Sales Co-ordination, invoicing and accounting
- Employees Group Insurance Policy (GSLI-532240).
- Officers Group Insurance Policy (GSLI-70274).
- Capital Additions for Asset Register – For Finalization of Accounts

### **3.03 Functions of Dy. Manager (Costing)**

- Verification and processing of contractors / project work bills.
- Capital work in progress accounts, capitalization of assets, reconciliation of contractors and capital assets
- Processing, & Accounting of imports. ITC on imports
- Compliance reports for Cost audit
- Financial concurrence for purchase and work proposals up to Rs.5 Lakhs.
- Major role in preparation of budget estimates, Project proposals.
- Input for various tax returns such as GST, TDS
- Approval of payment vouchers up to Rs.1.00 Lakhs
- Looking after the functions of HOD in his absence

### 3.04 Payroll Section

- Total Payroll Work of the Company including New Projects.
- Preparation of Statements & Summary of Bonus, Exgratia, Festival Advance, PLIB, Incentives etc.
- Providing data for Actuarial Valuation in respect of Gratuity & Employees Special Superannuation Scheme.
- Various Monthly Payroll Refund Statements.
- Monitoring Personal Accident Policy and Group Insurance Policy for all employees.

### 3.05 Functions of Company Accounts Section

- Maintenance of Books of Accounts as per Company's Act Requirements & Indian Accounting Standards.
- Reconciliation of all Banks, General / Sub – Ledgers, Inter-unit control accounts, New Project Accounts.
- Finalization of Company Accounts in all respects including preparation of Financial Statements.
- Fixed deposits, TDS, Interest and mutual fund accounts required for Final Audit
- Corporate Tax Planning, Tax Audit & Assessment etc.
- Appeals at various authorities such as Commissioner of IT (appeals), Tribunal etc.,
- Co-ordination with Internal, Statutory Audit and CAG Audit and compliance
- Verification and passing of Miscellaneous Bills.
- Arranging for Monthly Payroll Refunds.
- Fund requirement and Bank payments
- Left Service Employees Final Settlement.

### 3.06 Functions of Employee Accounts Section

- Employee Advances, such as Festival, Travel, Medical, Salary Advances and their recoveries, settlements, reconciliation
- Verification and processing Medical referral bills, Employees re-imbursement bills
- Medical and official travel bills
- Officer's Payroll work.
- Interest Subsidy Work.
- Billing of Rent & Electricity of outsiders.
- Reconciliation of all Employee Ledgers, such as Prepaid, Un-paid, Festival Advance etc.
- Monitoring of Long Service Awards.
- Court Attachments, Statutory Recoveries, Bank Loans & LIC etc.
- Cash management
- Time office work of Finance and Accounts department

### 3.07 Functions of Bills Section

- Verification and Processing of Suppliers/Service provider Bills.
- Purchase Booking, payment advise vouchers, payments within due dates, cash-discount
- Bank through documents, Advances, Adjustments, Debit and Credit notes, Rejections, Tax and other adjustments accountings
- Uploading of Purchases on GST portal
- Providing Inputs for Statutory Returns such as GST, TDS etc.
- Vendor Master Code and Reconciliation of Vendor / Suppliers Ledgers.
- Financial concurrence for purchase Proposals up to Rs.5 Lakhs, In the absence of Dy. Manager (Costing)
- Representing department for Quotation Opening

### 3.08 Functions of Costing Section

- Analysis and allocation of Wages, other expenses
- Cost code monitoring
- Preparation of Monthly Cost Sheets.
- Preparation of Monthly Estimated/provisional Profit and Loss Statements.
- Valuing the procurement of Fixed Assets.
- Inventory Accounting and Reconciliation.
- Assisting in Preparation of Project Reports.
- Consolidation and finalization of Budgets
- Estimation of material requirement / consumption for Revenue Budget / Estimated Annual Profit & Loss Account.
- Scrap Sales, billing, accounting, reconciling
- General Insurance and Vehicle Insurance

### 3.09 Functions of Taxation Section

- TDS Employees, TDS Contractors, Builders' Cess, Royalty, DMF & NMET on contract bills, Royalty, DMF & NMET on Gold & Silver
- GST including ITC Benefit on inputs, Capital goods, Service bills
- Customs duty, IGST etc., on imports and ITC compliance
- GST RCM for works and other contracts including RO and CGU
- Filing GST returns, Reconciliation with Electronic ledger on GST portal.
- Audits, compliances, appeals
- Professional Tax.
- VAT & KTEG Assessments

### 3.10 Functions of Trust Section

- Maintenance of Books of Accounts, Audit and Finalization of Accounts of 5 Trusts such as EPF, Gratuity, Officers Superannuation Scheme – I, Scheme – II and Employees Special Superannuation Scheme.

- Statutory compliances
- Filing of Monthly and Annual Returns of EPF, Gratuity
- Various Employees loans, settlements
- EPF Fund Management as per prescribed norms.
- Funding of Gratuity and Superannuation Schemes.
- Settlements of Gratuity, Superannuation etc.
- Employee Pension Scheme etc.
- Employees PL Encashment Policy with LIC.

#### **4.0 Functions of Purchase and Stores Department**

4.1 Purchase action shall be finalized only after receipt of any Purchase Requisition, in the prescribed format, duly approved and concurred by the competent authority. The Purchase Requisition shall be certified for expenditure in the approximate financial year and shall be accompanied with detailed specification and/or drawings etc. wherever considered necessary.

- Purchase Requisition usually falls in two categories
  - Special Order – where the Purchase Requisition is raised by User Dept as the item required is new or not a stock item.
  - Stock Item- where the Purchase Requisition is raised by Materials Dept based on the ROL as the item required is a stock item as per the consumption & requirement provided by the user Dept.

#### **4.2 Flow of Purchase Requisition:**

- Purchase requisitions of special order will be raised by the concern user Dept, and will be forwarded to Materials Division after approval of competent authority.
- Materials Division will process the requisition for further procurement process.
  - ◆ if the value of the purchase requisition is less than one lakh then the following procedure will be followed
    - Float enquiry for the requisitions received to the vendors related to the items.
    - Receive the quotation and prepare a comparative statement.
    - User department will do technical evaluation for the quotations received from the vendors against the enquiry floated. After technical evaluation user Dept will give the justification and recommend the technically qualified vendor.
    - Materials Division will prepare purchase proposal on the L-1 vendor who is technically qualified.
    - Purchase proposal will be sent to Finance, M-Audit and User department for clearance.
    - Then the proposal will be forwarded to PC committee for clearance.
    - After clearance of purchase proposal by the committee the order will be released to the vendor.

- After receipt of materials the user Dept who raised the requisition will perform QCC and after the QCC the items will be taken into stock.
  - Payment will be made after the receipt of materials by the Finance Dept.
- ◆ If the value of the purchase requisition is more than one lakh then the following procedure will be followed
- Publish the tender in e-Procurement portal.
  - After technical bid opening the indents will be forwarded to User Dept dashboard for technical evaluation.
  - User department will do technical evaluation for the bids received from the bidders against the e-Portal indent. After technical evaluation user Dept will give the justification and recommend the technically qualified vendor.
  - Tender Inviting Authority will forward the technically recommended bidders bid to Managing Directors dashboard for approval.
  - After approval price bid will be opened.
  - Materials Division will prepare purchase proposal on the L-1 vendor who is technically qualified.
  - Purchase proposal will be sent to Finance, M-Audit and User department for clearance.
  - Then the proposal will be forwarded to PC committee for clearance.
  - Proposal will be forwarded to Managing Director for approval /clearance.
  - After clearance of purchase proposal the order will be released to the vendor.
  - After receipt of materials the user Dept who raised the requisition will perform QCC and after the QCC the items will be taken into stock.
  - Payment will be made after the receipt of materials by the Finance Dept.

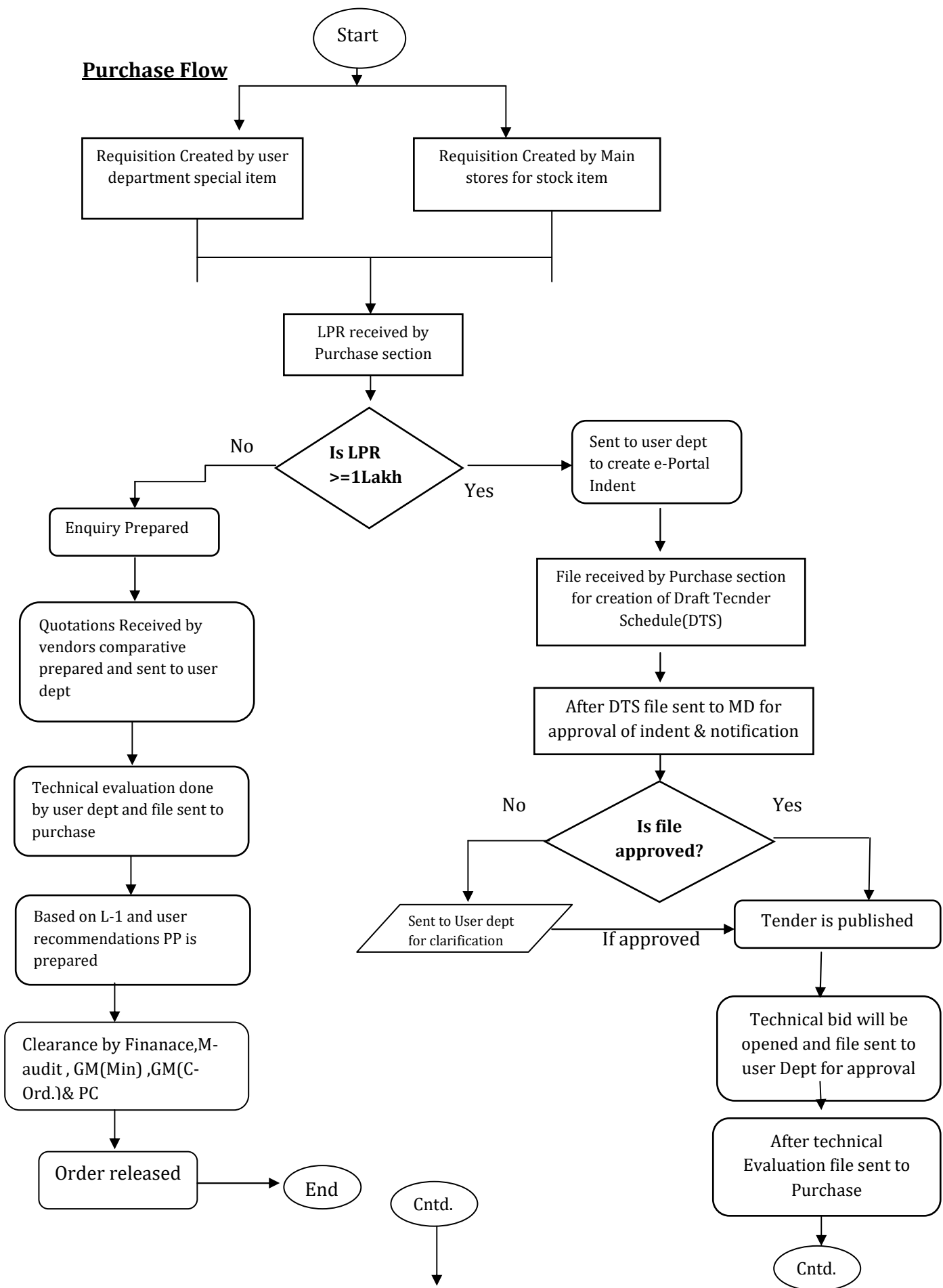
#### **4.3 Main Stores**

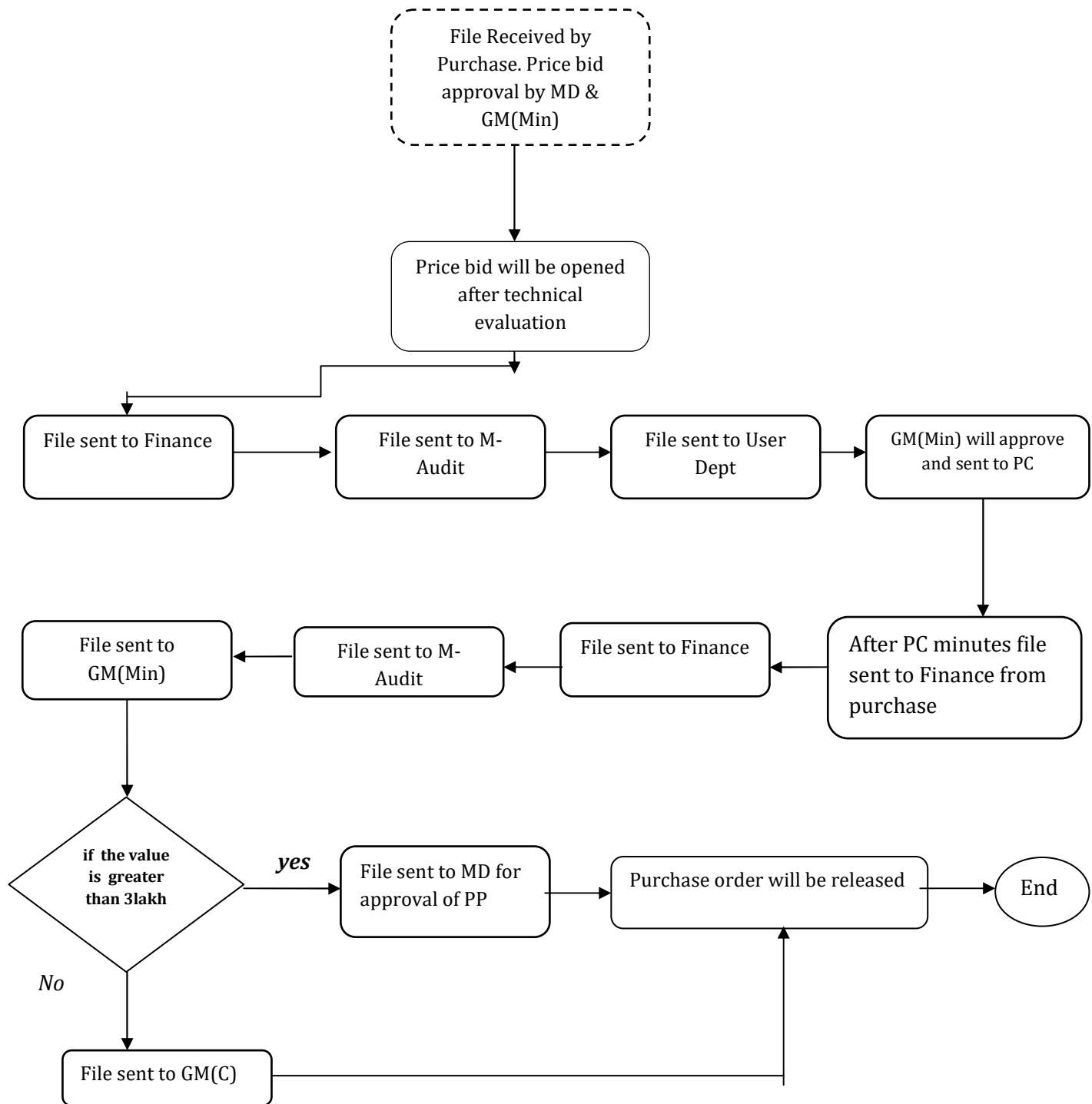
- (1) Will raise requisition for Stock items based on the annual consumption and requirement given by the user Dept.
- (2) After the receipt of the material main stores prepares DC and GRN.
- (3) GRN is forwarded to user Department for QCC and if the item is reject in QCC then Main stores will initiate the claim process.
- (4) Once the item is accepted by the user Dept after QCC then GRN items will be updated to the stock.
- (5) Stores requisition will be raised by the user Dept for issue of the items received against the requisition raised.
- (6) Main stores will issue the items after receiving the stores requisition.
- (7) E-Auction for scraps
- (8) Write off or disposal

(9) Physical verifications.

**4.4 Financial powers for clearance of Purchase files**

- Upto Rs.3.00 Lakhs approval will be made by GM(Co-Ord.)
- Above Rs.3.00 Lakhs to Crores approval will be made by Managing Director.
- All the Head of the Departments have imprest amount around Rs-10,000/- to make any emergency purchases.
- Vendor Registration - Local Registered Vendors , Outside registered firms
- Blacklisting of vendors and so on
- Emergency purchases will be done sometimes without enquiry.
- Financial sanctioning power
  - (a) Head of Department.
  - (b) General Manager(Min)
  - (c) General Manager(Co-Ord.)
  - (d) Managing Director
  - (e) Board of Directors.





## **5.0 Instructions to Bidders**

The Bidder is required to submit Covering Letter in **Form No. 1**. Following are the guidelines for bidders to submit Technical and Financial Bids for this assignment.

### **Bid Formats:**

The bid shall consist of two parts i.e. Technical bid & financial bid.

The Technical bid shall contain all the documents and declaration/information with respect to compliance with pre-qualification criteria as per **Form No. 2**.

### **Technical Bid:**

The technical bid document shall include specific responses addressing the requirements described below:

1. Understanding of Hutti Gold Mine's needs.
2. The bidder's organization profile
3. Relevant Experience of the firm.
4. The curriculum vitae of key team members to be associated with this study.

**Note 1:** Documentary evidences are to be submitted towards all the experiences claimed and clearly highlighting the relevant part in the document.

### **Financial Bid:**

The Financial quote shall not be part of technical bid. The total amount /fees including TA/DA, out of pocket expenses and all taxes and duties shall be entered in the e-portal, financial bid approval format.

### **Others:**

The company will arrange free of cost for the boarding and lodging at its mine sites.

## **6.0 Mandatory Eligibility Criteria**

The following are the essential qualifying criterias' for the firms to qualify in Technical Bid.

- 1) The firm should have been registered with the Institute of Chartered Accountants of India **or** the Institute of Cost Accountants of India (ICAI/ICMAI)
- 2) The firm should have at least 3 Chartered / Cost Accountants as its partners
- 3) One of the partners should be a fellow member of the Institute of Chartered Accountants of India **or** the Institute of Cost Accountants of India.
- 4) The firm should have Prepared at least one Finance/Accounts/Stores/Purchase manual for any state PSUs in Karnataka during last 10 years.
- 5) The firm shall have minimum personnel strength of 5 assistants / article assistants

**Note:** Documentary evidences are to be submitted towards compliance with Mandatory qualification criterias along with the technical bid.

## **7.0 Evaluation criteria**

### **Stage 1: Technical valuation**

Stage 1 evaluation will be taken up for those bidders who have submitted bid through e-portal. The bid will be scrutinized with respect to the mandatory eligibility requirements. Only those bids who meet all the eligibility requirements shall be considered for further evaluation. The details of these parameters are given in Form No-2 (Technical Bid). Financial bid shall be opened for only those bidders, who qualify technically as per the Technical Bid.

### **Stage 2: Financial Evaluation**

Bidders who qualify in stage 1, their financial bids shall be opened. The lowest bid amount as per e-portal, among the technically qualified bidders shall be taken for further consideration,

The amount to be entered in the e-portal financial bid shall be inclusive of all charges,

fees, expenses, TA/ DA & out of pocket expenses and applicable taxes. The amount entered in the e-portal shall be final and binding.

The assignment/audit work shall be awarded after evaluation of the financial Bid.

#### **8.0 Other terms and conditions**

HGML's right to accept/ reject the bids

Notwithstanding anything stated in the Tender Document or in any related correspondence, HGML reserves the right to accept or reject any Bid. It also reserves the right to cancel/annul the bidding process and reject all Bids at any time before the award of the Contract, without assigning any reason and thereby without incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders of the grounds for HGML's action/decision.

#### **9.0 Failure to abide by the contract**

The bidder is expected to strictly adhere to the terms specified in this Tender document as well as the LOI. Any violation of any of the terms could lead to immediate termination of the Contract at the risk and cost of such bidder without prejudice to the rights of HGML with such penalties as specified in the Tender Document and the LOI.

#### **11. Conflict of interest**

Neither the selected firm nor any of the firm's personnel shall engage in any personal business or professional activity which conflicts or could conflict with any of their obligations in relation to this project. The key members mentioned in the Tender document shall not be changed in any circumstances without the prior approval of the HGML. Failure to comply, the HGML will have the right to cancel the Contract at the risk and cost of such bidder without prejudice to the rights of HGML.

#### **12. Price validity**

The price quoted by the bidder should be valid for 90 days from the tender date.

#### **12. Duration & Payment terms**

The entire scope of work will be deemed to be completed only on submission of manual complete in all respect and covering the entire scope of work. The entire scope of work shall be completed in 2 months and manual should be handed over to the company. 100% payment will be released on submission of manual.

**Form 1: Cover Letter**

To

Date:

The Deputy General Manager (Materials),  
Hutti Gold Mines Co Ltd.,  
Hutti-584115

**Sub: Preparation of Accounts, Finance, Purchase & Stores Manual**

Dear Sir,

1. We, the undersigned, after having examined the terms and conditions mentioned in the tender document, submit our technical & financial proposals for the above Tender.
2. We have read the provisions contained in the tender document and confirm that these are acceptable to us.
3. We further declare that additional conditions, variations, deviations, if any, found in our proposal shall not be given effect to this tender.
4. We hereby declare that all the information and statements made in this Proposal is true and accepts that any misinterpretation contained in it may lead to our disqualification and without prejudice to other remedies available to HGML

Authorized Signatory (in full and initials):

Name and title of signatory:

Duly authorized to sign this Proposal for and on behalf of [Name of Consultants]

Name of Firm:

Address:

**TECHNICAL BID**

Sl. No.	Mandatory Criterias	Yes/No (To be filled by the Firm)	Required Documentary Evidence
1	The firm should have been registered with the Institute of Chartered Accountants of India <u>or</u> the Institute of Cost Accountants of India.		Certified copy of the Registration / certificate of incorporation
2	The firm should have at least 3 Chartered / Cost Accountants as its partners		Certificate of Registration.
3	One of the partners should be a fellow member of the Institute of Chartered Accountants of India or the Institute of Cost Accountants of India.		Certificate issued in this regard
4	The firm should have prepared at least one Finance/Accounts/Stores/Purchase manual for any state PSUs in Karnataka during last 10 years.		Names of the companies with copies of work orders.
5	The firm shall have minimum personnel strength of 5 assistants / article assistants		Curriculum Vitae in brief.

**(A) - The technical bid document should include specific responses addressing the requirements described below:-**

1. Understanding of Hutti Gold Mine's needs.
2. The bidder's organization profile
3. Relevant Experience of the firm.
4. The curriculum vitae of key team members to be associated with this assignment.

**Note 1:** Documentary evidences are to be submitted towards all the experiences claimed and clearly highlighting the relevant part in the document.

**(B) - Credentials related to the works / assignments completed/continuing for last 3 (Three) years.**

Sl. No.	Name of the Client/ Organization with Address	Contacting person of Client with telephone Number	Scope of Services Provided by the firm	Year of services provided	Value of Assignment (INR)	Period of Completion of Assignment

**(C)- Qualifications and Experience of Key Personnel to be associated with the Assignment:**

Particulars	Professional No.1	Professional No.2
Name and Designation		
Experience / Work History		
Educational / Professional Qualification(s)		
Expected Nature of Involvement (Specific roles / activities Full time/ part time		

