



**OFFICE OF THE SUPERINTENDING ENGINEER
KARNATAKA RURAL INFRASTRUCTURE DEVELOPMENT LIMITED**

No.66/2, T. NARASIPURA ROAD, ALANHALLI, MYSURU-570028

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BID- DOCUMENT

**ENGAGING THE SERVICES OF CHARTERED
ACCOUNTANTS FIRM FOR CONDUCTING PRE
AUDIT FOR THE FINANCIAL YEAR 2023-24**

File No.SE/kridl/MYS/ACCTS/2023-24/243 DATED 22.05.2023

SECTION -1

LETTER OF INVITATION

Proposal is invited from Reputed Chartered Accountants firms (Partnership / Sole proprietorship firms/LLP with one full time FCA) in the prescribed format for short listing for the engagement of audit of the accounts of KRIDL Offices for the year 2023-24 as per the enclosed Terms of Reference, scope of work and General Conditions of Contract.

1. The Chartered Accountant's Firms submitting the Proposal for Shortlisting to conduct Pre Audit and have to submit the proposals along with EMD as specified in the invitation.
2. It may be noted that all subsequent notifications, changes and amendments on the project/ document would be posted only on the following website: <http://www.eproc.karnataka.gov.in>.
3. The document is available in the website <http://eproc.karnataka.gov.in>. The bidders will be required to register themselves with the centre for E-governance to participate in the bidding process and also get necessary digital signature certificates. The details of the process of registration and obtaining the digital signature certificates are available on the website: <http://www.eproc.karnataka.gov.in>. Necessary training and hands on experience in handling e-procurement system could be obtained from the centre for e-governance and also guidance can be obtained over telephone at 080-23010900/01.

Short Term Tender schedule:

Tender Reference and Date		
1	Name of the office	Office of the Superintending Engineer, KRIDL, Mysuru
	Amount put to tender (approximate value)	
2	Date of Publishing of tender in the e-proc website	25/05/2023
3	Last date and time for submission of bid	9/06/2023 at 05.00 pm
4	Date and time of opening of Technical Bid	12/06/2023 at 11.00 am
5	Probable date and time of opening Financial Bid	14/05/2023 at 11.00 am
6	EMD amount payable electronically	Rs.30,000/-

	only	
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4. The complete document consisting of Proposal for shortlisting, Technical Bid, Financial Bid and Supporting documents along with EMD specified in the above table has to be submitted through e-procurement portal within the date specified in tender schedule. Incomplete formats format received after the prescribed last date will not be entertained.

4.1 2% of the Tender Value EMD shall be credited to the account of center for e- governance

- a) Through Credit card
- b) Internet Banking
- c) National Electronic Fund Transfer

4.2 EMD shall be returned to the unsuccessful bidders within a period of eight (8) weeks from the date of announcement of the successful bidder. The EMD submitted by the successful bidder shall be released upon furnishing of the Performance security of 5% of the Bid amount in the form of Demand Draft or Bank Guarantee and in manner as stipulated in the invitation/RFP

4.3 The EMD will be forfeited in the following cases:

- a) If the Bidder modifies/withdraws the proposal;
- b) If the bidder withdraws the proposal during the interval between the proposed due date and expiration of the proposal validity period;
- c) If the successful bidder fails to provide the Performance security and to execute the agreement within the stipulated time or any extension thereof provided by SamagraShikshana.
- d) If any information or document furnished by the Bidder turns out to be misleading or untrue in any material respect;

4.4 The financial bid and the technical bid will be opened as per the prescribed date and time. If any change in the prescribed dates, it will be notified through e-portal only.

4. The term "Full Time FCA" does not include those persons [Partner / sole] who are: -

- (i) Partners in other firms.
- (ii) Employed part-time / full-time elsewhere, practicing in their own name or engaged in practice otherwise or engaged in any of her activity which would be deemed to be in practice under section 2 (2) of the Chartered Accountants Act, 1949.
- (iii) Partners who have earned more professional income from other sources

than their income from the firm.

Similarly, the term “Full Time Sole Proprietor” does not include a person who is a partner in other firms or is employed elsewhere or otherwise engaged in any other business / activity as mentioned above. Accordingly, a person who is a partner / employee in another firm, should not apply in his capacity as Sole Proprietor.

5. The Proposal for Short listing must be submitted in the prescribed format given in the Request for Proposal. Only the Proposal for Short listing in the prescribed format accompanied with all requisite documents would be considered.
6. A pre bid meeting is open to all prospective CA firms/Sole Proprietors. The date, time & place of pre-bid meeting will be as per tender schedule. The prospective CA Firms/Sole Proprietors

Will have an opportunity to obtain clarification regarding the scope of work, terms of Reference, contract conditions and other pertinent information.

I. TERMS OF REFERENCE

1. KRIDL is a Government of Karnataka undertaking registered under the Companies Act, 1956/2013 engaged in civil constructions entrusted by the Government and its departments and various Boards and Corporations all over the State with its Head Office at Grammeenabhivruddi Bhavan, Anandrao Circle, Bengaluru-560009
2. The Company is having 08 Divisions and 15 **SUB-DIVISIONS** (and any subsequent additions / deletions) with Annual turnover of more than Rs.3,500-00 Crores having 11 GSTIN numbers. The Zonal Offices are located in Mysuru, Hunsuru, Mangalore, Udupi, Hassan, Chikkamagaluru, Mandya, Chamarajanagara (08 Division Offices).
3. The Company has around 15 Project Offices - Sub-Divisions (and any subsequent deletions/ additions) located all over the state. Works/transactions are executed at Sub-Division level and Accounts are also generated at sub division level and for Establishment expenses (other than sub divisions) and investments at head Quarters, Bengaluru.
4. Assistant Engineers and Junior Engineers execute the works and submit monthly accounts to the Assistant Executive Engineer (AEE) of the respective Sub- division. The AEE Conducts 100% check measurement and submits the monthly accounts for Executive Engineer (EE) at the

Division level. The EE carries out 25% check measurement of the works and forward the same to the Superintendent Engineer at Zone. Superintendent Engineers verify the account in respect of savings given as per approved job savings and send it to Hqr's.

5. The accounts received from AEE/EE are consolidated at the Head Office and Financial Statements are prepared, Statutory Auditors appointed by the Comptroller & Auditor General of India (C&AG) conducts Audit of the Financial Statements which are approved by the Board and gives their Report. The Audited financial Statements along with Statutory Auditors report will be submitted to the Comptroller & Auditor General of India. The Comptroller & Auditor General of India will conduct audit of the Financial Statements and gives his Comments Certificate which will be placed in the AGM and accounts are adopted.
6. The Company maintains Monthly books of accounts under at Head Tally software and Accounts of the Projects are received by the Audit Officers stationed Quarters. Database is synchronized at Headquarters on a daily basis.
7. The company has Pre-Audit System and Zone wise Audit Officers who scrutinize the Pre-Audited monthly accounts Audited by the Pre Auditors as per the scope of Audit received from the projects.
8. Depending on work load, the Company may open/close some Sub-Divisions in the year of Audit, which should also be considered for audit,

II. SCOPE OF PRE-AUDIT

The audit firm is required to Audit/ comply the following.

1. To ensure that the books of accounts are updated on a daily basis in Tally Software.
2. Verify the bank reconciliation Statement (BRS) on the monthly basis which is generated through Tally ERP 9. Scale cheques if any noticed should be reversed.
3. Verify the entry of purchase details on double entry system on procurement of goods and services and not on payment basis. Also pass the TDS entries wherever applicable for procurement of goods and services.
4. Verify that all procurements are in Accordance with transparency Act.
5. All payments to material suppliers and group leaders should be made only after the pre-audit and certificate on the transaction in the enclosed Annexure.
6. All procurement of materials should be made from the Suppliers as per the prevailing Act.
7. Proper departmental procedure should be followed by at sub division / division by forming purchase committee for materials such as doors, windows, Aluminium works, truss works water supply, sanitary materials and electrification work etc., (except sand, jelly, size/ rubble stone, bricks, murram, etc.)
8. All wage payment to group leader should be on submission of GST bills only. The wages bill should contain details of name of the labours wages paid, signature of the labourers, etc.
9. GST input tax credit should be verified on monthly basis and wherever credit has not come the same has to be informed to the Assistant Executive Engineers of respective sub division office as well as Headquarters.
10. GST on material bills, Service bills and wages bills, etc., should be released only after verification of input tax credit to KRIDL account from such purchases of goods and services. Purchasers should enclose proof of GST payment which has to be verified by Auditors. The Auditors shall ensure that under no circumstances the payments are made to unregistered suppliers (URD)

11. The deduction details of GST-TDS from the materials suppliers, Service providers and the group leader's payment should be verified with purchases and such details should be submitted to the AEE for onward submission to HQRS before 5th of the succeeding month.
12. E-Invoicing has been made mandatory from 1st April 2021 in consultation with AEE. GST invoices for all progress achieved during the month should be raised before 5th of the succeeding month as required by the GST Act and forward the same to Hqrs before 5th of the succeeding month in the Tally software.
13. The Pre-Audit should Send a separate report to Hqrs or payment of work bills in excess of fund received from HQRS/ EA for that particular work and on diversion of funds.
14. Pre Audit should ensure no account should be submitted without work code allotted from Hqrs.
15. Pre Audit should ensure that all job savings at the sanctioned/ applicable rate is given by the project on all the works for which accounts are submitted during the month and a report shall be submitted to Hqrs for any deviation.
16. The Pre Audit should ensure that the submission of final bills for all the completed works is enclosed with handing over note from entrusting agency & a report on list of works completed during that particular month shall be submitted to Hqrs in consultation with AEE.
17. The Pre Audit should ensure that the proper entries are being made in the WIP such as Estimate amount, % of KRIDL, Charges, % of VAT/ GST, % of labour Cess as per the approved estimate, MRA, status of the work i.e., physically completed or the exact status of the work which is under progress regularly.
18. The Pre Audit should advise the project, to get the Income Tax and GST- 5th DS certificates from Entrusting Agency and get the funds from Hqrs after submitting the certificates to Hqrs.
19. The Pre Audit should advise & ensure that the applicable rates of Income Tax TDS are being effected by the project on the eligible payments and remitted to Income Tax department and file the returns before the due dates.
20. The Pre Audit should ensure that the sub divisions prepare schedule for all the ledger account, before submitting trial balance to Hqrs as per the IND- AS provisions.

21. The Pre Audit should advice: & ensures that the projects add 18% GST in the estimates where ever the project undertakes works which attracts 18% GST.
22. The Pre Audit should verify the purchases bills and certify whether the dealer is not a composite dealer and is filing GST returns regularly and purchase can be made from such dealer only.
23. Verify the payment of salary, deduction like Income Tax Salary, Professional Tax, etc., and its timely payment to the concerned department.
24. The Pre Audit should agree for carrying out any additional works/ change in works allocated/ entrusted by the Hqrs due to changes in the GST/ Income Tax Act, etc.,

Annexure-I

Cheek List for Payment to Materials/Labour Suppliers

1	Name of the Supplier and Address	
2	GSTIN	
3	Nature of material/Labour Supplied- Quantity details and Amount	
4	GST Invoice Number	
5	Whether the Supplier uploaded the Invoice in the GST Portal	Ye No
6	Whether the ITC is available in the ERIDL OST	Yes No
7	If the Supplier has not uploaded the Invoice/ITC is not credited to KRIDL. Recommend only for payment of Basic value excluding GST.	
8	<u>Certificate be the Auditor</u> Certify that the above details are verified and, found correct.	

Signature of the
Auditor

Signature of the
Executive Engineer

Signature of the
Superintending
Engineer

ELIGIBILITY CRITERIA FOR
APPOINTMENT OF PRE AUDITORS FOR THE YEAR 2023-24

1. Should be a Chartered Accountant Cost Accountants firm having a minimum 2 partners with minimum 5 years of professional standing and having registered office in the respective District Head Quarter. (copy of Registration Certificate issued by the respective institute to be submitted)
2. Should have been Registered under GST (Copy of GST registration Certificate to be Submitted)
3. Should have a minimum turnover of Rs.25.00 Lakhs each year during the financial years 2020-21 and 2021-22 (Copy of Financial statements for two years to be submitted)
4. Should have handled monthly annual GST returns filing, for clients engaged in works contract construction activity having minimum turnover of Rs 10.00 Crores, for a single agency client. (Name of the Clients to whom such services are rendered along with copies of the GST returns for Financial years 2020-21 and 2021-22 to be Furnished).
5. Should have experience in handling GST Appeal matters before the departmental authorities.
6. The firm should possess experienced assistants. The requisite number of experienced assistants should be deployed throughout the year at KRIDL divisional offices.
7. The Pre-Auditors will be appointed to each Division separately to carry out Pre Audit.
8. Invariably the audit firm head office or branch should be located in that District Hqrs otherwise the application will be rejected at the time of Technical evaluation.
9. The details of Zone division and sub divisions are enclosed to the document.
10. The Pre Audit fee should be quoted per Sub division/Month excluding GST. 11.If any audit firm failed to perform pre-audit as per the Scope of Pre audit work specified, their appointment will be cancelled within fifteen days notice.
11. The fee will be paid on quarterly basis and on certifications by the concerned audit officers about satisfactory performance.

**LIST OF DIVISIONS & SUB-DIVISIONS OF MYSURU
ZONE**

SI.No	Division Name		Sub-Division Name
1	Mysuru Division	1	Mysuru
		2	Mysuru (Central)
2	Hunsuru Division	3	Hunsuru
		4	Madikeri
3	Mangalore Division	5	Mangalore
4	Udupi Division	6	Udupi
5	Hassan Division	7	Hassan
		8	Arasikere
6	Chikkamagaluru Division	9	Chikkamagaluru
		10	Kaduru
7	Mandya Division	11	Mandya
		12	Pandavapura
8	Chamarajanagara Division	13	Chamarajanagara
		14	Kollegala
		15	Gundlupete