

Diamond Research and Mercantile City Limited

A Government of Gujarat owned Company

CIN: U75143GJ2015SGC083828

Regd.Office: SMC Reading Room, Near Althan Canal, Soham Circle, Althan,
Surat-395017

Email: dreamclsurat@gmail.com **Phone No.:** (0261) 2422221

Website: www.dreamcitysurat.in



Notice Inviting EOI for "Hiring Service of CA Firm as Internal Auditors for the Period of 01.09.2019 to 31.03.2020 for Diamond Research and Mercantile City Limited."

This EOI Document is being published for Hiring Service of CA Firm as Internal Auditors for the Period of 01.09.2019 to 31.03.2020.

Bidders are advised to study this EOI Documents carefully before submitting their proposals in response to the EOI Notice. Submission of a proposal in response to this notice shall be deemed to have been done after careful study and examination of this document with full understanding of its terms, conditions and implications. This EOI Document is not transferable.

EOI Fee (Nonrefundable)	INR 1,000 (One Thousand Rupees Only) + 12% GST i.e. Rs. 1120/- by Demand Draft or Banker's Cheque in favour of M/s Diamond research and Mercantile City Ltd.
Online Queries	Bidders shall have to post queries by email to dreamclsurat@gmail.com on or before 14/08/2019, 16:00 hrs.
Last date(deadline) for EOI Submission	Complete EOI in sealed envelope with relevant details may be submitted strictly through Speed Post or RPAD only so as to reach by 27/08/2019 up to 16:00 hr at following address: Chief Financial officer, 1st Floor, SMC reading Room, Althan Canal Road, Near Soham Circle, Althan, Surat - 395017, Gujarat.
Website to download EOI	www.dreamcitysurat.in OR www.suratmunicipal.gov.in.

The right to accept/reject any or all bid(s) received is reserved without assigning any reason thereto.

No. DREAM City/ADV/ 05/2019-20

Date: 06/08/2019

**General Manager
(Planning & Administration)**

Expression of Interest for "Hiring
Service of CA Firm as Internal
Auditors for the Period of 01.09.2019 to
31.03.2020 for Diamond Research and
Mercantile City Limited."

Notice inviting Expression of Interest (EOI) for Appointment of Firms/LLP of Chartered Accountants to conduct the Internal Audit for Diamond Research and Mercantile City Limited

Diamond Research and Mercantile City Limited (DREAM CL), a Government of Gujarat undertaking and a company incorporated under Companies Act, 2013 having its registered office at SMC Reading Rooms, Near Althan Canal Road, Soham Circle, Althan Surat-395017 invites expression of interest (EOI) from firms/LLP of Chartered Accountants for appointment as Internal Auditors.

Interested Firm/LLPs are requested to go through the Eligibility Criteria carefully and submit their applications (along with undertaking, quote for Professional Fee, the details of Time line, Reporting Format and Scope in prescribed format) given in the annexure of EOI documents.

Applications in a sealed envelope addressed to I/c. Chief Financial Officer, SMC Reading Room, Nr. Althan Canal, Soham Circle, Althan Surat-395017 should reach latest by 27th August, 2019 16:00 Hrs.

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Any further clarifications can be sought from, I/c. Chief Financial Officer, email ID-dreamclsurat@gmail.com on or before 14/08/2019, 16:00 hrs

ANNEXURE-A

Basic details for submission of Technical details

(Application format)

To be printed on the letterhead of the Firm/LLP

Particulars	Supporting Documents required to be submitted along with this form
Name of the Firm	
Address of the Firm	
Head Office	
Date of establishment of the firm	
Number of Branch Offices, if any	Number of Branch- (Encl. Form-I)
Firm's Income Tax PAN No.(Attach Copy)	
Firm's GST Registration No. (Attach Copy)	
Firm's Registration No. with ICAI (Attach Copy)	
No. of years of Firm's existence	
Contact Details	<u>Telephone No. :</u> <u>email:</u>

Form-I
Details of Branches

Sr. No.	City/State	Address	Ref. page no. of supporting documents

Encl.: Supporting Documents

To be printed on the letterhead of the Firm/LLP

UNDERTAKING

I/We the following partners of M/s. _____, Chartered Accountants do hereby jointly and severally verify and declare-

- i. That the particulars given are complete and correct and that if any of the statements made or the information so furnished in the application form is later found incorrect or false or there has been suppression of material information, the firm would not only stand disqualified from allotment but would be liable for disciplinary action under the Chartered Accountants Act, 1949 and the regulations framed there under;
- ii. That the firm, or partners has not been debarred or cautioned by ICAI during the last five years, (If debarred, give details);
- iii. The firm has not been banned or blacklisted or temporarily forbidden from applying for tenders for any type of audit by PSU/ local authority / Govt. Company (If debarred, give details);
- iv. That individually we are not engaged in practice otherwise or in any other activity which would be deemed to be in practice under section 2(2) of the Chartered Accountant Act, 1949;

Sr. No.	Name of the Partner	Membership Registration No	PAN No.	Signature of Partner

Seal of the Firm:

Date:

Place:

ANNEXURE- B

Eligibility Criteria	
The applications will be considered from Chartered Accountancy Proprietorship or partnership firms or LLPs ("the Firm") with more than 10 years of experience.	Yes/No.
The above experience should include experience in undertaking pre-audit/ internal audit/ statutory audit of Public Sector Company / Govt. Company / local authority / externally Aided projects/ Social Sector Projects (Excluding the audit of Charitable Institutions and NGOs).	Yes / No (If yes, provide evidences supporting appointment)
The firm should not be banned or blacklisted or temporarily forbidden from applying for tenders for any type of audit by PSU/ local authority / Govt. Company.	Yes/No (undertaking in this regard to be provided)
The Turnover of the Firm for last 5 years should be exceeding 50 Lacs in each year	Yes / No (If yes, provide details of Turnover in Form II)
The partners should include a minimum of 2 FCA exclusively associated with the firm as per firm's standing as on 1st January 2017.	Yes / No (If yes, please details in Form III)
The Chartered Accountant firm has to ensure that qualified CA and Technical Staff are deputed for audit work	Agreed / not agreed (undertaking in this regard to be provided)
The Chartered Accountant firm office placed should be located in Surat from last 5 year minimum and need to submit 2 government licence/ proofs for the same.	Yes / No (If yes, please provide evidence to support)

We state that the above information is true based on our records, as well as gives details of evidence to support.

For _____
Chartered Accountants

Partner
(Name)
Membership no. _____

Form II

Details of Turnover

Year	Turnover as per audited accounts	Supporting Evidence in page no.*
2017-18		
2016-17		
2015-16		
2014-15		
2013-14		

*attach Audit Report and tax audit report as supporting evidence

Form III

Details of Partners

Sr. No.	Name	Membership no.	FCA/ACA	Date of joining LLP/firm	Supporting evidence in page no.

*attach membership documents of partners as supporting evidence

ANNEXURE- C

Details of Period of engagement, time line for submission of Audit Report and Scope of Work

A. Period of engagement:

The period of engagement would be till the completion of Internal Audit for the period from 01.09.2019 to 31.03.2020, which may be further extended on year to year basis upon satisfactory performance and on same terms & conditions and price subject to company's discretion. Price cannot be escalated

B. Time line for submission of Audit Report:

The proposed scope of Internal Audit to be carried out for the 01.09.2019 to 31.03.2020 while the reporting will be based on 3- month periods September, December and March and audit report should be submitted within 30 days from the end of quarter.

C. Details of scope of work:

Internal audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system. Internal audit, therefore, provides assurance that there is transparency in reporting, as a part of good governance.

Major areas to be covered during the course of Internal Audit

It aims to give broad contours within which the audit would be carried out; however, it may evolve in the other areas based on the necessity, mandate and compulsion. The Scope is divided into following broad segments:

➤ **Financial and Taxation Accounting & Financial Reporting Systems:**

The overall Financial and taxation & Financial reporting system to be checked thoroughly with the special stress on the below items:

- All Accounting is being done as per Indian Accounting Standards (IND-AS).
- Cash, Bank, Journal vouchers including rectification vouchers are prepared correctly and trial balance is prepared accordingly.
- Project estimate, calculation of IND AS and reporting turnover as per IND AS.
- Monitoring of physical and financial progress of work, monthly control of expenses statement etc.
- Bank statements & monthly bank reconciliation statements.
- Balance confirmation with all Debtors & Creditors.
- Verify the computation of deferred tax liability/assets
- Verify the calculation of advance income tax, goods and service tax, TDS etc. deposited with the Government.
- Verify whether all the deductions applicable to the Company have been availed by the company while calculating its tax liability.
- Verify that the company has filed its applicable GST, income tax and TDS return etc. on or before the due dates.
- Verify whether the Company has claimed INPUT CREDIT properly while depositing monthly GST.
- Prior period adjustments.
- Provisions and contingent liabilities.
- Bank Guarantees & FDRs.
- Timely recovery of advances and interest.

➤ **Assets and Liabilities:**

- Assessing the proper estimation and adequacy of provisions made at the year end and outstanding liabilities.
- Scrutinize all credit balances.
- Identifying pre-paid expenses.
- Maintenance of Fixed Assets register, Physical verification, calculation of depreciation and checking of location, situation & identification of fixed assets.
- Variations in quantity & price as per contract conditions & approval thereof.
- Claims management system and review of that.

Tenders and allied matters

- Pre-tender Stage

- The tenders should be floated as per Guidelines of Government authorities from time to time.
- Ensure that the basis of preparation of estimates for work/package is realistic and logical (based on LAR, schedule of rates etc.), and has the approval of the competent authority as per SOP.

- Tendering Process

- The Comparative Statement and the Briefing Notes should be vetted by Finance and their correctness should be checked based on random sampling method including compliance conditions on technical with immaculate compliance with submission of requisite documents to qualify.
- Tender Committee (TC) minutes if any should be verified to establish the reasonableness of rates (considering the special conditions, if any) and irregularities to be reported.
- In the contracts, where client procedures are to be followed, ensure proper documentation and compliance of the same.

- Award of Work

- Letter of Award (LOA) should be issued as per recommendations and only after finance vetting. An accepted copy of same should be verified to rule out any deviations / omissions.
- Earnest money provided should be kept in safe custody and to be checked for sufficiency and validity.
- Contract Agreement
- Ensure that an agreement should be executed within the time stipulated and should be signed by competent authorized signatories.
- Checking of contract conditions before paying or receiving mobilization or other advances by the company

- Tender execution

- Reconciliation between total work done, work certified and uncertified, work billed and unbilled, payments received from the client, recoveries including taxes, retention money, performance guarantee, mobilization and plant advance, interest, etc., in terms of the contract.
- Analysis of work-in-progress in the context of work done and ageing of total outstanding. WIP to be further scrutinized with the following break-up – work done but not certified, work done, certified but not billed and work done, certified and billed but not paid.
- Analysis of variation orders executed, which is, work done not expressly provided in the contract, certified and billed, basis of rates billed, certified and approved and pending for approval.
- Ensure that in cases, where extension of completion date of the contracts is required, the delay should be properly justified and validated by approval from competent authority. Further, Liquidated Damages (LD) should also be imposed, as per the provisions of the contract, wherever required.

➤ **Sub-contracting**

- Ensure the timely submission of performance guarantee, as per the provisions of the contract.
- Labour license requirements need to be verified, as per Minimum Wages Act.
- Ascertaining back-to-back recoveries from sub-contractors bills of deductions on account of work made by the client.
- Ensuring all work outsourced to third parties is supported by proper work orders/agreements.
- Proper upkeep and maintenance of measurement books (MB) of all outsourced work.
- Analysis of time taken for the clearance of bill and final payment from the date of submission of the bill.
- No claim certificate from Sub-contractor should be obtained with final bill.
- Contractor & Supplier ledger should be properly maintained

➤ **Client billing and receivable:**

- Ensure that the timely bills are being raised as per provisions of the billing terms and conditions. Major deviations are to be reported.
- Collections from the client with respect to the contractual collection period.
- Scrutiny of receipts in bank, otherwise than from cheques received from clients.
- The review of the receivables has been carried out.
- Receivables ageing and realization analysis.
- Scrutinizing running account (RA) bills of the subcontractors with respect to the work orders relating to the quantity of work, rates, plant and mobilization advance, interest (if any), retention deposit, GST, TDS, material recoveries, deductions for services availed, liquidated damages, etc.
- In case of Final bill, ensure that it should include variation in quantity, non schedule items, price escalation etc, if any

➤ **Statutory registrations, deductions and payments:**

- Identification of legal framework and statutes as applicable and compliance thereof.
- Check registrations/renewals with different statutory authorities like labour department, GST, TCS, Professional Tax, etc.
- Ensure correct deductions and recoveries of taxes and statutory levies like TDS, TCS, GST, PF, ESIC, Professional Tax, labour Cess etc.
- Ensure timely payment and deposit of taxes and other statutory levies. - Adherence to time limits in filing prescribed returns

- Verify system of availing input tax credit on supply of goods or services or both through a proper procedure of set-off.
- Status of assessments before various tax authorities.
- Details of statutory disputes and cases pending before various authorities with financial implications for being treated as contingent liabilities.

➤ **Miscellaneous Matters**

- For arbitration, court cases and contingent liabilities, proper provisions should be calculated and booked.
- Compliance made by the project upon comments made by the Statutory Auditors in its report under the provisions of companies act, 2013.
- Any material procured from Micro, Small and Medium Enterprises (MSME), provisions of MSME Act to be followed.
- Review of the deposit with Govt. Departments such as Electricity, Water, Telephone and other government authorities etc.
- Irregularities of serious nature noticed during audit are to be reported to the head of the department.
- Internal Auditors are encouraged to suggest solutions to rectify the errors or deficiencies and not merely confine to making observations. Internal Auditors should also give suggestions for system improvement and ensure compliance of the audit observations at the Project site itself in their presence.
- The CA Firm will certify Utility Certificate as and when required by government authorities, or any other agencies.

➤ **Any other areas suggested by the authorities from time to time**

Note: - The details above are not to restrict the Scope of Internal Auditors but are only to meet with the minimum specific requirements for the internal control of company.

ANNEXURE-D

Format for submission of Professional Fee Quote

To be printed on the letterhead of the Firm/LLP

Comprehensive quote for Scope of work agreed upon shall be stated above, which shall be inclusive of out of pocket / incidental expenses are as below:

Professional Fees for agreed scope of work:	Rs. Rupees in Words-
Applicable GST:	Rs. Rupees in Words-
Total Professional Fees:	Rs. Rupees in Words-

ANNEXURE- E

Important Instructions to Professional Firm/LLPs

1. Format of Application must be strictly followed while giving technical details and Professional Fee Quote. The application should be completely filled; incomplete applications will be rejected outrightly.
2. All EOIs will be evaluated on the basis of the technical details provided in specified format and documents furnished along with applications only.
3. Any additional document received, after last date & time of receiving the EOIs as stipulated in the Notice Inviting EOIs, will not be entertained.
4. Since, all the applications will be evaluated strictly on the basis of Eligibility Criteria please avoid attaching unsolicited information/documents for processing applications expeditiously.
5. All submitted documents should be signed by a Partner with his name and under the seal of the firm/LLP.
6. Applications must be submitted under sealed cover super scribing the EOI Notice No. & date and the words 'Application for Appointments of Internal Auditor for Diamond Research and Mercantile City Limited.
7. Application may be submitted in or by post/ courier to.
8. Company does not take any responsibility for loss of application in transit. Applications sent through Fax or E-mail will not be considered.
9. Any application received after the stipulated date & time, due to any reason whatsoever, will be rejected outrightly.
10. The work of Internal Audit allotted to Audit firm/LLP should not be assigned to any other third party by the said firm/LLP.
11. There would be a penalty clause in the appointment letter, which authorized company to impose the penalty maximum up to 10% of the fee, in case of any delay in the submission of the report. However, relaxation may be granted in case of genuine reasons beyond the control of the Audit Firm/LLP.