



KARNATAKA SILK INDUSTRIES CORPORATION LTD

(A Government of Karnataka Enterprise)

3rd & 4th Floors, Public Utility Building, M.G. Road, Bangalore – 560 001

Ph: 25586550/25586399 Fax: 25587020/25598442, Email: info@ksicsilk.com

RE-TENDER FOR EXPRESSION OF INTEREST
FOR APPOINTMENT
OF INTERNAL AUDITOR FOR THE AUDITING
OF HEAD OFFICE, UNITS AND SHOWROOMS
FOR THE YEAR 2023-2024 & 2024-2025

(Through e-Procurement Portal only)

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Ph: 080- 25586550/25586399 Fax: 080-25587020, Email: info@ksicsilk.com**

No. KSIC/IA/AAO/RNTDR/01/2023-24

Date: 17.08.2023

**EXPRESSION OF INTEREST FOR APPOINTMENT OF INTERNAL
AUDITOR FOR THE AUDITING OF HEAD OFFICE, UNITS AND
SHOWROOMS FOR THE YEAR 2023-2024 & 2024-2025**
(Through e-procurement portal only)

RE-TENDERS are invited through e-procurement from reputed persons/firms from the Chartered Accountant, Cost Accountant firms/Companies for Expression of Interest for the appointment of Internal Auditor for the auditing of Head office, Units and Showrooms for the year 2023-2024 & 2024-2025 as grouped in Annexure-'A' in the tender document.

Tender Documents, details of the Notification, schedule terms & conditions can be downloaded from <https://kppp.karnataka.gov.in/> Last date and time for uploading the tender **with EMD of Rs.20,000/-** through e-Procurement is on **11.09.2023 upto 3.00 P.M.** The Technical bids will be opened on **12.09.2023 at 03.30 P.M.** Further details can be had from the office of the undersigned during working hours either personally or on cell No-7338462106 or e-procurement help desk- 080-46010000 and 080-68948777.

**Sd/-
GENERAL MANAGER (F&A)**

Tender Summary:

| | | | |
|----|--|---|---|
| 1 | Mode of Tender | : | “Two Cover System” |
| 2. | Commercial/Financial bid type | : | Lumpsum quote |
| 3. | Last Date and Time for submission of Tender | : | 11.09.2023 up to 3.00 P.M |
| 4. | Validity of the Tender | : | 90 Days |
| 5. | Date and Time of Opening of the Technical Bids | : | 12.09.2023 at 03.30 P.M |
| 6. | Date and Time of Opening of the Financial Bids | : | Will be intimated to the Technically Qualified Tenderers. |
| 7. | Bank Guarantee | : | Security Deposit @ 3% of value of work order by way of Bank Guarantee/DD. |
| 8. | Tender Processing Fee | : | As per E-procurement Portal. |

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No. KSIC/IA/AAO/RNTDR/01/2023-24

Date: 17.08.2023

TERMS OF REFERENCE FOR APPOINTMENT OF INTERNAL AUDITOR FOR THE AUDITING OF HEAD OFFICE, UNITS AND SHOWROOMS FOR THE YEAR 2023-2024 & 2024-2025

I. Introduction:

Karnataka Silk Industries Corporation Limited is a Govt. of Karnataka Public Sector Undertaking registered under the Companies Act 1956. KSIC is having its Head Office at Bangalore and manufacturing units at Mysore, T.Narasipura and Channapatna. There are 6 Showrooms at Bangalore, Reshma Mala Godown, Bangalore, 5 Showrooms at Mysore, FMG(Mysore Godown), one each Showroom at Channapatna, Hyderabad and Davangere.

II. Address and Contact details of Head Office/Units>Showrooms as per enclosed vide Annexure-'B'.

III. For Group - 1:

i. Head office, Bangalore (Daily Pre-audit):

a) Objectives :

The Professional services of the Internal Auditors are expected to help the Company:

- (1) To evolve ways and means to bring down the on cost of production.
- (2) To get the most competitive rates for raw materials and service providings.
- (3) To reduce the expenditure in all areas wherever possible.
- (4) To make the Corporation function in the most professional manner possible.

b) Scope of work:

The scope of work of the internal audit function will evolve with the growth of organization. However, present the functions of the Internal Audit is broadly designed to cater to the needs of the management so as to ensure the following and not limited to the same.

- 1) The books of accounts maintained are in accordance with statutory requirements.

- 2) Pre-audit of the bills for payment above Rs.5,000/- at Head office and Chartered Accountant, Cost Accountant or Senior Qualified Assistants service should be provided.
- 3) The administrative circular has to be studied and the extent of adherence of such policies will have to be reported.
- 4) To ensure that the accounting system is appropriate and has been maintained efficiently.
- 5) Adequate Internal Controls are established in the Company to safeguard the assets, ensure propriety of expenditure and the exercise control on payments.
- 6) Verification of Bank reconciliation statement and action taken on outstanding items if any.
- 7) Verification of compliance with statutory deduction and their remittance to appropriate authorities are done if any.
- 8) Expenditure is made with due regard to economy, efficiency and cost effectiveness.
- 9) Verification of various books and cost records, statutory records.
- 10) All Laws including industrial laws, regulations and other external requirements and management policies and directives/guidelines applicable to the Company are being complied with.
- 11) The operations are carried out in accordance with the applicable laws and norms.
- 12) To pre-audit salary bills, periodical increment, fixation of salary if wage revision is implemented, travel bills and etc.
- 13) Pre audit of Showrooms rent payments, imprest expenditure of showrooms, exhibition expenditure and any other related payments.
- 14) To Audit the capital expenditure in respect of purchase of machineries, Civil Work and any other assets acquirements.
- 15) To verify ***the monthly returns and annual GST returns before filing with the Department.***
- 16) To verify ***the Annual returns to be filed with Income Tax Department.***
- 17) Purchase procedure is in accordance with applicable laws and established practices such as Tendering System, quotation system etc.
- 18) Advising the Company on Commercial and Income Tax matters etc.

ii. **Bangalore 6 showrooms, Reshmaleya godown, Bangalore (Quarterly Audit):**

a) **Objectives:**

The Professional services of the Internal Auditors are expected to help the Company:

- (1) To have effective control on the requirement of stock in relation to the sales without causing inadequacy/excess holding.

- (2) To evolve ways and means to bring control on the stock of the finished products in the showrooms.
- (3) To have effective control on timely remittance of cash sale proceeds to the Bank.
- (4) To ensure prompt effective control on the credit sales in accordance to the guidelines of the Management.
- (5) To ensure prompt recoveries and timely recoveries of credit sales.
- (6) To have effective control on EPS transactions.
- (7) To bring effective coordination between showroom and Head Office accounts.

b) Scope of work:

- 1) The stock and sales audit to be conducted on quarterly basis, the stock audit is to be done during working hours within 5th of Succeeding Quarter.
- 2) The stock verification should be completed between 9 AM to 10 AM on the day of stock taking with prior intimation to showroom.
- 3) The auditor will verify the records only in online sales management system.
- 4) The auditor will review the procedure of cash sales and credit sales and the system of internal controls existing for accounting of sales in the showroom online cash book stock ledgers and cheque book register (credit sales) supported by hard copies of invoices.
- 5) In respect of credit sale auditor has to ensure that the invoice is raised in the name of the Government Employee after verifying records in the prescribed printed form and has been acknowledged by the party for having received the goods and has been duly signed by the Sales Officer.
- 6) The auditor will ensure that all goods returned by the customers have been properly taken to the respective "Return Goods Register" in the same article to add to existing stock.
- 7) Check the invoices to ensure that the rates charged are as per the price list effective and discount offers in force-from time to time and that the computations in the bills are correct.
- 8) Review the Sales statement generated in the system for the day and the statement of cash sales, credit sales / stock transfers (receipts and issues) to the showrooms / exhibitions and various collection like EPS, collection of the proceeds of cheque bounce / cheque return to party. The auditor will ensure that the amount of Sales realization of previous day is remitted to Bank on next day without delay.

- 9) Check whether the consignments of stocks transferred to exhibitions / Showrooms / ReshmaLaya / FMG are finally accounted in stock transfer register as per the transfer records.
- 10) Review the system of consignment copies / stock transfer report for stock moving in and out of the showrooms compare with physical stock.
- 11) Review the vigilance and security arrangements in the showroom and also see that the stocks held in the showroom are indemnified against the risk of theft / burglar or fire by insurance.
- 12) Check delays in deliveries, collections of sales proceeds and collection of credit sales outstanding dues.
- 13) See that debtors are classified for Balance sheets purposes as required in part II of schedule IV of the companies act 1956 - review the debtors list outstanding for more than 6 months.
- 14) Review the action taken to pursue the recovery of outstanding dues against credit sales. In case of long defaulters i.e., more than 3 months see whether legal action has been initiated.
- 15) In the case of cheque bounce check whether such cases are entered in online and also check whether legal action has been initiated within 3 months from the date of cheque bounce.
- 16) Verify EPS sales transaction in respect EPS collection and additional discount offered in accordance with rates.
- 17) Verify account of issues and receipts in respect of contrast dyed sarees.
- 18) Verify account of plain fabrics sales Thanwise and respective shortage and excess if any.
- 19) See whether acceptances of balances by the debtors particularly in respect of heavy dues at the end of the year have been obtained and kept on record.
- 20) Ensure that the provision made in the accounts towards bad / doubtful debts is adequate.
- 21) Conducting annual stock verification in the showroom at the end of the Financial year preferably on the last day of the Financial year or next day of new Financial Year and submit the report to the Management within 10th of next month.

2. **For Group -2:**

iii. Silk Weaving Factory Mysore Unit (Daily Audit):

a) Objectives:

The Professional services of the Internal Auditors are expected to help the Company :

1. To evolve ways and means to bring down the on cost of production.

2. To get the most competitive rates for raw materials and service providings.
3. To reduce the expenditure in all areas wherever possible.
4. To make the Corporation function in the most professional manner possible.

b) Scope of Work:

- 1) Stock accounting of Silk Yarn purchase and transfer of yarn from Silk Filature, Mysore ensuring the accepting standards.
- 2) Issues of yarn and control on the pre production process.
- 3) Accounting of issues of yarn for Processing at different stages and in respect of process loss and wastages upto finished weaving.
- 4) Accountability of issue of silk yarn for weaving and production of individual looms and its comparison to the rate of production to be achieved.
- 5) Control on wastage to the norms fixed.
- 6) Issue of materials issued for processing and to ensure the consumption is in the permissible limits.
- 7) Verification of the purchase, stock accounting and issue of Dyes and Chemicals and other consumable items to the production departments and ensuring the consumption within the fixed limits.
- 8) Accounting the finished production transferred to the finished stock godown at SWF Mysuru and issue to the different showrooms as per the approved requirement.

9) Accounting of Gold lace with regard to receipts processing of gold lace for the issue to production. Consumption of Gold lace to the actual requirements of the sarees produced.

- 10) Accounting of the collection and disposal of wastages and the comparison to the Finished Product.
- 11) Verification of vouchers like cash for bank and Journal vouchers.
- 12) Verification of physical cash twice in a week.
- 13) Monthly verification of Salaries and Wages Bill.
- 14) Any audit work assigned by the Management
- 15) Verification of BRS on monthly statement.

iv. For all 5 Mysore Showrooms:

a) Objectives:

The Professional services of the Internal Auditors are expected to help the Company:

- 1) To have effective control on the requirement of stock in relation to the sales without causing inadequacy/excess holding.

- 2) To evolve ways and means to bring control on the stock of the finished products in the showrooms.
- 3) To have effective control on timely remittance of cash sale proceeds to the Bank.
- 4) To ensure prompt effective control on the credit sales in accordance to the guidelines of the Management.
- 5) To ensure prompt recoveries and timely recoveries of credit sales.
- 6) To have effective control on EPS transactions.
- 7) To bring effective coordination between showroom and Head Office accounts.

b) Scope of work:

- 1) The stock and sales audit to be conducted on quarterly basis, the stock audit is to be done during working hours on 1st and 2nd day of beginning of the next quarter.
- 2) The stock should be completed between 9 AM to 10 AM on every 1st day of beginning of the next quarter i.e., 1st April, 1st July, 1st Oct and 1st January.
- 3) The auditor will verify the records only in online sales management system.
- 4) The auditor will review the procedure of cash sales and credit sales and the system of internal controls existing for accounting of sales in the showroom online cash book stock ledgers and cheque book register (credit sales) supported by hard copies of invoices.
- 5) In respect of credit sale he has to ensure that the invoice is raised in the name of the Government Employee after verifying records in the prescribed printed form and has been acknowledged by the party for having received the goods and has been duly signed by the Sales Officer.
- 6) The auditor will ensure that all goods returned by the customers have been properly taken to the respective "Return Goods Register" in the same article to add to existing stock.
- 7) Check the invoices to ensure that the rates charged are as per the price list effective and discount offers in force-from time to time and that the extensions/computations in the bills are correct.
- 8) Review the Sales statement generated in the system for the day and the statement of cash sales, credit sales / stock transfers (receipts and issues) to the showrooms/exhibitions and various collection like EPS, cheque bounce, cheque return to party. The auditor will ensure that the amount of Sales realization is remitted to Bank every day without delay.
- 9) Check whether the consignments of stocks transferred to exhibitions/ Showrooms/ReshmaLaya/FMG are finally accounted in stock transfer to showroom to showroom.
- 10) Review the system of consignment copies/stock transfer report for stock moving in and out of the showrooms compare with physical stock.

- 11) Review the vigilance and security arrangements in the showroom and also see that the stocks held in the showroom are indemnified against the risk of theft/burglar or fire by insurance.
- 12) Check delays in deliveries, collections of sales proceeds and collection of credit sales outstanding dues.
- 13) See that debtors are classified for Balance sheets purposes as required in part II of schedule IV of the companies act 1956 - review the debtors list outstanding for more than 6 months.
- 14) Review the action taken to pursue the recovery of outstanding dues against credit sales. In case of long defaulters i.e., more than 3 months see whether legal action has been initiated.
- 15) In the case of cheque bounce check whether such cases are entered in online and also check whether legal action has been initiated within 3 months from the date of cheque bounce.
- 16) Verify EPS sales transaction in respect EPS collection and additional discount offered in accordance with rates.
- 17) Verify account of issues and receipts in respect of contrast dyed sarees.
- 18) Verify account of plain fabrics sales Thanwise and respective shortage and excess if any.
- 19) See whether acceptances of balances by the debtors particularly in respect of heavy dues at the end of the year have been obtained and kept on record.
- 20) Ensure that the provision made in the accounts towards bad / doubtful debts is adequate.
- 21) Conducting annual stock verification in the showroom at the end of the Financial year preferably on the last day of the Financial year or next day of new Financial Year and submit the report to the Management within April 10th of every year.

v. Silk Filature, T. Narasipura Unit(Weekly Audit):

a) Objectives:

The Professional services of the Internal Auditors are expected to help the Company:

1. To evolve ways and means to bring down the on cost of production.
2. To ensure the most competitive rates for raw materials and service providings.
3. To reduce the expenditure in all areas wherever possible.
4. To make the Corporation function in the most professional manner possible.

b) Scope of Work:

- 1) Control over the stock holding of cocoons and maintaining adequate stocks without hampering production.
- 2) Issue of Cocoons to the production departments relating to the basins used and accountability of the reeled yarn to the issues.
- 3) Effective production utility of the available basins.
- 4) Verification of production of reeled yarn to the issue of cocoons in respect of Automatic Reeling Machine.
- 5) Accounting of idle hours of basin reeling and ARM.
- 6) Production achieved with regard to fixed norms.
- 7) Verification of daily records of production to the accepted deniers.
- 8) Monthly production of yarn reeled with comparison to the consumption of cocoons and denier achieved.
- 9) Payment of wages in respect of daily rated employees/piece rate employees and monthly rated employees.
- 10) Verification of overtime wages.
- 11) Verification of vouchers like cash for bank and Journal vouchers.
- 12) Verification of physical cash twice in a week.
- 13) Monthly verification of Salaries and Wages Bill.
- 14) Any audit work assigned by the Management.
- 15) Verification of BRS on monthly statement.

3. For Group -3 :

vi. Silk Weaving Unit (SWU), Channapatna (Weekly Audit):

a) Objectives:

The Professional services of the Internal Auditors are expected to help the Company:

1. To evolve ways and means to bring down the on cost of production.
2. To get the most competitive rates for raw materials and service providings.
3. To reduce the expenditure in all areas wherever possible.
4. To make the Corporation function in the most professional manner possible.

b) Scope of Work:

1. Stock accounting of Silk Yarn purchase and transfer of yarn from Silk Filature, TN Pura/SWF Mysuru by ensuring the accepting standards.
2. Issues of yarn and control on the pre production process.
3. Accountability of issue of silk yarn for weaving and production of individual looms and its comparison to the rate of production to be achieved.

4. Control on wastage to the norms fixed.
5. Issue of materials issued for processing and to ensure the consumption is in the permissible limits.
6. Accounting the finished production transferred to the finished stock godown, SWF Mysuru.
7. Accounting of Gold lace with regard to receipts, processing of gold lace for the issue to production. Consumption of Gold lace to the actual requirements of the sarees produced.
8. Accounting of the collection and disposal of wastages and the comparison to the finished processed stock.
9. Verification of vouchers like cash for bank and Journal vouchers.
10. Verification of physical cash twice in a week.
11. Monthly verification of Salaries and Wages Bill.
12. Any audit work assigned by the Management
13. Verification of BRS on monthly statement.

vii. Channapatna Showroom and Davangere Showroom :

a) Objective for above two showrooms:

The Professional services of the Internal Auditors are expected to help the Company:

1. To have effective control on the requirement of stock in relation to the sales without causing inadequacy/excess holding.
2. To evolve ways and means to bring control on the stock of the finished products in the showrooms.
3. To have effective control on timely remittance of cash sale proceeds to the Bank.
4. To ensure prompt effective control on the credit sales in accordance to the guidelines of the Management.
5. To ensure prompt recoveries and timely recoveries of credit sales.
6. To have effective control on EPS transactions.
7. To bring effective coordination between showroom and Head Office accounts.

b) Scope of work for above four showrooms:

- 1) The stock and sales audit to be conducted on quarterly basis, the stock audit is to be done during working hours on 1st and 2nd day of beginning of the next quarter.
- 2) The stock should be completed between 9 AM to 10 AM on every 1st day of beginning of the next quarter i.e., 1st April, 1st July, 1st Oct and 1st January.
- 3) The auditor will verify the records only in online sales management system.

- 4) The auditor will review the procedure of cash sales and credit sales and the system of internal controls existing for accounting of sales in the showroom online cash book stock ledgers and cheque book register (credit sales) supported by hard copies of invoices.
- 5) In respect of credit sale he has to ensure that the invoice is raised in the name of the Government Employee after verifying records in the prescribed printed form and has been acknowledged by the party for having received the goods and has been duly signed by the Sales Officer.
- 6) The auditor will ensure that all goods returned by the customers have been properly taken to the respective "Return Goods Register" in the same article to add to existing stock.
- 7) Check the invoices to ensure that the rates charged are as per the price list effective and discount offers in force-from time to time and that the extensions/computations in the bills are correct.
- 8) Review the Sales statement generated in the system for the day and the statement of cash sales, credit sales/stock transfers (receipts and issues) to the showrooms/exhibitions and various collection like EPS, cheque bounce, cheque return to party. The auditor will ensure that the amount of Sales realization is remitted to Bank every day without delay.
- 9) Check whether the consignments of stocks transferred to exhibitions/ Showrooms/ReshmaLaya/FMG are finally accounted in stock transfer to showroom to showroom.
- 10) Review the system of consignment copies/stock transfer report for stock moving in and out of the showrooms compare with physical stock.
- 11) Review the vigilance and security arrangements in the showroom and also see that the stocks held in the showroom are indemnified against the risk of theft/burglar or fire by insurance.
- 12) Check delays in deliveries, collections of sales proceeds and collection of credit sales outstanding dues.
- 13) See that debtors are classified for Balance sheets purposes as required in part II of schedule IV of the companies act 1956 - review the debtors list outstanding for more than 6 months.
- 14) Review the action taken to pursue the recovery of outstanding dues against credit sales.
- 15) In the case of cheque bounce check whether such cases are entered in online and also check whether legal action has been initiated within 3 months from the date of cheque bounce.
- 16) Verify EPS sales transaction in respect EPS collection and additional discount offered in accordance with rates.
- 17) Verify account of issues and receipts in respect of contrast dyed sarees.

- 18) Verify account of plain fabrics sales Thanwise and respective shortage and excess if any.
- 19) See whether acceptances of balances by the debtors particularly in respect of heavy dues at the end of the year have been obtained and kept on record.
- 20) In the case of long defaulters i.e., more than 3 months see whether legal action has been initiated.
- 21) Ensure that the provision made in the accounts towards bad/ doubtful debts is adequate.
- 22) Conducting annual stock verification in the showroom at the end of the Financial year preferably on the last day of the Financial year or next day of new Financial Year and submit the report to the Management within April 10th of every year.

4. Group – 4 (Quarterly Audit):

x. Hyderabad Showroom:

a) Objective for showrooms:

The Professional services of the Internal Auditors are expected to help the Company:

1. To have effective control on the requirement of stock in relation to the sales without causing inadequacy/excess holding.
2. To evolve ways and means to bring control on the stock of the finished products in the showrooms.
3. To have effective control on timely remittance of cash sale proceeds to the Bank.
4. To ensure prompt effective control on the credit sales in accordance to the guidelines of the Management.
5. To ensure prompt recoveries and timely recoveries of credit sales.
6. To have effective control on EPS transactions.
7. To bring effective coordination between showroom and Head Office accounts.

b) Scope of work:

- 1) The stock and sales audit to be conducted on quarterly basis, the stock audit is to be done during working hours within 5th of succeeding quarter.
- 2) The stock verification should be completed between 9 AM to 10 AM on the day of stock taking with prior intimation to Showroom.
- 3) The auditor will verify the records only in online sales management system.

- 4) The auditor will review the procedure of cash sales and credit sales and the system of internal controls existing for accounting of sales in the showroom online cash book stock ledgers and cheque book register (credit sales) supported by hard copies of invoices.
- 5) In respect of credit sale he has to ensure that the invoice is raised in the name of the Government Employee after verifying records in the prescribed printed form and has been acknowledged by the party for having received the goods and has been duly signed by the Sales Officer.
- 6) The auditor will ensure that all goods returned by the customers have been properly taken to the respective "Return Goods Register" in the same article to add to existing stock.
- 7) Check the invoices to ensure that the rates charged are as per the price list effective and discount offers in force-from time to time and that the extensions/computations in the bills are correct.
- 8) Review the Sales statement generated in the system for the day and the statement of cash sales, credit sales/stock transfers (receipts and issues) to the showrooms/exhibitions and various collection like EPS, cheque bounce, cheque return to party. The auditor will ensure that the amount of Sales realization is remitted to Bank every day without delay.
- 9) Check whether the consignments of stocks transferred to exhibitions/ Showrooms/ReshmaLaya/FMG are finally accounted in stock transfer to showroom to showroom.
- 10) Review the system of consignment copies/stock transfer report for stock moving in and out of the showrooms compare with physical stock.
- 11) Review the vigilance and security arrangements in the showroom and also see that the stocks held in the showroom are indemnified against the risk of theft/burglar or fire by insurance.
- 12) Check delays in deliveries, collections of sales proceeds and collection of credit sales outstanding dues.
- 13) See that debtors are classified for Balance sheets purposes as required in part II of schedule IV of the companies act 1956 - review the debtors list outstanding for more than 6 months.
- 14) Review the action taken to pursue the recovery of outstanding dues against credit sales. In the case of long defaulters i.e., more than 3 months see whether legal action has been initiated.
- 15) In the case of cheque bounce check whether such cases are entered in online and also check whether legal action has been initiated within 3 months from the date of cheque bounce.
- 16) Verify EPS sales transaction in respect EPS collection and additional discount offered in accordance with rates.
- 17) Verify account of issues and receipts in respect of contrast dyed sarees.

- 18) Verify account of plain fabrics sales Thanwise and respective shortage and excess if any.
- 19) See whether acceptances of balances by the debtors particularly in respect of heavy dues at the end of the year have been obtained and kept on record.
- 20) Ensure that the provision made in the accounts towards bad/ doubtful debts is adequate.
- 21) Conducting annual stock verification in the showroom at the end of the Financial year preferably on the last day of the Financial year or next day of new Financial Year and submit the report to the Management within April 10th of every year.

IV. GENERAL INFORMATION OF TENDER:

- a) Tenders shall be valid for 90 days from the date of opening the tender documents.
- b) KSIC reserves the right to cancel/terminate the Contract at any point of time during the Contract period if the performance is found unsatisfactory.

V. Period of Service:

An Auditor will be appointed initially for a period of **two years** but continuation of appointment with the same terms & conditions for next financial year is subject to satisfactory performance during the previous financial years.

In respect of the above, KSIC shall have discretion and its decision in this regard shall be final.

VI. Reporting:

Shall be submitted to the Managing Director, at Head Office.

- (a) Daily audit of Head Office, Silk Weaving Factory, Mysuru, weekly audit of Silk Filature T.Narasipura and monthly audit of Silk Weaving Unit Chennapatna shall be submitted by 10th of succeeding month. Reports other than Head Office are to be submitted with endorsement from respective unit Heads

(b) Quarterly stock Audit :

The Internal Auditors shall submit their report to the Managing Director on quarterly basis immediately within 10 days from the closure of each quarter of the financial year and should furnish compliance report (Action taken report) of the previous quarterly audit observations, both hard and soft copies of the report. It will be the responsibility of the Internal Auditors to.

1. Comment on the accounting records, system and controls that were examined during the course of internal audit identify the deficiencies and weakness in the system and to make recommendations to improve them and also suggest new system if required.
2. Highlight the mistakes that are material and have significant impact on the performance of the company or any project handled by the Company.

3. To help the management in other areas dealing with financial and account matters and operating system when required for.
4. To undertake and cover any other work which is related and involved with the present assignment.
5. To audit any other matter as may deem fit by the Auditors in the interest of the Company.
6. Action taken on the findings of previous report(s) shall form part of each report.
7. To meet the requirements of the company, it is desirable that the Internal Auditor shall engage adequate manpower by engaging the services of at least one qualified Chartered Accountant, Cost Accountant and suitable assistants.
8. **Failure to submit the report within the stipulated period will attract penalty at 10 Percent of the Quarterly Fee.**

VII. The right to accept or reject or postpone or change or cancel the tender without citing any reasons and to take final decision vests with Managing Director, KSIC, Bangalore.

VIII. The Managing Director, KSIC, Bangalore is the final deciding authority.

IX. Method of Submission of Offer :

Bids should be submitted in two parts are as under:

A. Technical Bid

B. Financial Bid

A. Technical Bid:

I. Eligibility Criteria:

1. The Bidder shall be a **Chartered Accountant firm/Cost Accountant firm** with 10 years of existence as on 01/01/2023 (Service provider needs to submit registration certificate issued by ICAI/ICWAI).
2. The CA/CWA firm should be empanelled with C& AG(CAG Empanelment status needs to be attached).
3. The CA/CWA firm should be a Partnership firm/LLP as on 01/01/2023 (Firm needs to submit certificate issued by ICAI/ICWAI).
4. The CA/CWA firm should have GST registration (GST Registration Certificate needs to be attached).
5. The bidder firm shall have minimum 2 FCA /FCWA full time Partners of the firm as on 01/01/2023(Service provider needs to submit registration certificate issued by ICAI/ICWAI).
6. The bidder firm Head office should be in Karnataka and Branch in Bangalore/Mysore (This clause does not apply for Group-4).

7. The turnover of the firm for preceding 3 years ended 2022-23 should be not less than Rs.50 lakhs in a year as per the audited financial statements: Audited financial statements and ITR for the respective years should be attached.
8. The firm should have Staff strength of atleast twenty: List of staff should be attached.
9. The firm should have conducted the Internal audit of State Public Sector Undertaking in Karnataka for a minimum period of 5 years.
10. The firm should have carried out atleast one year Internal Audit of Silk textiles manufacturing State Public Sector Undertaking in Karnataka (Appointment letter for the same should be attached).
11. The firm should have conducted audit of at least three show rooms of the silk textiles at State Public Undertaking in any year in the last 10 years.

II. Technical Evaluation :

| The firms which are eligible as said above shall be assessed by the Marks for Technical evaluation: | | | |
|--|---|-------------------|--------------------|
| Marks allocation for Technical Qualification: | | | |
| Sl. No. | Eligibility Criteria as per Tender Document | Allocation | Maxi. Marks |
| 1 | The Bidder shall be a Chartered Accountant firm/Cost Accountant firm with 10 years of existence as on 01/01/2023 (Service provider needs to submit registration certificate issued by ICAI/ICWAI). | | |
| | For 10 to 15 years | 5 | |
| | Above 15 years | 10 | 10 |
| 2. | The CA/CWA firm should be empanelled with C & AG(CAG Empanelment status needs to be attached) | 5 | 5 |
| 3 | The CA/CWA firm should be a Partnership firm/LLP as on 01/01/2019 (Firm needs to submit certificate issued by ICAI/ICWAI). | 5 | 5 |
| 4 | The CA/CWA firm should have GST registration (GST Registration Certificate needs to be attached). | 5 | 5 |
| 5 | The bidder firm shall have minimum 2 FCA /FCWA full time Partners of the firm as on 01/01/2023 (Service provider needs to submit registration certificate issued by ICAI/ICWAI). | 10 | 10 |
| 6 | The turnover of the firm for FY 2020-21, 2021-2022 and 2022-23 should be at least 50 lakhs as per the audited financial statements: Audited financial statements and ITR for the respective years should be attached. | 5 | 5 |
| 7 | The firm should have Staff strength of atleast twenty: List of staff should be attached. | 10 | 10 |
| 8 | The firm should have conducted the Internal Audit any two of the Public Sector Undertakings in Karnataka in the past 10 years | 15 | 15 |
| 9 | The firm should have carried out atleast one year Internal Audit of Silk textiles manufacturing State Public Sector Undertaking in Karnataka(Appointment letter for the same should be attached). | 20 | 20 |
| 10 | The firms should have carried out at least audit of 3 showrooms of Silk textiles of State Public Sector undertaking in Karnataka (Appointment letter for the same should be attached). | | |
| | For 2 to 7 showrooms audit for atleast for one year | 5 | |
| | Above 7 showrooms audit for atleast for one year | 10 | 15 |
| | Audit 7 showrooms audit for two years or more | 15 | |
| Total Marks | | | 100 |
| Qualifying Marks | | | 60 |
| Quality and Cost Based Selection(QCBS) method | | | |
| Weightage of Technical Score | | | 75% |
| Weightage of Financial Score | | | 25% |

Note: The bidder should upload the relevant document for each eligibility criteria as detailed above.

III. The method of selection is: **Quality-and-Cost-Based-Selection (QCBS).**

IV. **L1 bidder for each group as per Annexure-'A' shall be selected based on QCBS.**

V. QCBS (Quality-and-Cost-Based-Selection) TECHNICAL AND FINANCIAL BIDS EVALUATION ILLUSTRATION WITH EXAMPLE:

Stage1: Technical bid Evaluation:

If Technical marks of the bidders are as below:

| Bidder | Technical Marks based on criteria mentioned above |
|---------------|--|
| Bidder 1 | 95 |
| Bidder 2 | 90 |
| Bidder 3 | 100 |
| Bidder 4 | 60 |

Stage2: Financial Bid Evaluation:

| Bidder | Financial bid amount (Rs.) |
|---------------|-----------------------------------|
| Bidder1 | 5,00,000.00 |
| Bidder 2 | 4,00,000.00 |
| Bidder 3 | 3,00,000.00 |
| Bidder 4 | 2,00,000.00 |

Conversion of financial bid amount to Marks :

| Bidder | Financial bid Amount (Rs.) | Lowest bid amount (Rs.) | Computation of Financial score | Formula |
|---------------|-----------------------------------|--------------------------------|---------------------------------------|---|
| Bidder1 | 5,00,000.00 | 2,00,000.00 | 40 | $\frac{\text{Lowest bid amount}}{\text{Bid amount}} \times 100$ |
| Bidder 2 | 4,00,000.00 | 2,00,000.00 | 50 | |
| Bidder 3 | 3,00,000.00 | 2,00,000.00 | 66.67 | |
| Bidder 4 | 2,00,000.00 | 2,00,000.00 | 100 | |

Computation of Financial marks example:

$$\text{Bidder1: } \frac{\text{Lowest bid amount}}{\text{Bid amount}} \times 100 \Rightarrow \frac{2,00,000}{5,00,000} \times 100 \Rightarrow 40$$

Hence the Financial marks shall be :

| Bidder | Financial marks |
|---------------|------------------------|
| Bidder1 | 40 |
| Bidder 2 | 50 |
| Bidder 3 | 66.67 |
| Bidder 4 | 100 |

Consolidated Technical and Financial marks:

| Bidder | Technical marks | Financial marks |
|---------------|------------------------|------------------------|
| Bidder1 | 95 | 40 |
| Bidder 2 | 90 | 50 |
| Bidder 3 | 100 | 66.67 |
| Bidder 4 | 60 | 100 |

Stage 3: Combined Technical and Financial Score(CTFS) with weightage **75:25**

| Bidder | Technical Marks (a) | Technical weightage (b) | Technical Score (c)=(a)*(b) | Financial Marks (d) | Financial Weightage (f) | Financial score (g)=(d)*(f) | Consolidated Score (h)=(c)+(g) | Rank of the Bidder (i) |
|-----------------|--------------------------------------|--|--|--------------------------------------|--|--|---|---|
| Bidder1 | 95 | 75% | 71 | 40 | 25% | 10 | 81 | L2 |
| Bidder 2 | 90 | 75% | 67 | 50 | 25% | 12 | 79 | L3 |
| Bidder 3 | 100 | 75% | 75 | 66.67 | 25% | 17 | 92 | L1 |
| Bidder 4 | 60 | 75% | 45 | 100 | 25% | 25 | 70 | L4 |

The firm achieving the highest combined technical and financial score(Consolidated Score) shall be treated as lowest evaluated Technical Bidder(L1).

Therefore, Bidder 3 is the Lowest(L1) i.e, 3,00,000/- shall be selected.

X. The Technical Bid and Financial Bid shall be submitted in online only.

1.1 Payment of Bid Processing Fee and Earnest Money Deposit:

i. The Earnest Money Deposit of **Rs.20,000/-** and Tender Processing Fee shall be paid through any of the following four online modes of e-payment as mentioned.

- a. **Credit Card**
- b. **Direct Debit (ICICI Bank Account holders)**
- c. **National Electronic Fund Transfer (NEFT) / Real Time Gross Settlement (RTGS)**

- d. **Over-the-Counter (OTC) remittance at ICICI designated branches.**
- ii. Further details regarding e-Payment; please refer to e-Procurement web- <https://kppp.karnataka.gov.in/>
- iii. EMD of unsuccessful bidders will be returned back to their Bank account automatically through online EMD Refund System of E-procurement, GOK.
- iv. Kindly note that if Transaction Processing fees and EMD amount are not submitted properly, bids will be automatically rejected at E-procurement portal.

B. Financial Bid:

- i) The Financial Bids of those bidders who qualify in Technical evaluation as well as secured minimum technical score only will be opened.
- ii) The bidder shall offer their lumpsum price as per Annexure-'A' (All inclusive) for Appointment of internal Auditors for the period of 2 years details to be entered in e-portal as per Annexure-'A'.
- iii) The bidder should quote lumpsum price(all Inclusive) for Expression of Interest for the appointment of Internal Auditor for the auditing of Head Office/Units /Showrooms for the year 2023-2024 & 2023-2024 i.e., for a period of 2 years to be calculated manually and should be entered lumpsum price in e-portal as per Annexure-A in tender document.
- iv) The bidder should not skip any groups means mandatorily quote for all groups (Group1 to Group4) while quoting the lumpsum price (All Inclusive) in e-portal and also bidder should submit the bifurcation price per each group after the Financial bid opening.

ANNEXURE - 'A'
PRICE OFFER
(to be entered in e-portal only)

| Sl. No. | Name of each group | Type of Audit | Place | Fees offered (All Inclusive) (Rs.) |
|----------|--|-----------------|---------------|------------------------------------|
| Group- 1 | i. Head office, Bangalore | Daily Audit | Bangalore | One Quote |
| | ii. Bangalore 6 Showrooms, Reshmaleya Godown, Bangalore within Karnataka | Quarterly audit | Bangalore | |
| Group- 2 | iii. Mysore Factory Unit | Daily Audit | Mysore | One Quote |
| | iv. Mysore 6 Showrooms FMG(Mysore Godown), Mysore | Quarterly Audit | Mysore | |
| | v. Silk Filature, T.Narasipura Unit | Montly Audit | T. Narasipura | |
| Group- 3 | vi. Channapatna Unit | Weekly Audit | Channapatna | One Quote |
| | vii. Channapatna Showroom | Quarterly Audit | Channapatna | |
| | viii. Davangere Showroom | | Davangere | |
| Group- 4 | ix. Hyderabad Showroom | Quarterly Audit | Hyderabad | One Quote |

Note:

1. Tenderer should quote lumpsum(All Inclusive)price in e-portal which shall include Travel expenses.
2. Price offered by the bidder should be all inclusive.
3. The bidders should submit the bifurcation price for each group (All Inclusive) during the Commercial bid opening time.
4. The bidder should not skip any group while quoting the total Lumpsum price in e-portal.
5. The bidder must not upload this format in the tender.

Signature and Name of the Firm / Company

Note: As per KTPP Act-1999, Government of Karnataka, Finance Department under Transparency vide Circular No:DE165/EZAN-12/2017 dated 21.03.2017 in e-procurement portal website. No other formats of price formats should not be consider.

ANNEXURE - 'B'
Addresses of Head office/Units/All Showrooms

| | | |
|--|--|---|
| <u>KSIC, Head Office:</u> III and IV Floor, Public Utility Building, M.G. Road, Bangalore-560001 | <u>Silk Weaving Factory Unit:</u> Manadavadi Road, Mysore-570008 | <u>T.Narasipura Unit:</u> Silk Filature, T.Narasipura-571124 |
| <u>Channapatna Unit:</u> Spun Silk Mills Premises, Bangalore – Mysore Road, Channapatna – Ramnagara Dist. | | |
| <u>Bangalore Showrooms (6)</u> | | |
| <u>M.G. Road :</u> KSIC-Mysore Silk Showroom, No.44/45, Leo Shopping Complex, Residency Cross Road, M. G. Road, Bangalore-560 001 Phone No: 080-25582118. | <u>K.G.Road :</u> KSIC-Mysore Silk Showroom, “FKCCI Building Premises, K.G.Road, Bangalore-560 009 Phone No : 080-22262077 | <u>Gandhi Bazaar :</u> KSIC-Mysore Silk Showroom, No.198, BSR Arcade, Gandhi Bazaar, Basavanagudi, Bangalore-560 004 Phone No: 080-26604097 |
| <u>Malleshwaram :</u> KSIC- Mysore Silk Showroom, No.25/6, Jyothi Plaza, 5 th Cross, Malleshwaram Circle, Bangalore-560 003 Phone No: 080-23465619 | <u>Jayanagar :</u> KSIC-Mysore Silk Showroom, ‘Benaka’ No.21/1, 8 th ‘C’ Main Road, 4 th Block, Jayanagar, Bangalore-560 011 Phone No: 080 - 26631405 | <u>Basaveshwarangar :</u> KSIC- Mysore Silk Showroom, No.464, 2 nd Floor, Veena Complex, Siddaiah Puranik Road, III Stage, III Block, Basaveshwarangar, Bangalore-560 079 Phone No: 080- 23220578 |
| <u>Reshmalaya Godown:</u> No.44/45, Leo Shopping Complex, Residency Cross Road, M. G. Road, Bangalore-560 001 Phone No: 080-2550133 | | |

| Mysore Showrooms (6) | | |
|--|---|--|
| Zoo Complex : KSIC-Mysore Silk Showroom, Zoo Complex, Indiranagar, Mysore – 570 010 Phone No: 0821 - 244 5502 | Zoo Road : KSIC Showroom(New) No.959, Zoo Main Road, Indiranagar, Mysore – 570010. Phone No:0821 - 2445504 | Krishna Raja Circle (K.R.Circle) : KSIC-Mysore Silk Showroom, Visveshwaraiah Bhavan, K.R.Circle, Mysore- 570 001 Phone No: 0821- 2422658. |
| Factory Premises : KSIC-Mysore Silk Showroom, Silk Weaving Factory Premises, Manandavadi Road, Mysore- 570 008. Phone No: 0821 - 2480801 | Mayura Yatri Nivas Hotel: KSIC-Mysore Silk Showroom, Mayor Yatri Nivas, Jhansi Rani Laxmi Bai Road,Mysore- 570 005 Phone No: 0821- 2420713 | Kalidasa Road No.140, 1 st Floor, Near Chandrakala Hospital, Kalidasa Road, Jayalakshmipuram, Mysore-570012 Phone No:0821-22001622 |
| FMG(Mysore Godown) : Silk Weaving Factory Premises, Manandavadi Road, Mysore- 570008 Phone No: 0821-2484962 | | |
| Other Showrooms | | |
| Channapatna KSIC-Mysore Silk Showroom, Spun Silk Mills Premises, Bangalore – Mysore Road, Channapatna Ramnagara Dist. Phone No: 080- 29552328 | Davangere No.166/1, 3rd Main Road, Near Sree Kanikaa Parmeshwari Co-Op, Bank Ltd P J Extension, Davangere – 577 002 Phone- 08192-295156 | Hyderabad KSIC-Mysore Silk Showroom Elephant House, No.12, Ground Floor, Ameerpet Road, Cross, Hyderabad- 500 016 Phone No:040- 23411092 |