



**KARNATAKA STATE MINERALS CORPORATION LIMITED, BANGALORE**

**E-Tender for engagement of Chartered Accountants/Firms for the Internal Audit work of KSMCL through Karnataka Public Procurement Portal**

**Tender Schedule**

Tender Reference No	:	KSMCL/E-tender/IA/ACT/2023-24
E-proc Reference No	:	KSMCL/2023-24/SE0003
Commencement to Download from website <a href="https://kppp.karnataka.gov.in">https://kppp.karnataka.gov.in</a>	:	From 27/07/2023
Last date for receiving pre - bid queries	:	03/08/2023 Up to 5:00 pm
Pre-bid meeting at HO of KSMCL	:	04/08/2023 at 11:00 am
Last date and time for uploading of e-tender in E-procurement platform on or before	:	10/08/2023 Up to 5:00 pm
The Technical bid will be opened Online by the Authorized Officer on	:	14/08/2023 at 11:00 am
Estimated Tender value	:	Rs. 10,62,000/-
Earnest Money Deposit	:	Rs. 26,550/-
Address for communication	:	<b>General Manager (F&amp;A)</b> <b>Karnataka State Minerals Corporation Limited</b> TTMC, 'A' Block, 5thFloor, BMTC Building, K.H. Road, Shanthinagar, Bengaluru – 560 027

## CONTENTS

SECTION I – e-Tender Invitation.....	3
SECTION-II - Information to Tenderers .....	5
1. Introduction.....	5
2. Amendment of Tender Documents .....	7
3. Preparation of Proposal.....	7
4. Submission, Receipt and Opening of Proposals .....	9
5. Proposal Evaluation .....	10
6. Negotiations .....	14
7. Award of Contract.....	14
8. Confidentiality .....	14
9. Right to accept any tender and to reject any or all bids .....	15
10. Data Sheet .....	16
<b>Eligibility Criteria.....</b>	<b>17</b>
3A. Technical proposal submission form .....	18
3B. Tenderer's Information .....	19
3C. Undertaking regarding non-blacklisting / non-debarment.....	20
SECTION-IV – 4A. Financial proposal submission form.....	21
SECTION-V – Terms of Reference (ToR) .....	22
I. Form of Contract.....	36
II. General Conditions of Contract .....	37
III. Special Conditions of Contract.....	46

# **KARNATAKA STATE MINERALS CORPORATION LIMITED**

(A Govt. of Karnataka Undertaking)

Regd. office: TTMC, 'A' Block, 5<sup>th</sup>Floor, BMTC Building,  
K.H. Road, Shanthinagar, Bengaluru – 560 027

Tender No. KSMCL/E-tender/IA/ACT/2023-24/

Date: 27/07/2023

## **SECTION I – e-Tender Invitation**

General Manager (F&A), Karnataka State Minerals Corporation Limited (KSMCL) invites e-tender for engagement of Chartered Accountants/Firms for the Internal Audit work of KSMCL, under two bid systems through Karnataka Public Procurement Portal (e-procurement).

The Tenderer will be selected under Quality-and Cost-Based Selection (QCBS) procedures described in this Tender Document.

The Tender Document includes the following documents:

Section-I – e-Tender Invitation  
Section-II – Information to Tenderers  
Section-III – Technical Proposal  
Section IV – Financial Proposal  
Section V – Terms of Reference  
Section VI – Standard Form of Contract

Note:

- 1) In the event of the specified date of opening of Technical Tender being declared a holiday for the employer, the Technical Tender shall be opened on the next working day at the same time and venue.
- 2) Completed tenders shall be uploaded through e-tendering system by the Tenderers using their user ID and addressed to the General Manager (F&A), Karnataka State Minerals Corporation Limited (KSMCL), Bengaluru in the manner prescribed under Instructions to Tenderers of tender Documents on or before the last date & time stipulated.
- 3) The tender document can be downloaded from e-procurement website: <https://kppp.karnataka.gov.in>. Interested tenderers are requested to register in the e-procurement platform well in advance.

- 4) The Earnest Money Deposit (EMD) of Rs.26,550/- (Rupees Twenty Six Thousand Five hundred Fifty only) shall be required to be paid along with the Proposal. The EMD of the unsuccessful bidders shall be refunded after the completion of tendering process.
- 5) The EMD shall be paid only through any of the four modes of e-Payment (credit / debit card, NEFT / RTGS or OTC). The proposal shall be summarily rejected in e-procurement portal if EMD is not paid.
- 6) Contact e-procurement helpdesk: No.080-46010000/ 68948777 for any support in uploading and registration.

**General Manager (F&A)**

## **SECTION-II - Information to Tenderers**

### **1. Introduction**

- 1.1 General Manager (F&A), KSMCL invites e-tender for engagement of Chartered Accountants/Firms for the Internal Audit work of KSMCL, Bangalore in accordance with the method of Quality-and Cost-Based Selection (QCBS) through Karnataka Public Procurement Portal (e-procurement portal), GoK.
- 1.2 The tenderers are invited to submit a Technical Proposal and a Financial Proposal, as specified in the Data Sheet (the Proposal) for services required for the Assignment named in the Data Sheet. The Proposal will be the basis for contract negotiations and ultimately for a signed contract with the selected Contractor.
- 1.3 The Assignment shall be implemented in accordance with the phasing indicated in the Data Sheet. When the Assignment includes several phases, the performance of the tenderer under each phase must be to the client's satisfaction before work begins on the next phase.
- 1.4 The tenderer must familiarize themselves with local conditions and take them into account in preparing their Proposals. To obtain first-hand information on the Assignment and on the local conditions, tenderers are encouraged to pay a visit to the Client before submitting a Proposal. The tenderer's representative should contact the officials named in the Data Sheet to arrange for their visit or to obtain additional information on the proposed service. Tenderers should ensure that these officials are advised of the visit in adequate time to allow them to make appropriate arrangements.
- 1.5 The Client will provide the required inputs to the firm to carry out the services, and make available relevant project data and reports.
- 1.6 Please note that (i) the costs of preparing the proposal and of negotiating the contract, including a visit to the Client, are not reimbursable as a direct cost of the Assignment; and (ii) the Client is not bound to accept any of the Proposals submitted.
- 1.7 Karnataka State Minerals Corporation Limited (KSMCL) expects tenderers to provide professional, objective, and impartial advice and at all times hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. Tenderers shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interest of the Client.

- 1.7.1 Without limitation on the generality of this rule, tenderers shall not be hired under the circumstances set forth below:
- (a) A firm which has been engaged by the Client to provide goods or works for a project, and any of their affiliates, shall be disqualified from providing the service called for the same project. Conversely, firms hired to provide service for the preparation or implementation of a project, and any of their affiliates, shall be disqualified from subsequently providing goods or works or services related to the initial assignment (other than a continuation of the firm's earlier services) for the same project.
  - (b) Tenderers or any of their affiliates shall not be hired for any assignment which, by its nature, may be in conflict with another assignment of the Tenderer.
- 1.7.2 As pointed out in 1.7.1 (a) above, contractor may be hired for downstream work, when continuity is essential, in which case this possibility shall be indicated in the Data Sheet and the factors used for the selection of the contractor should take the likelihood of continuation into account. It will be the exclusive decision of the Client whether or not to have the downstream assignment carried out, and if it is carried out, which contractor will be hired for the purpose.
- 1.8 It is KSMCL's policy to require that contractor observe the highest standard of ethics during the execution of such contracts. In pursuance of this policy, the KSMCL:
- (a) defines, for the purposes of this provision, the terms set forth below as follows:
    - (i) "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and
    - (ii) "fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of KSMCL, and includes collusive practices among tenderers (prior to or after submission of proposals) designed to establish prices at artificial, noncompetitive levels and to deprive KSMCL of the benefits of free and open competition.
  - (b) will reject a proposal for award if it determines that the firm recommended for award has engaged in corrupt or fraudulent activities in competing for the contract in question;
  - (c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded KSMCL-financed contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a KSMCL-financed contract; and

- (d) will have the right to require that, KSMCL to inspect tenderer's accounts and records relating to the performance of the contract and to have them audited by auditors appointed by GOK.
- 1.9 Tenderers shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by GOK in accordance with the above sub para 1.8 (c).
- 1.10 Tenderers shall be aware of the provisions on fraud and corruption stated in the standard contract under the clauses indicated in the Data Sheet.

## 2. Amendment of Tender Documents

- 2.1 The Corrigendum/Addendum, if any; will be published only on e-procurement portal. Every such Corrigendum / Addendum shall become part of the tender document. The Client may at its discretion extend the deadline for the submission of Proposals.

## 3. Preparation of Proposal

- 3.1 Tenderers are requested to submit the tender (para 1.2) written in the language(s) specified in the Data Sheet.

### **Technical Proposal**

- 3.2 In preparing the Technical bid, tenderers are expected to examine the documents comprising this Tender Document in detail. Material deficiencies in providing the information requested may result in rejection of a Proposal.
- 3.3 The Technical Proposal should provide the following information using the attached Standard Forms (Section III):
  - a) Technical proposal submission form as per **3A**
  - b) Tenderer's information in **3-B** duly filled and signed.
  - c) Status of the firm (upload supporting document)  
The firm should be registered with Institute of Chartered Accountants of India. The particulars of the Firm Head office, Branch office and Partners and paid chartered Accountants should match with the certificate issued by ICAI. Relevant document to be uploaded.
  - d) Copy of PAN and GST Registration Certificate
  - e) Should be empanelled with CAG and possess valid letter of empanelment.
  - f) Should have 5 partners of which at least 4 partners should be FCA
  - g) Audited balance sheet and profit and loss statement of the firm certified by

Chartered Accountant for having turnover not less than **Rs. 10 Lakh** in each of the 3 (Three) consecutive financial years during the three financial years, i.e., 2018-19 to 2021-22.

- h) Copy of Income Tax Returns filed for two years during 3 (Three) consecutive financial / Assessment Years of the three preceding financial years, i.e., 2018-19 to 2021-22.
- i) The tenderer shall have minimum 5 years of experience as statutory auditors or internal auditors of PSU's having turnover of not less than Rs. 100 Crores per annum during a block period of 2017-18 to 2021-22. Copies of appointment letters in proof of experience or work done certificate issued by the PSU's.
- j) The firm should be practicing in Bangalore for a minimum period of 10 years. The applicant shall upload the following supporting documents:
  - (i) Copy of the Constitution certificate/Firm card issued by ICAI (The branch office details along with date of incorporation shall be available in the uploaded document).
  - (ii) Copy of Registered Lease Deed supporting the address at Bangalore City.
- k) The Bidder Should not have been banned / declared ineligible for corrupt and fraudulent practices by the Central / State Govt. or its undertakings /RBI / ICAI / ICWA or any other regulatory authorities and should not have any disciplinary proceedings pending against the applicant or any of the partners with ICAI / ICWA / RBI. Undertaking regarding non- blacklisting / non-debarment as per 3C should be uploaded.
- l) Firm have to be given an undertaking that the audit team members are proficient in state's official language (Both oral and written) and will be headed by a chartered Accountant on regular basis.
- m) EMD of **Rs. 26,550/-** (Rupees Twenty six Thousand Five hundred fifty Only) shall be paid electronically in the e-procurement portal through credit / debit card, NEFT / RTGS or OTC.
- n) Any additional information requested in the Tender Document.

3.4 The Technical Proposal shall not include any financial information.

### **Financial Proposal**

3.5 In preparing the Financial bid, tenderers are expected to take into account the requirements and conditions of the tender document. The price should be quoted through e-Procurement portal only (Section IV).

3.6 The price shall be quoted by the Tenderer in Indian Rupees.

3.7 Tenderer has to quote professional charges for **Per Month** (Maximum of Rs. 75,000/- excluding GST) as a whole assignment mentioned in Terms of Reference, with all applicable taxes except GST.



- 3.8 The financial bid should contain the total cost for the proposed assignment with break-up of consolidated fees and taxes as applicable. KSMCL would not be providing any accommodation, conveyance, air fare or train fare, halting expense, lodging, boarding etc., to attend the work at Head office, KSMCL, Bangalore.
- 3.9 The financial bid will be opened only after complete evaluation process of technical tender documents by the specified Tender Scrutiny Committee.
- 3.10 The Financial bid of the technically qualified tenders shall only be opened.
- 3.11 The price quoted shall be firm during the contract period.
- 3.12 The price quoted in financial bid shall be inclusive of all applicable taxes and levies exclusive of GST. TDS as applicable will be deducted from the running bill.
4. Submission, Receipt and Opening of Proposals
- 4.1 The Proposal (Technical Proposal and Financial Proposal; see para 1.2) shall be typed or prepared in indelible ink. It shall contain no inter-lineation or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialed by the person or persons who sign(s) the Proposals.
- 4.2 The Tenderer shall upload the scanned documents of the tender through e-procurement platform. No other mode of submission is permitted. After electronic bid submission, the system generates a unique Tender identification number which is time stamped as per server time. This shall be treated as acknowledgement of tender submission. Tenderer shall submit the bids electronically before the submission date and items published in e-procurement portal.
- 4.3 Deleted.
- 4.4 Deleted.
- 4.5 The completed Technical and Financial Proposal must be submitted in the e-procurement portal on or before the time and date stated in the Data Sheet. The portal will not accept any Proposal received after the closing time for submission of proposals.
- 4.6 KSMCL will open the tenders online on the date as specified in NIT or any extension thereof. In the event of the specified date or amendment if any for the opening of tenders documents being declared a holiday for the company, the opening shall be carried out at the specified time on the next working day.

- 4.7 Initially, the Technical bid shall be opened and the Price bid of only those tenderers whose technical tender is deemed to be Responsive and is acceptable to the Company shall be opened online subsequently. The decision of the KSMCL is final and binding in this regard.

5. Proposal Evaluation  
General

- 5.1 From the time the proposals are opened to the time the contract is awarded, if any tenderer wishes to contact the Client on any matter related to its proposal, it should do so in writing at the address indicated in the Data Sheet. Any effort by the firm to influence the Client in the Client's proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the tenderer's proposal.

- 5.2 Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation, including its approval by competent authority is obtained.

5.3 Responsiveness of proposal

The proposals received would be subject to a responsiveness check followed by a step-wise evaluation procedure. The proposal submitted by tenderers shall be initially scrutinized to establish Responsiveness. A proposal shall be deemed "Responsive" if it satisfies all of the following requirements:

- a) It has strictly followed the procedure laid down for submission of tender;
- b) It includes sufficient information for it to be evaluated and is in the formats specified;
- c) Financial proposal shall not contain conditions or qualifications and shall be in the format given and Fees quoted shall be in Indian Rupees.

5.4 Non-responsiveness of proposal

A proposal not satisfying any of the above conditions mentioned in Clause 5.3 shall be deemed to be Non-Responsive and liable to rejection.

Karnataka State Minerals Corporation Limited reserves the right to reject any proposal if:

- a) At any time, a material misrepresentation is made or uncovered, or
- b) The tenderer does not respond promptly and thoroughly to requests for supplementary information required for evaluation of the proposal.

## 5.5 Evaluation of Technical Bids

5.5.1 In the first stage, the Technical Bid will be evaluated on the basis of Applicant's submission of Technical Bid Forms, FCA partners, Annual Turnover, years of experience as statutory auditors or internal auditors of PSU's with specified turnover and period of practicing in Bangalore  
The minimum threshold score required for technical qualification shall be 70.

5.5.2 The scoring criteria to be used for evaluation shall be as follows.

Sl. No.	Particulars	Scoring
1.	Technical proposal Forms: Form 3A – 10 points Form 3B – 10 points Form 3C – 10 points	30
2.	Should have 5 partners of which at least 4 partners should be FCA 4 partners – 10 point > 4 to 8 partners – 15 points > 8 partners – 20 points	20
3.	Audited balance sheet and profit and loss statement of the firm certified by Chartered Accountant for having turnover not less than Rs. 10 Lakh for each of the consecutive 3 (Three) financial years during the three financial years, i.e., 2018-19 to 2021-22. No. of Articleship with declaration details 10 Lakh – 10 point > 10 to 15 Lakh – 15 points > 15 Lakh – 20 points	20
4.	The tenderer shall have minimum 5 years of experience as statutory auditors or internal auditors of PSU's having turnover of not less than Rs. 100 Crores per annum during a block period of 2017-18 to 2021-22. The applicant shall upload the documents for proof of experience or work done certificate issued by the PSU's. 5 years – 10 points > 5 to 10 years – 15 points > 10 years – 20 points	20
5.	The firm should be practicing in Bangalore for a minimum period of 10 years. 10 years – 5 points > 10 to 15 years – 7 points > 15 years – 10 points	10
	<b>Total scoring</b>	<b>100</b>

5.5.3 The formula for determining the financial scores is the following:

- $[Sf = 100 \times Fm/F]$ , in which Sf is the financial score, Fm is the lowest price, and F is the price of the proposal under consideration]

5.5.4 The weightage given to the technical and Financial Bids are: T= 0.80 and P=0.20

## **5.6 Short-listing of Applicants**

Of the Applicants ranked as aforesaid in clause 5.5.1 only shall be short-listed for financial evaluation in the second stage.

## **5.7 Evaluation of Financial Bid**

5.7.1 In the second stage, the financial evaluation will be carried out as per this Clause 5.7. Each Financial Bid will be assigned a financial score (SF) as specified in Clause 5.7.3.

5.7.2 For financial evaluation, the total cost indicated in the Financial Bid, will be considered.

5.7.3 The Authority will determine whether the Financial Bids are complete, unqualified and unconditional. The lowest Financial Bid (FM) will be given a financial score (SF) of 100 points. The financial scores of other proposals will be computed as follows:

$$S_F = 100 \times F_M/F$$

(F = amount of Financial Bid)

## **5.8 Combined and Final Evaluation**

5.8.1 Proposals will finally be ranked according to their combined technical (ST) and financial (SF) scores as follows:

(T = the weight given to the Technical Bid = 80%; P = the weight given to the Financial Bid = 20%; T + P = 100% using the formula  $S = ((TF \times T) + (S_F \times P))$ )

Technical Score of each of the qualified bidder shall be calculated based on the total technical marks of each bidder. The highest evaluated Technical Bid (Tm) will be given the maximum technical score (Tf) of 100 (one hundred) points. The technical scores (Tf) of the other qualified bidders will be computed as per the formula –  $Tf = 100 \times T/Tm$  in which Tf is the technical score of the bidder, Tm is the highest technical marks and T is the technical marks of the bidder under consideration.

The commercial bid will be opened only for the bidders with score of 70 (seventy) marks and above on the parameter defined above. The lowest evaluated Commercial Bid (Fm) will be given the maximum commercial score (Sf) of 100 (one hundred) points. The commercial scores (Sf) of the other commercial proposals will be computed as per the formula –  $Sf = 100 \times Fm/F$ , in which Sf is the commercial score, Fm is the lowest commercial quote and F is the commercial quote under consideration.

Where, TF and SF are weights assigned to Technical Bid and Financial Bid, which shall be 0.8 and 0.2 respectively.

- 5.8.2 The Selected Applicant shall be the Applicant having the highest combined score.
- 5.8.3 Financial bid will be opened only if the tenderer qualifies the tender conditions laid down in the Technical Bid.
- 5.8.4 In case if there is a tie in scores between two or more than two firms, the number of partners will be the deciding factor awarding the higher score. The firm with number of FCA partners will be awarded the contract in case of tie.
- 5.8.5 If the tie happens to be even in the number of FCA partners then the number of Years of experience in handling the PSUs would be taken as criteria to finalize the firm with more number of years of experience in handling finance, accounts and audit of PSU or Government department having higher score will be considered for awarding the contract.
- 5.8.6 In case if it is tie in the above two, then the selection would be lottery method.
- 5.8.7 If for any reason, rates quoted in the tender fall short of KSMCL expectations, whether documented or not, may refuse to accept the offers.
- 5.8.8 KSMCL reserves the right to negotiate with successful tenderer regarding price, terms and conditions in the best interest of the Company and the tender accepting authority decision will be final and binding on such tenderers.
- 5.8.9 Interpretation of documents  
KSMCL will have the sole discretion in relation to:
- a) The interpretation of this NIT, the proposals and any documentation provided in support of the proposals
  - b) All decisions in relation to the evaluation and ranking of proposals, whether or not to require any clarifications or additional information from tenderer in relation to its proposal and the selection of the successful tenderer.
  - c) KSMCL will have no obligation to explain its interpretation of this NIT, the proposals or their supporting documentation and information or to explain the evaluation process, ranking process or the selection of the successful tenderer.

## 6. Negotiations

- 6.1 Negotiations, if necessary, will be held at the address indicated in the Data Sheet. The aim is to reach agreement on all points and sign a contract.
- 6.2 If for any reasons, rates quoted in the tender seem to be higher than the expectations, KSMCL reserves the right to negotiate with bidders regarding price, terms and conditions in the best interest of the Company and its decision is final.
- 6.3 Unless there are exceptional reasons, the financial negotiations will not involve proposed unit rates.
- 6.4 Not Applicable
- 6.5 The negotiations will conclude with a review of the draft form of the contract. To complete negotiations the Client and the tenderer will initial the agreed contract. If negotiations fail, the Client will invite the firm who has quoted the second lowest price for negotiations. The process will be repeated till an agreed contract is concluded.

## 7. Award of Contract

- 7.1 The selected Tenderer will be issued a Letter of Intent (LoI) and will be given 7 days' time from the date of receipt of LoI to accept the same.
- 7.2 In case, letter of consent accepting the offer is not received within the aforementioned period of 7 days, the LoI stands withdrawn.
- 7.3 Contract / Agreement shall be entered with successful tenderer defining the terms governing the scope of work and other terms and conditions with KSMCL for a period of 2 years within seven (7) days from the date of issue of letter of consent along with payment of Security Deposit and shall be issued a work order within 10 (ten) days of execution of such Agreement.
- 7.4 If the selected bidder fails to enter into the agreement, KSMCL reserves the right to initiate action against the bidder by forfeiting the EMD, including blacklisting the bidder.

## 8. Confidentiality

- 8.1 Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the tenderers who submitted the proposals or to other persons not officially concerned with the process, until the winning contract has been notified that it has been awarded the contract.

- 8.2 KSMCL shall treat all Bids and other documents, information and solutions submitted by tenderers as confidential, and shall take all reasonable precautions that all those who have access to such material, treat this in confidence. KSMCL will not divulge any such information unless it is ordered to do so by any authority, which has the power to require its release.
- 8.3 During this period, the tenderer shall not disclose or utilize any such documents, information without the written approval of KSMCL or as required by law or any governmental authority.
- 8.4 KSMCL and each tenderer shall ensure that their representatives or any third party to whom for the tender document was required to be divulged for the preparation of tender or for evaluation, as the case may be, such tenderers or third party maintains the confidentiality of the tender document and the evaluation.
- 8.5 Any information relating to examination, clarification, evaluation and comparison of tenders and recommendations for the award of a contract shall not be disclosed to tenderers or any other person not officially concerned with the tender process until the award to the successful tenderer has been communicated.
9. Right to accept any tender and to reject any or all bids
- 9.1 Notwithstanding anything contained in this NIT, Karnataka State Minerals Corporation Limited reserves the right to accept or reject any proposal and to annul or suspend the bidding process and reject all proposals without assigning any reason thereof, at any time prior to the issuance of Letter of Intent (LOI) without incurring any liability or consequences or any obligation to inform the affected tenderers of the grounds for rejection.

## 10. Data Sheet

Clause Reference	Tender No. KSMCL/E-tender/IA/ACT/2023-24/	
1.1	The name of the Client is:	Karnataka State Minerals Corporation Limited
	The method of selection is:	Quality-and Cost-Based Selection (QCBS)
1.2	A technical and a Financial Proposals are requested:	Yes
	The name, objectives and description of the Assignment are:	Engagement of Chartered Accountants / Firms for the Internal Audit work of KSMCL, Bangalore.
1.3	The Assignment is phased:	No.
1.4	A pre-proposal conference will be held:	No
1.5	<p>KSMCL shall adhere to the following bidding schedule:</p> <p>1 Commencement of downloading the : __/__/2023 Tender document in e-portal</p> <p>2 Last Date for submission of Tender in e- : __/__/2023, 17:00 Hrs. portal</p> <p>3 Opening of Technical Bids in the e- : __/__/2023, 11:00 Hrs. portal by KSMCL, Bengaluru</p> <p>4 Opening of Financial Bids of : After completion of Technically qualified Bidders in the e- Technical bid evaluation. portal by KSMCL, Bengaluru</p>	
1.6	The name(s), address(es), and telephone / numbers of the Client's Official(s) are:	Details mentioned in Sl. No. 3 of ToR
1.7	The clauses on fraud and corruption in the contract are Sub-Clause 2.7.1 of G.C.C.	
1.8	Clarifications may be requested up to :	1 day prior to the last date for submission of tender
1.9	The address for requesting clarifications is:	General Manager (F&A) Karnataka State Minerals Corporation Limited TTMC, 'A' Block, 5thFloor, BMTC Building, K.H. Road, Shanthinagar, Bengaluru – 560 027
1.10	Proposals should be submitted in the following language(s):	English
	(i) Shortlisted Tenderer may associate with other shortlisted Tenderer:	No
	(ii) Reports which are part of the assignment must be written in the following language:	English
1.11	Proposals must remain valid 90 days after the submission date.	
1.12	Proposals must be submitted no later than the following date and time:	__/__/2023, 17:00 Hrs.



1.13	The address for communication:	General Manager (F&A) Karnataka State Minerals Corporation Limited TTMC, 'A' Block, 5thFloor, BMTC Building, K.H. Road, Shanthinagar, Bengaluru – 560 027 Email: <a href="mailto:enquiries.ksmcl@gmail.com">enquiries.ksmcl@gmail.com</a>
------	--------------------------------	--

### Eligibility Criteria

I.	Criteria
a)	The Tenderer should be registered with Institute of Chartered Accountants of India. The particulars of the Firm Head office, Branch office and Partners and paid chartered Accountants should match with the certificate issued by ICAI and practicing for a minimum period of 10 years in Bangalore.
b)	The tenderer shall have minimum 5 years' experience as statutory auditors or internal auditors of PSU's having turnover of not less than Rs. 100 Crores per annum during a block period of 2017-18 to 2021-22.
c)	Should have 5 partners of which at least 4 partners should be FCA
d)	The firm should be practicing in Bangalore for a minimum period of 10 years.
e)	Audited balance sheet and profit and loss statement of the firm certified by Chartered Accountant for having turnover not less than <b>Rs. 10 Lakhs</b> for each of the consecutive 3 (three) financial years during the three financial years, i.e., 2018-19 to 2021-22.
f)	The Bidder Should not have been banned / declared ineligible for corrupt and fraudulent practices by the Central / State Govt. or its undertakings /RBI / ICAI / ICWA or any other regulatory authorities and should not have any disciplinary proceedings pending against the applicant or any of the partners with ICAI / ICWA / RBI.

SECTION-III – Technical Proposal

**3A. Technical proposal submission form**

(Should be submitted on the letterhead of the tenderer)

Date:

To.

General Manager (F&A)

Karnataka State Minerals Corporation Limited

TTMC, 'A' Block, 5th Floor, BMTC Building,

K.H. Road, Shanthinagar,

Bengaluru – 560 027

Sir,

**Sub:** Engagement of Chartered Accountants/Firms for the Internal Audit work of KSMCL, Bangalore.

Please find enclosed Techno-Commercial Proposal in respect of Selection of Tenderer for the above Project.

We hereby confirm the following:

1. The Techno-Commercial Proposal is being submitted by us, in accordance with the conditions stipulated in the NIT.
2. We have examined in detail and have understood the terms and conditions stipulated in the NIT document issued by Karnataka State Minerals Corporation Limited in any subsequent communication uploaded by Karnataka State Minerals Corporation Limited. We agree and undertake to abide by all these terms and conditions. Our Proposal is consistent with all the requirements of submission as stated in the NIT or in any of the subsequent communications from Karnataka State Minerals Corporation Limited.
3. We confirm that we have not fixed or adjusted the amount of the Tender by or under or in accordance with any agreement or arrangement with any other person. We also certify that we will keep the contents of our tender confidential, except as necessary as per the provisions of the NIT document. We also confirm that we have not entered and we will not enter into any agreement or arrangement with any person that they shall refrain from bidding, that they shall withdraw any tender once offered or vary the amount of any Tender to be submitted.
4. We confirm that all the terms and conditions of the Techno-Commercial Proposal are firm and valid for acceptance for a period of 90 days from the last date of submission of this Proposal.

Thanking You,

Yours Sincerely,

For and on behalf of : (name of the Bidding Company and the Company Seal)

Signature : (Authorized Representative)

Name of the Person :

Designation :

### 3B. Tenderer's Information

Using the format below, provide information on each reference assignment for which your firm/entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted.

1)	Name and full address of the Firm. Phone, Fax, e- Mail, website:	
2)	The tenderer should be an individual / firm of Proprietorship / Partnership / LLP of Chartered Accountants / STP / GST Practitioner and practicing in Bangalore for a minimum period of 10 years	Individual – GST Certificate Partnership – Registration / Partnership Deed LLP – Certificate of Incorporation i) Copy of the Constitution certificate/Firm card issued by ICAI (The branch office details along with date of incorporation shall be available in the uploaded document). ii) Copy of Registered Lease Deed supporting the address in Bangalore.
3)	Name of the contract Person Address & Phone / Mobile No. E-mail	Name: Mob.no: Email: Address:
4)	Year of establishment in Business	
5)	Chartered Accountant certified Balance Sheet & P & L for each of three preceding financial years during three financial years from 2018-19 to 2021-22.	2018-19: 2019-20: 2020-21: 2021-22: (Upload Balance Sheet and Profit & Loss Statement)
6)	IT returns filed for two years of preceding three years Assessment / financial year (2018-19 to 2021-22).	Yes / No (upload relevant document)
7)	PAN & GST Registration No.	PAN: GST: (upload relevant document)
8)	Should have minimum 5 years of experience as statutory auditors or internal auditors of PSU's having turnover of not less than Rs. 100 Crores per annum during a block period of 2017-18 to 2021-22.	The applicant shall upload the documents for proof of experience or work done certificate issued by the PSU's.
9)	Any other relevant documents.	Upload documentary evidence

### DECLARATION

I / we do hereby declare that the particulars furnished above are correct and I / we are ready to furnish any other details and original as may be required by Karnataka State Minerals Corporation Limited. I / we also declare that I / we shall abide by the terms and conditions of the tender. I further undertake to provide service of internal audit at the Corporate Office, Bangalore, if contract is awarded.

Dated this \_\_\_\_\_ Day of \_\_\_\_\_ 2023

Name of the Tenderer: \_\_\_\_\_

Signature and Seal of the Authorized Signatory \_\_\_\_\_

Name and Designation of the Authorized Signatory \_\_\_\_\_

Place: \_\_\_\_\_

### 3C. Undertaking regarding non-blacklisting / non-debarment

(Should be submitted on the letterhead of the tenderer)

To.

General Manager (F&A)

Karnataka State Minerals Corporation Limited

TTMC, 'A' Block, 5<sup>th</sup> Floor, BMTC Building,

K.H. Road, Shanthinagar,

Bengaluru – 560 027

Sir,

Please find enclosed bid for consideration to be engaged as Internal Auditors to Karnataka State Minerals Corporation Limited.

We agree to undertake the assignments, if given by you, as per the scope of work. We hereby declare that, we do not have any pecuniary liability or any claim / disciplinary / legal proceeding pending against us/ our partners or any other cause which could hamper our ability to render the services as envisaged.

We also declare that we /our firm has not been banned / declared ineligible for corrupt and fraudulent practices by the Central or State Governments or its undertakings / RBI / ICAI or any other regulatory authorities and does not have any disciplinary proceedings pending against it or any of the partners.

If the aforesaid representation /declaration or information in the annexure is found to be incorrect, we agree that the KSMCL shall be entitled to terminate the engagement, or initiate suitable action as deemed fit and appropriate by the KSMCL including forfeiture of Performance Security Deposit, without reference to us. We or our affiliates have, during the last three years, neither failed to perform on any agreement, as evidenced by imposition of a penalty by an arbitral or a judicial pronouncement or arbitration awarded against us or our Affiliates, nor been expelled from any project or agreement nor had any agreement terminated for breach by us or our affiliates. The firm is having \_\_\_\_ partners (pl specify total no. of partners) out of which at least \_\_\_\_ partners are experts dealing in Internal Audit matters with at least \_\_\_\_ years' of experience.

List of Documents Enclosed

- 1.
- 2.
- 3.....

Dated this \_\_\_\_\_ Day of \_\_\_\_\_ 2023

Name of the Tenderer: \_\_\_\_\_

Signature and Seal of the Authorized Signatory \_\_\_\_\_

Name and Designation of the Authorized Signatory \_\_\_\_\_

Place: \_\_\_\_\_

#### **SECTION-IV – 4A. Financial proposal submission form**

(Provision for uploading Financial Bid Format in e-portal has been disabled w.e.f. 14.08.2017. Bidders are requested to enter the Financial Bid amount in the relevant slot provided in e-procurement portal.)

## **SECTION-V – Terms of Reference (ToR)**

### **1. Objective of Work**

The offers are invited with a view to appoint the Chartered Accountants as Internal Auditors to KSMCL. The selected Chartered Accountants would handle the Internal Audit work of KSMCL.

### **2. Extent of Audit**

#### **2.1 Pre Audit:**

The selected tenderer shall give their opinion on the files referred by the competent authority of the company on day to day basis. For the same the selected bidder has to deploy two article assistants or paid assistants at KSMCL Head office, Bangalore. The Chartered Accountant who is a partner shall visit the Head office once in a week and shall be available to the authorities as and when required with respect to opinion on audit and Tax matters. The scope for Pre audit has given below:

- a) The auditor shall give his opinion on the files sent by the competent authority
- b) All the files shall be verified thoroughly with all the applicable laws and company's guidelines
- c) The auditor shall record opinion on tax matters in the files (wherever required)
- d) Assess / review / recommend / comment whether accounting / financial / operational systems are reliable / effective /efficient and to assess whether they are properly followed and guide to rectify the system.
- e) Verify whether the systems of internal checks are effective and whether it facilitates detection of misappropriations/misapplications/ irregularities/ negligence's etc.; and whether it is commensurate with all the applicable laws in the nature and size of business of the organisation.
- f) Identify areas of significant inefficiencies in current system and to suggest/guide remedial measures thereof.
- g) Verify compliance to statutory and regulatory requirements.
- h) Assist the management in designing purposeful MIS so as to enable the company to take appropriate decision for business development.
- i) The audit shall cover a critical analysis of the Balance Sheet items with emphasis on Work-in-progress, Amount recoverable from contractors, amount recoverable from suppliers, capitalization of assets.
- j) Review of repairs and maintenance expenditure and additions made during the year along with the approvals as per the administrative, technical and financial delegation powers of the company.

- k) Verification of Medical, Miscellaneous bills sections and test check on random sampling basis for other sections.
- l) Verification of Establishment, PF and Personnel Claims Sections - 100% vouching must be done in the case of Cash Receipt and Payment vouchers, Bank Receipt and payment vouchers and bank adjustment vouchers.
- m) Verification of Capitalization of assets awaiting installations/Advance on Capital accounts as at the year end.
- n) Verification of Sundry receipts along with any pending adjustments.
- o) Review of old pending items requiring provisioning / discarding.
- p) Verification of Budget and Works Section and test check on random sampling basis for other sections.
- q) Identification and rectification of revenue purchases. If Auditors come across any such cases, they shall increase the sample size and conduct a thorough verification of the same. Based on the confidence level derived from such verification, they shall give their comments thereon.
- r) 100% vouching must be done in the case of cash receipt and payment vouchers, Bank Receipt and payment vouchers and bank adjustment vouchers of that quarter
- s) In addition, 100% vouching must be done in the case of cash receipt and payment vouchers, Bank Receipt and payment vouchers and bank adjustment vouchers of that quarter.

## **2.2 Internal Audit:**

The selected bidder shall submit the Quarterly internal audit report to the competent authority after completion of audit based on the scope given below:

### **(1) Cash Section:**

- a) To carry out physical verification of cash / petty cash once in every quarter.
- b) To verify whether unduly heavy closing cash / bank balances are kept and the average cash in transit with reference to insurance policies and adequacy thereof.
- c) To check whether the cash / petty cash book is updated daily in the manner required by making all necessary entries for cash and cheques / DD etc.
- d) To check cheques / DDs on hand on periodical closing of accounts and on 31st March of every financial year
- e) To verify correctness of Custody of unused cheque leaves.
- f) 100% verification of cash / petty cash payment & receipt vouchers, bank payment and receipt vouchers.

- g) Certification of Bank balances by Banks on the date of periodical / annual accounts.
- h) Check bank reconciliation statement and further ensure that bank charges, Misc. Credits etc. are accounted for properly.
- i) Verify whether stale cheques are transferred to stale cheque account and the stale cheques of more than three years old to Misc. income.
- j) 100% verification of adjustment vouchers and journal vouchers.
- k) Remittances by bank transfers or letter of instructions are subject to same controls as cheque payments.
- l) To check custody of bank guarantees/ TDRs and also their validity / periods with reference to necessary records.
- m) To check whether Bank Guarantees are received against the advance made. If so, relevant disclosures have been made in the accounts.
- n) To verify whether timely action has been taken to revalidate / encash / return the securities, as the case may be, before expiry date.
- o) Checking of calculation of interest on investments/ deposits with banks
- p) Provision for decline in the value of investments.
- q) Accounts of TDS on interest and other income on deposits / investments.
- r) To check whether sale of tender documents has been correctly accounted for.

**(2) Establishment Section:**

**(i) Payroll Process**

- a) Test check of pay roll process (including muster roll) such as Basic, DA, other allowances with reference to relevant Office Orders.
- b) Check whether leave has been credited as per rules in the Service Books maintained by the Personnel Dept.
- c) To verify sanction orders for granting increments / leave encashment and other allowances and incentive to see whether these have been properly given effect.
- d) Pay and allowances of CMD / Directors along with loans outstanding, if any.
- e) Payments of stipend to Trainees and claim form Govt.



- f) Rent, electricity and other charges payable by the employees are recovered regularly.
- g) Transfer of Salary expenditure related to other units proper accounted.
- h) Activation / deactivation of employee master-Grades / Scale / Designation, etc.

(ii) Loans and Advances:

- a) Verification of Interest calculations of Loans, viz., HBA, Conveyance and Computer etc to the employees are correctly done.
- b) Verification of recoveries of advance payments and interest thereon from employees like Leave Encashment, Interest subsidy, Furniture rent under the “Scheme for provision of Furniture / Furnishings and other appliances on hire facility”. Vehicle hire charges on being provided official vehicle etc.,
- c) Review of outstanding balances of advances like Pay, Study, Flood, Festival / Multipurpose advance, leave salary etc. and indicate old unadjusted cases.

(iii) PF / Pension:

- a) Verification of remittance and reconciliation of PF / Pension.
- b) Check the PF, Personal Ledgers and control register for proper and timely updation.
- c) Verifying the calculations of interest on PF balances and recoveries of advances.
- d) Test check whether the statutory returns are filed with RPFC timely.
- e) Whether transfer in /out of employees has been properly prepared and sent to other units.
- f) To verify whether PF / EDLI / Administration and inspection charges have been regularly remitted.
- g) To ensure provisions are made in respect of the following and their review at
- h) Every periodical closing of accounts.
  - Accrued Leave (Verification from leave records)
  - Performance Lined Benefit Scheme
  - Bonus / Payment by result

- Additional Gratuity
- Liability for DA increase
- Accountal of Benevolent Fund and Company contribution
- All other payments related to accounting period
- Earlier year provisions.

**(3) Personal Claim Section:**

(i) Verification of TA/LTC Transactions:

- a) To test check whether TA (Inland & Foreign) and LTC / LLTC bills, encashment have been submitted in time and passed in accordance with the rules.
- b) Review of individual ledger accounts of TA, LTC and Medical advances and indicate whether any long overdue of advances are lying unadjusted without proper reasoning.
- c) Transfer of TA bills as well as settlement TA allowances released at the time to retirement have been timely adjusted.
- d) Verification of payments to Airlines agents in respect of booking of air tickets are in order
- e) Making provisions on TA/LTC/LLTC advances drawn at the time of closing of accounts.
- f) Foreign tour statements are given to compilation section duly reconciling the figures with Trial balance.

(ii) Medical Claim Transaction

- a) Verification of reimbursement of Medical Claims.
- b) Employees:
  - Medical Outpatient reimbursement as per annual ceilings
  - Medical In-patient claims in respect of Treatment at Private Nursing Homes
  - Medical advances to Project Employees
  - Medical outpatient reimbursement to CMD & Directors
  - Prolonged / continuous treatment claims.
- c) Verify whether the bills of various hospitals are passed as per the norms and whether TDS has been correctly recovered.

**(4) Accounts Section:**

The company is maintaining books of accounts in Tally Prime software along with the manual registers. The following needs to be verified:

- a) 100% verification of journal entries.
- b) Verification/reconciliation of inter unit transactions for immediate accounting.
- c) Reconciliation of subsidiary ledgers and detailed registers with G.L. accounts
- d) Clearance of provision made in the earlier year periods.

- e) Provision created in respect of bills pending for payment and also in respect of bills not yet raised by the hospital but treatment is already extended (as per estimates notified by the Hospitals).
- f) Verification of imprest accounts of employees, postal, Civil, Electrical and other offices attached to the unit.
- g) Timely adjustments of advances to employees for purchases, other expenses etc. are carried out.
- h) Verification of Deposit accounts with Electricity Boards, Telecom and Customs, etc., with confirmation of balances.
- i) To review the liabilities and provisions made during the periodical and annual closing of accounts with particular reference to the liabilities, which are not required to be paid.
- j) To verify provisions for property tax with particular reference to legal provisions and latest development in various cases filed with courts etc.
- k) Checking of TCs raised on account of expenditure incurred by the unit on other units under 'Inter unit debits / credits'
- l) Suspense accounts are cleared promptly
- m) Reconciliation of subsidiary ledgers and detailed registers with G.L.
- n) Capital items acquired are correctly capitalized / shown as in transit or waiting for installations as the case may be as on 31<sup>st</sup> March
- o) Classification of expenditure under proper heads to be test checked
- p) The areas where Govt. Audit raised points in earlier years to avoid such mistakes

**(5) Miscellaneous Bills and Works Bills Section:**

(i) Receipts:

- a) To verify billing for the services rendered to other occupants of the Khanija Bhavan/ CEC/ MSIL and other is timely and the effectiveness of recovery.
- b) Verify the Sales invoices are properly raised in accordance with delivery order

(ii) Payments:

- a) Payment of rent, electricity, water, telephone, fax, internet, taxi hire charges etc., are correct.
- b) The running bills of the contractors are paid as per work order after proper recoveries.
- c) Special emphasis shall be given on checking of final bills including the aspect of penalty, deviation etc.
- d) Mobilization advance payment, if any, is as per the terms of work order and regular adjustment of the same from the bills.
- e) To test check R&M bills and comment upon the benefit on outsourcing such works

- f) To verify that all contractors have submitted the requisite documents /certificates statutorily required to be produced.
- g) Proper recovery and deposit of statutory taxes and duties in time to be verified
- h) Works completed but final bills not received. Comment upon long outstanding cases having material impact on accounts.
- i) Liabilities for amounts payable under AMCs / W.Os with particular reference to pre-paid expenses.
- j) Verify Proper bifurcation of revenue and capital expenditure has been done and the capitalization of works is correctly done.

(iii) Review:

- a) Capitalization entries in respect of assets purchased with particular reference to commissioning reports and classification as well as whether the item is really of capital or revenue nature
- b) The capital items in stores awaiting installation and report on long outstanding items
- c) Account of scrap sales through auction, adjustment and forfeiture of EMD and provision of commission payable to the auctioneer.

**(6) Store Section:**

(i) Scrutiny of payments:

- a) All purchase bills of value above Rs.50,000/- with reference to purchase orders against LSC/RVs
- b) Advance payments if any released to the supplier are as per the Purchase Order and their adjustment thereof.
- c) Rising of debit notes for the short supply of material and recovery of the same from subsequent bills.
- d) Payments of suspense / local purchase advance and adjustments thereof on regular basis.
- e) If payments are made against duplicate invoices of suppliers, even occasionally are adequate precautions taken to avoid duplicate payments.
- f) Whether cash discounts are availed whenever offered
- g) Proper recovery and deposit of statutory taxes and duties in time to be verified.
- h) Payments due to SSI Units are released as per P.O. terms and are made within 30 days of payment becoming due.

**(7) Sales Section:**

- a) Review of contracts / agreements entered into with domestic / export buyers.

- b) Checking of interest recoverable from customers, wherever the terms of sale provide for recovery of overdue interest.

**(8) Books of Account:**

- a) To verify whether the books of account required to be maintained statutorily are maintained.
- b) 100% checking of postings in the (a) Cash book (b) Main General Ledger (c) Main Journal (d) Sectional Journals (e) Fixed Assets Register (f) Subsidiary Ledgers (g) Detailed registers, etc.
- c) To verify and report whether the General Ledger and the Subsidiary Ledgers are drawn periodically.
- d) Reconciliation of subsidiary ledger with General Ledger and Cash book
- e) Scrutiny of GL to identify any odd balances in the GL and its rectification
- f) 100% verification of prior period income / expenditure and prepaid expenses.

**(9) Fixed Assets:**

- a) Maintenance of Fixed asset register and its compliance with all the statutory requirements and to cross verify the same with General Ledger and fixed asset schedule of the balance sheet.
- b) Is there a list of title deeds for the landed properties and buildings?
- c) Risk against fire, flood etc., are covered in respect of buildings and machineries.
- d) Review of additions made during the current year as to their classification, life given etc.,
- e) Check the deletions / adjustments / transfer in / transfer out made during the year.
- f) To check internal transfer whenever the asset is shifted from one location to another location of the same project with emphasis on its effect on accounting treatment, if any.
- g) To check the calculation of depreciation for the periodical closing as well as annual accounts for all the assets.
- h) Account of profit/ loss on sale / disposal of assets
- i) To check the details of assets retired from active use and held for disposal. The net block in case of vehicles should be at least 5% of the vehicle cost as per the stated policy of the company.
- j) To check whether the capitalization is made as per the stated policy of the company. Assets on which grant is received from GOI / Cess fund authorities are capitalized at their net value (after adjusting of subsidy / grant)

- k) To verify the reports on physical verification of fixed assets. To comment upon the adequacy of the system of physical verification of fixed assets.

**(10) Closing of Accounts:**

- a) To thoroughly review the accounting policies as declared by the company. In case there is any inconsistency in the accounting policies of the company as compared to the Accounting Standards/ Act and other applicable statutes, the auditors in charge of the projects / officer are suggested to report the same in their audit report for the first six months so that the company can review the same at Corporate level and evolve suitable modification to the accounting policy after considering the observations of other projects / units.
- b) Verify the account of interest receipt / and / or accrued on inter corporate investment, bank deposits and tax free bonds.
- c) To check the allocation of share to other units.
- d) The firming up of the latest position of contingent liabilities with particular reference to the legal / arbitration cases pending with the various authorities
- e) Determination of tax and other statutory liabilities with special emphasis on cases of income tax, sales tax and other tax payments to exchequer.
- f) To completely check and certify the periodical and annual accounts.
- g) Verification of cash flow statements, segment reporting and consolidated financial statements.
- h) To associate in the settlement of audit enquiries and provisional audit comments.
- i) Review of audit observations of internal auditors/ statutory auditors / govt. audit on the accounts of earlier periods and the necessary modification to the policy accounting practices to avoid such mistakes.
- j) To review and report all un attended audit comments and bring out the same in the audit report.

**(11) Budget and Costing:**

- a) Cost accounts covering all cost sheets and norms to ensure adequate cost control measures are taken by the unit and to suggest improvements if any.
- b) To compare approved standard cost with actual and to report on action taken / variance.

**(12) Tally:**

- a) Verify and report whether the computerized Financial Accounting, Inventory and pay roll system is functioning properly in the units wherever applicable.
- b) Verify whether all reports are drawn as per the schedule / periodically and made available to all sections.

**(13) Vetting:**

- a) To test check whether approvals for the proposals are as per powers delegated to the authority who approved the proposal.
- b) To check at least 5% of procurement indent raised with reference to budget allocation with focus on cost benefit analysis for the capital items of valuing Rs.10 lakhs and more.
- c) To check 10% of work estimates drawn either or Capital or Revenue nature with reference to DSR, CPWD, State Electricity board rates which ever applicable and also the budget allocation.
- d) To test check vetting of NITs, Work Orders, Supply Orders, amendments with reference to delegation of powers.

**(14) Taxation:**

- a) Verification of Monthly GST/TDS/VAT/Service Tax prepared by the company and filing of monthly and quarterly returns of all tax matters.
- b) To verify entries in respect of adjustment of Advance tax, TDS and Provisions where assessment is completed.
- c) To verify the status of appeals pending at various levels for different assessment years.

**(15) Branch Visit:**

- a) The company has 70 branches all over Karnataka (Including working and Non-working mines/quarries/units). The number of branches may be varied subject to grant/renewal/extension of Lease of Mines/Quarries. The selected bidder shall visit all the branches once in a Financial Year and shall submit the annual internal audit report for each branch. The company shall pay the applicable TA/DA to the staff visiting the units.

**(16) Others:**

- a) To verify the correctness of recovery of Income Tax/ Profession Tax/ LIC/ PORD etc., (Wherever applicable) from salaries and the timely remittance of the same to concerned authorities.
- b) Review and report whether the claims are made on LIC in respect of ex-employees viz. GSLI, O/s HBA and Conveyance under Group Accident Policy.

- c) Review of Sundry receipts pending adjustment and suspense account.
- d) To test check payments under family benefit scheme / medically unfit scheme / benevolent fund and to see whether income tax wherever applicable has been correctly recovered.
- e) Test check whether the payment of terminal dues to employees – Leave encashment, under VRS / VSS are as per rules.
- f) Verify the Maintenance of statutory bonus register.

### 3. Address of the Corporate Office.

Sl. No.	Address	Contact person
1	Karnataka State Mineral Corporation Limited TTMC, 'A' Block, 5th Floor, BMTC Building, K.H Road, Shanthinagar, Bangalore-560027 Phone: 080-22278813/14/15/16 Email: <a href="mailto:enquiries.ksmcl@gmail.com">enquiries.ksmcl@gmail.com</a> Website: <a href="http://ksmc.karnataka.gov.in">http://ksmc.karnataka.gov.in</a>	Smt. Akshatha A Imagoudavanar Assistant General Manager (F&A) Ph.: 9743374621



**SECTION-VI: CONTRACT FOR CONTRACTOR’S SERVICES**

between

---

[Name of Client]

and

---

[Name of Contractor]

Dated :

## CONTENTS

### I. FORM OF CONTRACT

### II. GENERAL CONDITIONS OF CONTRACT

1. General Provisions
  - 1.1 Definitions
  - 1.2 Law Governing the Contract
  - 1.3 Language
  - 1.4 Notices
  - 1.5 Location
  - 1.6 Authorized Representatives
  - 1.7 Taxes and Duties
2. Commencement, Completion, Modification, and Termination of Contract
  - 2.1 2.1 Effectiveness of Contract
  - 2.2 2.2 Commencement of Services
  - 2.3 2.3 Expiration of Contract
  - 2.4 2.4 Modification
  - 2.5 2.5 Force Majeure
    - 2.5.1 Definition
    - 2.5.2 No Breach of Contract
    - 2.5.3 Extension of Time
    - 2.5.4 Payments
  - 2.6 Suspension
  - 2.7 Termination
    - 2.7.1 By the Client
    - 2.7.2 By the Tenderers
    - 2.7.3 Cessation of Rights and Obligations
    - 2.7.4 Cessation of Services
    - 2.7.5 Payment upon Termination
3. Obligations of the Contractors
  - 3.1 General
  - 3.2 Conflict of Interest
    - 3.2.1 Tenderers Not to Benefit from Commissions, Discounts, etc
    - 3.2.2 Procurement Rules of Funding Agencies
    - 3.2.3 Contractors and Affiliates Not to engage in certain Activities
    - 3.2.4 Prohibition of Conflicting Activities
  - 3.3 Confidentiality
  - 3.4 Insurance to Be Taken Out by the Contractors
  - 3.5 Contractors' Actions Requiring Client's Prior Approval
  - 3.6 Reporting Obligations
  - 3.7 Documents Prepared by the Contractors to be the Property of the Client

### 3.8 Equipment and Materials Furnished by the Client

## 4. Contractors' Personnel and Sub-Contractors

### 4.1 Description of Personnel

### 4.2 Removal and/or Replacement of Personnel

## 5. Obligations of the Client

### 5.1 Assistance and Exemptions

### 5.2 Services and Facilities

## 6. Payments to the Contractors

### 6.1 Lump Sum Remuneration

### 6.2 Contract Price

### 6.3 Payment for Additional Services

### 6.4 Terms and Conditions of Payment

### 6.5 Interest on Delayed Payments

## 7. Settlement of Disputes

### 7.1 Amicable Settlement

### 7.2 Dispute Settlement

## III. Special Conditions of Contract

## I. Form of Contract

This CONTRACT (hereinafter called the "Contract") is made the \_\_\_\_\_ day of the month of \_\_\_\_\_, 202\_\_\_\_, between, on the one hand, \_\_\_\_\_ (hereinafter called the "Client") and, on the other hand, \_\_\_\_\_ (hereinafter called the "Contractors").

[\*Note: If the Contractors consist of more than one entity, the above should be partially amended to read as follows:

“.....(hereinafter called the "Client") and, on the other hand, a joint venture consisting of the following entities, each of which will be jointly and severally liable to the Client for all the Contractors' obligations under this Contract, namely, \_\_\_\_\_ and \_\_\_\_\_ (hereinafter called the "Contractors.")”]

WHEREAS,

(a) the Client has requested the Tenderers to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the "Services");

(b) the Tenderers, having represented to the Client that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:

(a) The General Conditions of Contract (hereinafter called "GC");

(b) The Special Conditions of contract (hereinafter called "SC");

(c) The following Appendices:

Appendix A: Description of the Services \_\_\_\_\_

Appendix B: Reporting Requirements \_\_\_\_\_

Appendix C: Key Personnel and Sub-Contractors -----

Appendix D: Services and Facilities to be provided by the Client \_\_\_\_\_

Appendix E: Breakdown of Contract Price \_\_\_\_\_

Appendix F: Form of Guarantee for Advance Payments \_\_\_\_\_

[Note: If any of these Appendices are not used, the words "Not Used" should be inserted below next to the title of the Appendix on the sheet attached hereto carrying the title of that Appendix.]

2. The mutual rights and obligations of the Client and the Contractors shall be as set forth in the Contract, in particular:

(a) The Contractors shall carry out the Services in accordance with the provisions of the Contract; and

(b) the Client shall make payments to the Contractors in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

FOR AND ON BEHALF OF

[NAME OF CLIENT]

By (Authorized Representative)

FOR AND ON BEHALF OF

[NAME OF CONTRACTOR]

By (Authorized Representative)

## **II. General Conditions of Contract**

### **1. GENERAL PROVISIONS**

#### **1.1. Definitions**

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) "Applicable Law" means the laws and any other instruments having the force of law in India, as they may be issued and in force from time to time;
- (b) "Contract" means the Contract signed by the Parties, to which these General Conditions of Contract (GC) are attached, together with all the documents listed in Clause 1 of such signed Contract;
- (c) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1
- (d) "Contract Price" means the price to be paid for the performance of the Services, in accordance with Clause 6;
- (e) "GC" means these General Conditions of Contract;
- (f) "Government" means the Government of Karnataka;
- (g) "Local currency" means Indian Rupees;
- (h) "Member", in case the Contractors consist of a joint venture of more than one entity, means any of these entities, and "Members" means all of these entities; 'Member in Charge' means the entity specified in the SC to act on their behalf in exercising all the Contractors' rights and obligations towards the Client under this Contract.
- (i) "Party" means the Client or the Contractors, as the case may be, and Parties means both of them;
- (j) "Personnel" means persons hired by the Contractors or by any Sub-Contractor as employees and assigned to the performance of the Services or any part thereof; and 'key personnel' means the personnel referred to in Clause GC4.2 (a)
- (k) "SC" means the Special Conditions of Contract by which these General Conditions of Contract may be amended or supplemented;
- (l) "Services" means the work to be performed by the Contractors pursuant to this Contract as described in ToR;
- (m) "Sub-Contractor" means any entity to which the Contractors subcontract any part of the Services in accordance with the provisions of Clauses 3.5 and 4.
- (n) "Third party" means any person or entity other than the Government, the Client, the Contractors, or a Sub-Contractor.

#### **1.2. Law Governing the Contract**

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.

### 1.3. Language

This Contract has been executed in English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

### 1.4. Notices

Any notice, request or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the address specified in the SC.

### 1.5. Location

The Services shall be performed at such locations as are specified in ToR and, where the location of a particular task is not so specified, at such locations, whether in Karnataka or elsewhere, as the Client may approve.

### 1.6. Authorized Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client or the Contractors may be taken or executed by the officials specified in the SC.

### 1.7. Taxes and Duties

The Contractors, Sub-Contractors and their Personnel shall pay such taxes, duties, fees and other impositions as may be levied under the Applicable Law, the amount of which is deemed to have been included in the Contract Price.

## 2. Commencement, Completion, Modification and termination of Contract

### 2.1. Effectiveness of Contract

This Contract shall come into effect on the date the Contract is signed by both Parties or such other later date as may be stated in the SC.

### 2.2. Commencement of Services

The Contractors shall begin carrying out the Services within thirty (30) days after the date the Contract becomes effective, or at such other date as may be specified in the SC.

### 2.3. Expiration of Contract

Unless terminated earlier pursuant to Clause 2.7, this Contract shall terminate at the end of such time period after the Effective Date as is specified in the SC.

## 2.4. Modification

Modification of the terms and conditions of this Contract, including any modification of the scope of the Services or of the Contract Price, may only be made by written agreement between the Parties.

## 2.5. Force Majeure

### 2.5.1. Definition

For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, and which makes a Party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.

### 2.5.2. No Breach of Contract

The failure of a Party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

### 2.5.3. Extension of Time

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

### 2.5.4. Payments

During the period of their inability to perform the Services as a result of an event of Force Majeure, the Contractors shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Service after the end of such period.

## 2.6. Suspension:

The Client may by written notice of suspension to the Contractors, suspend all payments to the Contractors hereunder if the Contractors fail to perform any of their obligations under this contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Contractors to remedy such failure within a period not exceeding thirty (30) days after receipt by the Contractors of such notice of suspension.

## 2.7. Termination

### 2.7.1. By the Client

The Client may terminate this Contract, by not less than thirty (30) days' written notice of termination to the Contractors, to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause 2.7.1 and sixty (60) days' in the case of the event referred to in (e):

- (a) if the Contractors do not remedy a failure in the performance of their obligations under the Contract, within thirty (30) days of receipt after being notified or within such further period as the Client may have subsequently approved in writing;
- (b) if the Contractors (or any of their Members) become insolvent or bankrupt;
- (c) if, as the result of Force Majeure, the Contractors are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) if the Contractor, in the judgment of the Client has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

For the purpose of this clause:

“corrupt practice” means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution.

“fraudulent practice” means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of GOK, and includes collusive practice among Contractors (prior to or after submission of proposals) designed to establish prices at artificial non-competitive levels and to deprive GOK of the benefits of free and open competition.

- (e) if the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

### 2.7.2. By the Contractors

The Contractors may terminate this Contract, by not less than thirty (30) days' written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (c) of this Clause 2.7.2:

- (a) if the Client fails to pay any monies due to the Contractors pursuant to this Contract and not subject to dispute pursuant to Clause 7 hereof within forty-five (45) days after receiving written notice from the Contractors that such payment is overdue;



- (b) If the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Contractors may have subsequently approved in writing) following the receipt by the Client of the Contractors' notice specifying such breach;
- (c) if, as the result of Force Majeure, the Contractors are unable to perform a material portion of the Services for a period of not less than sixty (60) days.

#### 2.7.3. Cessation of Rights and Obligations

Upon termination of this Contract pursuant to Clause GC 2.7, or upon expiration of this Contract pursuant to Clause GC 2.3, all rights and obligations of the Parties hereunder shall cease, except :

- (i) such rights and obligations as may have accrued on the date of termination or expiration;
- (ii) the obligation of confidentiality set forth in Clause GC 3.3 hereof;
- (iii) any right which a Party may have under the Applicable Law.

#### 2.7.4. Cessation of Services

Upon termination of this Contract by notice of either Party to the other pursuant to Clauses GC 2.7.1 or GC 2.7.2 hereof, the Contractors shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Contractors and equipment and materials furnished by the Client, the Contractors shall proceed as provided, respectively, by Clauses GC 3.7 and GC 3.8.

#### 2.7.5. Payment upon Termination

Upon termination of this Contract pursuant to Clauses 2.7.1 or 2.7.2, the Client shall make the following payments to the Contractors:

- (a) remuneration pursuant to Clause 6 for Services satisfactorily performed prior to the effective date of termination;
- (b) except in the case of termination pursuant to paragraphs (a) and (b) of Clause 2.7.1, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract.

### 3. Obligations of the Contractors:

#### 3.1. General

The Contractors shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe methods. The Contractors shall always act, in respect of any matter relating to this

Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Sub-Contractors or third parties.

### 3.2. Conflict of Interests

#### 3.2.1. Contractors Not to Benefit from Commissions, Discounts, etc.

The remuneration of the Contractors pursuant to Clause 6 shall constitute the Contractors' sole remuneration in connection with this Contract or the Services, and the Contractors shall not accept for their own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Contractors shall use their best efforts to ensure that the Personnel, any Sub-Contractors, and agents of either of them, similarly shall not receive any such additional remuneration.

#### 3.2.2. Procurement Rules of Funding Agencies

If the Contractors, as part of the Services, have the responsibility of advising the Client on the procurement of goods, works or services, the Contractors shall comply with any applicable procurement guidelines of the funding agencies and shall at all times exercise such responsibility in the best interest of the Client. Any discounts or commissions obtained by the Contractors in the exercise of such procurement responsibility shall be for the account of the Client.

#### 3.2.3. Contractors and Affiliates not to engage in certain Activities

The Contractors agree that, during the term of this Contract and after its termination, the Contractors and their affiliates, as well as any Sub-Contractor and any of its affiliates, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

#### 3.2.4. Prohibition of Conflicting Activities

Neither the Contractors nor their Sub-Contractors nor the Personnel shall engage, either directly or indirectly, in any of the following activities:

- (a) during the term of this Contract, any business or professional activities in the Government's country which would conflict with the activities assigned to them under this Contract; or
- (b) after the termination of this Contract, such other activities as may be specified in the SC.

### 3.3. Confidentiality

The Contractors, their Sub-Contractors, and the Personnel of either of them shall not, either during the term or within two (2) years after the expiration of this

Contract, disclose any proprietary or confidential information relating to the Project, the Services, this Contract, or the Client's business or operations without the prior written consent of the Client.

3.4. Insurance to Be Taken out by the Contractors

The Contractors (a) shall take out and maintain, and shall cause any Sub-Contractors to take out and maintain, at their (or the Sub-Contractors', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage, as shall be specified in the SC; and (b) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums have been paid.

3.5. Contractors' Actions Requiring Client's Prior Approval

The Contractors shall obtain the Client's prior approval in writing before taking any of the following actions:

- (a) entering into a subcontract for the performance of any part of the Services, it being understood (i) that the selection of the Sub-Contractor and the terms and conditions of the subcontract shall have been approved in writing by the Client prior to the execution of the subcontract, and (ii) that the Contractors shall remain fully liable for the performance of the Services by the Sub-Contractor and its Personnel pursuant to this Contract;
- (b) Not Applicable.
- (c) any other action that may be specified in the SC.

3.6. Reporting Obligations

The Contractors shall submit to the Client the reports and documents specified in ToR, in the numbers, and within the periods set forth in the said ToR.

3.7. Documents Prepared by the Contractors to Be the Property of the Client

All plans, drawings, specifications, designs, reports and other documents and software submitted by the Contractors in accordance with Clause 3.6 shall become and remain the property of the Client, and the Contractors shall, not later than upon termination or expiration of this Contract, deliver all such documents and software to the Client, together with a detailed inventory thereof. The Contractors may retain a copy of such documents and software. Restrictions about the future use of these documents, if any, shall be specified in the SC.

3.8. Equipment and Materials Furnished by the Client

Equipment and materials made available to the Contractors by the Client or purchased by the Contractors with funds provided by the Client shall be the property of the Client and shall be marked accordingly. Upon termination or expiration of this Contract, the Contractors shall make available to the Client an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with the Client's instructions. While in possession of

such equipment and materials, the Contractors, unless otherwise instructed by the Client in writing, shall insure them at the expense of the Client in an amount equal to their replacement value.

4. Contractors' Personnel and Sub-Contractors

4.1. Not Applicable

4.2. Not Applicable

5. Obligations of the Client

5.1. Assistance and Exemptions

Unless otherwise specified in the SC, the Client shall use its best efforts to ensure that the Government shall:

(a) issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services;

(b) assist the Contractors and the Personnel and any Sub-Contractors employed by the Contractors for the Services from any requirement to register or obtain any permit to practice their profession or to establish themselves either individually or as a corporate entity according to the Applicable Law;

(c) provide to the Contractors, Sub-Contractors and Personnel any such other assistance as may be specified in the SC.

5.2. Services and Facilities

The Client shall make available to the Contractors and the Personnel, for the purposes of the services and free of any charge, the services, facilities and property described in ToR at the times and in the manner specified in said ToR, provided that if such services, facilities and property shall not be made available to the Contractors as and when so specified, the Parties shall agree on (i) any time extension that it may be appropriate to grant to the Contractors for the performance of the Services, (ii) the manner in which the Contractors shall procure any such services, facilities and property from other sources, and (iii) the additional payments, if any, to be made to the Contractors as a result thereof.

6. Payment to the Contractors:

6.1. Lump Sum Remuneration

The Contractor's total remuneration shall not exceed the Contract Price and shall be a fixed lump sum including all staff costs, Sub-Contractors' costs, printing, communications, travel, accommodation, and the like, and all other costs incurred by the Contractor in carrying out the Services described in ToR. Except as provided in Clause 5.2, the Contract Price may only be increased above the amounts stated in clause 6.2 if the Parties have agreed to additional payments in accordance with Clause 2.4.

6.2. Contract Price

The Contract price is set forth in the SC.

6.3. Payment for Additional Services

For the purpose of determining the remuneration due for additional services as may be agreed under Clause 2.4.

6.4. Terms and Conditions of Payment

Payments will be made to the account of the Contractors and according to the payment schedule stated in the SC. Unless otherwise stated in the SC, the first payment shall be made against the provision by the Contractors of a bank guarantee for the same amount, and shall be valid for the period stated in the SC. Any other payment shall be made after the conditions listed in the SC for such payment have been met, and the Contractors have submitted an invoice to the Client specifying the amount due.

6.5. Not Applicable

7. Settlement of Disputes

7.1. Amicable Settlement

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

7.2. Dispute Settlement

Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SC.

### **III. Special Conditions of Contract**

#### **1. General:**

- (1) The interested Chartered Accountants/Firms may submit the bid complete in all respects along with requisite documents through e-procurement portal within stipulated date and time through e-procurement portal.
- (2) The Bid documents should contain the particulars of compliance with eligibility criteria for short listing as given in the format at Annexure I
- (3) The conditional bids shall not be considered and will be summarily rejected in very first instance.
- (4) The Competent Authority of the KSMCL reserves the right to annul all bids and cancel the selection process at any time prior to award of contract without assigning any reason whatsoever.
- (5) This document does not constitute nor should it be interpreted as an offer or invitation for the Contract of Internal Auditor.
- (6) No binding legal relationship will exist between any of the Respondents and KSMCL until issue of Work Order to the successful bidder and its acceptance thereof.
- (7) A Respondent will, by responding to tender, be deemed to have accepted the terms of this Introduction and Disclaimer.
- (8) This document is meant to provide information only and upon the express undertaking that recipients will use it only for the purposes set above. No representation or warranty, expressed or implied is or will be made as to the reliability, accuracy of the competence of any of the information contained herein. It does not purport to be all inclusive or contain all the information regarding the service to be provided or be the basis of the contract. It shall not be assumed that there shall be no deviation or change in any of the mentioned information herein on roles and responsibilities of service provider. While this document has been prepared in good faith, neither KSMCL, nor any of its officers make any representation or warranty or shall have any responsibility or liability whatsoever in respect of any statements or omissions there from. Any liability is accordingly and expressly disclaimed by KSMCL and any of their officers even if any loss or damage is caused by any act or omission on the part of KSMCL or any of its officers, whether negligent or otherwise.
- (9) By acceptance of this document, the recipient agrees that any information herein will be superseded by any subsequent information on the same subject with access to any additional information or to update this document or to correct any inaccuracies therein which may become apparent, and KSMCL reserve the right, at any time and without advance notice, to change the procedure for the selection of service provider. Accordingly interested recipients should carry out an independent assessment and analysis of the requirement of the information, facts and observation contained herein.
- (10) The Recipients of this document should inform themselves and observe any applicable legal requirement.

- (11) This document constitutes no form of commitment on the part of KSMCL. Furthermore this document confers neither the right nor any expectation on any party to participate in the tender process. The bidder is responsible for all acts incurred in connection with participation in this process. This tender does not create any obligation on the part of KSMCL to award a contract or to engage in negotiations. The bidders' participation in this process may result in KSMCL selecting the bidders to engage in further discussions and negotiations towards execution of a contract. The commencement of such negotiations does not, however signify a commitment by KSMCL to execute a contract or to continue negotiations. The KSMCL may terminate negotiations at any point of time without assigning any reason.
- (12) KSMCL reserve the right to vary/alter/amend the eligibility criteria for the Chartered Accountant at any time, in its discretion, before the last date of submission of proposals.
- (13) The appointed Chartered Accountants/Firms shall comply with and abide by such instructions that KSMCL may issue from time to time.
- (14) The proposal and all correspondence and documents shall be written in English. All proposals and accompanying documents received within the stipulated time shall become the property of KSMCL and will not be returned.
- (15) The proposal shall be valid for a period of six months from the date of opening of proposals. A proposal valid for a shorter period may be rejected as non-responsive. In exceptional circumstances, at its discretion, KSMCL may grant consent for an extension of the validity period. The request and responses shall be in writing.
- (16) Once the KSMCL notifies the successful bidder that its proposal has been accepted, KSMCL will issue a Work Order to the successful bidder covering the terms and conditions of provisions of service etc., as may be specified therein.
- (17) The respondent shall be liable to maintain secrecy and confidentiality of all the information / data / operations, etc. of KSMCL.
- (18) Any form of canvassing / lobbying / influence regarding short listing / selection status, etc., will be a disqualification.
- (19) Governing Laws/Jurisdiction/Arbitration: Any dispute in relation to the process of selection of the Chartered Accountants under this process shall be subject to the exclusive jurisdiction of courts at Bangalore City only. Any dispute arising past the award of contract shall be settled in accordance with the terms mentioned there in.
- (20) Review the progress of Accounting work and should suggest for improvement if required, in the methods and procedures adopted by the Company.
- (21) If there is any violation in the terms & conditions of the company, it has the right to cancel the contract giving One month notice
- (22) If the Firm / Agency violates the terms and conditions of the agreement the Company has the discretionary power to cancel the contract immediately.

- (23) The Firm / Agency and its personnel shall treat all matters in connection with the Agreement as strictly confidential and undertakes not to disclose, in any manner whatsoever, information, documents, technical data, experience, etc., provided by KSMCL without the prior written consent of KSMCL.
- (24) The Firm / Agency shall at all times cooperate and coordinate with company, with respect to the carrying out of the Services.

## 2. Due diligence by Tenderers

- 2.1. Tenderers may prior to submitting their proposals online, examine the requirements at their own expense and obtain and ascertain for themselves, at their own responsibility and other information necessary for preparing their proposals. Tenderers may prior to submitting the proposal may study the current scenario and get acquainted with the existing system.
- 2.2. Tenderers shall be deemed to have full knowledge of the requirements of the work. KSMCL will not accept any responsibility or liability for any errors, omissions, inaccuracies or errors of judgment with respect to information or materials provided in this tender document or otherwise, with respect to this project. Although, such information and materials are to the best of KSMCL's belief, their verification is the sole responsibility of the tenderer.
- 2.3. Neither KSMCL nor its employees or Contractors make any representation or warranty as to the accuracy, reliability or completeness of the information provided nor will have any liability to any tenderer which may arise from or be incurred or suffered in connection with anything contained in this document and the award of the work or otherwise arising in any way from the selection process.

## 3. Tender Validity Period

- 3.1. Each proposal shall indicate that it is a firm proposal and that the proposal will remain valid for a period not less than **Ninety (90) days** from the due date of the submission of the tender.
- 3.2. KSMCL reserves the right to reject any Proposal, which does not meet this tender validity period requirement.
- 3.3. No change / withdrawal of the submitted proposal shall be allowed once the final date of tender submission is over.
- 3.4. When an extension of the tender validity period is made, tenderers shall not be permitted to change the terms and conditions of their tenders.
- 3.5. The tenderers shall not be entitled, during the period of validity of their offers without the consent in writing of the Purchaser, to revoke or withdraw their tenders or vary in any respect their offer or any terms and conditions thereof. In case of a tenderer revoking or withdrawing his Tender or varying any terms and conditions in



regard thereto, without the consent of the Company in writing during the period of validity of his offer, the Company shall debar/blacklist the tenderer and forfeit the EMD.

- 3.6. In addition to this, the tenderer may at the discretion of the Company, be debarred from bidding for a period as may be considered fit by the Company, against any tender that might be invited by the Company in future. The Company will also be within its rights to circulate the information, at its discretion to other prospective purchasers about the tenderer having withdrawn his offer within the validity period.
- 3.7. The tender validity period of the successful tenderer shall be automatically extended till the date on which the agreement is signed and is in force.

#### 4. Processing fee and Earnest Money Deposit (EMD)

- 4.1. EMD of Rs.26,550/- (Rupees Twenty six Thousand Five hundred fifty Only) and the processing fee prescribed by e-procurement portal shall be paid electronically in the e-procurement portal through credit / debit card, NEFT / RTGS or OTC.
- 4.2. Processing and any other Government prescribed fee as fixed by the e-procurement, CeG, GoK should be paid by the tenderer through e-procurement platform, GoK in any of the e-payment modes viz., Credit/Debit card/NEFT/RTGS/OTC/Digital Wallet.
- 4.3. Forfeiture of EMD
  - a) The EMD of the tenderer will be forfeited including blacklisting of the company, if:
  - b) If the tenderer withdraws his tender or varies any terms & conditions, without the consent during the period of Tender validity specified by the tenderer; or
  - c) If the tenderer indulges in Corrupt, Fraudulent, Collusive or Coercive practice(s).
  - d) If the tenderer does not accept the correction of its tender price pursuant to identification of arithmetic errors noticed by the tendering authority during the financial bid opening or,
  - e) If the successful tenderer having been notified of the acceptance of its tender during the period of tender validity refuses to accept / execute the order or fails to enter into contract agreement when required; or,
  - f) In the case of a successful tenderer, the tenderer fails within the specified time limit to furnish the required Performance Security.

#### 5. Security Deposit / Bank Guarantee

- 5.1. Within 7 days of receipt of the Letter of Intent, the Successful tenderer shall deposit an amount equivalent to **5%** of the value of contract work order as Security deposit (SD) along with the letter of consent.

- a) The EMD of the successful bidder will be converted as Security Deposit.
- b) The balance amount of Security Deposit shall be paid / deposited in the form of DD or through RTGS/NEFT or in the form of unconditional and irrevocable Bank Guarantee in favour of KSMCL before signing of the agreement.
- c) In case of breach of contract, Security Deposit shall be forfeited.
- d) In case of violations of any Act, policies of enforcing agencies of Government or litigation, or if KSMCL is held liable to pay any claim for losses, damages, etc., on account of negligence, deficiency in skill or care in the performance of duties by Contractor, the expenses incurred for rectifying such violations or incurred in payment against such claims and for such litigation, will be recovered from Contractor directly or from bills payable or in any other manner, including forfeiture of Security Deposit.
- e) The Security deposit will be held by the company until 3 months after the completion of the work and the same would be refundable to the contractor, only after adjusting the amounts that may be due to the company from the contractor.
- f) In case of violations of any Act, breach of contract, violation of law noticed by enforcing agencies or litigation, the expenses incurred for rectifying such irregularities, inter-alia will be deducted from the running bills available with KSMCL including forfeiture of Security deposit.
- g) Security Deposit will not carry any interest.

5.2. Not applicable

5.3. Not applicable

5.4. Failure of the successful Tenderer to comply with the requirements of Sub-Clause 5.1 shall constitute sufficient grounds for cancellation of the award and forfeiting the EMD.

#### 6. Contract Tenure:

- a) The period of contract is for 2 (two) years from date of issue of work order.
- b) The contract may be extended based on the requirement for the period not more than 1 (One) year depending upon the performance on mutual agreement by both the parties on the same terms and conditions. However, KSMCL reserves the right for extension of the agreement.
- c) The price shall remain fixed during the contract period and no price revision will be entertained whatsoever.

## 7. Payment Terms and Conditions

- a) Payment will be made quarterly basis on submission of quarterly Internal Audit report based on the bills submitted at Head office, KSMCL.
- b) Applicable GST will be paid by KSMCL and all other taxes including TDS and TDS under GST as applicable will be recovered in contractors Bill.

## 8. Contract Price:

The contract rate will be same without any change during the entire period of contract.

## 9. Termination of agreement

The Agreement between KSMCL and the successful tenderer shall be liable for termination on any of the following grounds:

- a) If the successful Tenderer fails to carry out the work as per terms and conditions of the contract to the satisfaction of the KSMCL, KSMCL shall be entitled to terminate the contract and forfeit the security deposit. This however, shall not absolve the successful Tenderer from his obligation to fulfill the contract. In such event, the KSMCL shall have the right to complete and / or to get the work completed at the cost and risk of the successful Tenderer and he shall be responsible to pay such cost incurred by the KSMCL to complete the work and / or to get the work completed.
- b) For any reasons, if it is required, the KSMCL reserves the right to cancel, terminate, amend and / or alter the contract and / or bifurcate and / or reduce the contract work at any time without giving any notice to the successful Tenderer and without incurring any responsibility.
- c) Continuous non-availability / poor availability of the successful tenderer to perform the scope of work. Such conduct will attract termination of Contract and complete forfeiture of Security Deposit.
- d) If the successful tenderer is rendered incapable of performing any or all of the terms of the contract either by acts of commission or omission or by operation of law.
- e) Breach of contract, non-performance / dissatisfactory performance, violation of laws or restrictions imposed by the enforcing agencies against alleged unlawful activities and failure to comply with the terms and conditions stipulated in the respective agreement.
- f) KSMCL may, at its sole discretion and at any time terminate the Contract by giving a month's notice, and inform the Consultants of KSMCL's decision by written instruction to that effect without assigning any reason whatsoever. Termination could also take place on such breaches as may be specified in the agreement. In the event of the Contract being so terminated, the Chartered shall take such steps as are necessary to bring the Services to an end, in a cost effective, timely and orderly manner.

- g) In the event of termination of the contract for any of the above stated reasons, KSMCL will have the right to entrust the contract for the remaining period in the Agreement to any other person/s at the sole cost and risk of the successful tenderer.

#### 10. Indemnity

The Successful tenderer/ Contractor, hereby agrees and undertakes, to indemnify, KSMCL against any action or proceeding, cost (including reasonable attorneys' fees) or claim, loss or damage, that may arise against KSMCL, as a result of their failure to;

- a) comply with various statutory requirements,
- b) make any payments,
- c) discharge any of liabilities / obligations,
- d) Any act of commission / omission in the matters.

#### 11. Force Majeure

Force Majeure is herein defined as any cause which is beyond the control of the Tenderer or KSMCL as the case may be which they could not foresee or with a reasonable amount of diligence could not have foreseen and which substantially affect the performance of the contract, such as:

- a) Natural phenomena such as flood, draught, cyclone, earthquake, pandemic, epidemics and declaration of war.
- b) Acts of any Government, including but not limited to war, declared or undeclared priorities, quantities, embargoes providing either party shall within fifteen (15) days from the occurrence of such a cause notify the other in writing of such cases.
- c) The Tenderer will advise, in the event of his having resort to this Clause by a registered letter duly certified by the statutory authorities, the beginning and end of the cause of delay, within fifteen days of the occurrence and cessation of such Force Majeure condition.
- d) In the event of the delay lasting over three (3) months, if arising out of Force Majeure, the contract may be terminated at the discretion of the Company.
- e) For delay arising out of Force Majeure, the Tenderer will have extension of time to the duration period comes under force majeure. Tenderer shall not be eligible for extra costs like increase in rates, re-mobilization, advance idle charges for labour and machinery etc. for extension period.
- f) If any of the Force Majeure conditions exists in the place of operation of the Tenderer even at the time of submission of bid he will categorically specify them in his bid and state whether they have been taken into consideration in their quotations.
- g) The successful tenderer or the KSMCL shall not be liable for delay in performing his obligations resulting from any force majeure cause as referred to and/or defined above. The date of completion will, subject to hereinafter provided, be extended by a reasonable time given through such cause may occur after Tenderer's performance of his obligations has been delayed for other causes.

## 12. Arbitration

### 19.1. Settlement of dispute

Any dispute or difference or claim arising out of, or in connection with, or relating to the present contract or the breach, termination or invalidity thereof, shall be referred and settled under

- a) 1<sup>st</sup> Stage: Committee formed at the level of GM (F&A) / ED to deal with dispute.
- b) 2<sup>nd</sup> Stage: Committee formed at the level of Managing Director of KSMCL to deal with dispute.
- c) 3<sup>rd</sup> Stage: The dispute matter referred to Board for its perusal and orders.
- d) 4<sup>th</sup> Stage: Shall be referred and settled under the Arbitration Centre-Karnataka (Domestic & International) Rules 2012, by one or more arbitrators appointed in accordance with its rules. The place of Arbitration shall be at Arbitration Centre- Karnataka Bangalore.

### 19.2. Rules of Procedure

Arbitration proceedings shall be conducted in accordance with procedure of the Karnataka (Domestic & International) Rules 2012

### 19.3. Miscellaneous

In any arbitration proceeding hereunder:

- a) proceedings shall, unless otherwise agreed by the Parties, be held in Bangalore.
- b) the English language shall be the official language for all purposes
- c) the decision of the sole arbitrator or of a majority of the arbitrators (or of the third arbitrator if there is no such majority) shall be final and binding and shall be enforceable in any court of competent jurisdiction, and the Parties hereby waive any objections to or claims of immunity in respect of such enforcement.

## 20. Jurisdiction

The Courts situated within the city of Bangalore alone shall have jurisdiction to decide all disputes and claims that may arise between the parties to the exclusion of any other court/s exercising any jurisdiction over any of the areas within which the quarries are situated.

## 21. Assignment

The contract is not assignable on either side. Neither party shall at any time, assign, transfer, sub-contract or deal in any other manner with all or any of its rights or obligations under these Terms.

## 22. Discretion

- a) Managing Director, KSMCL reserves the right of rejection of all or any of the tenders without assigning any reason thereof.
- b) Managing Director, KSMCL reserves the right to cancel the tender even after acceptance in case of any violation of the terms and conditions or for any reasons.