

# **BEML LIMITED**

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

Ref.: CM/IA/HQ/ROs and DOs/Mktg/2023-24(B)/2023

27.12.2023

## TENDER NOTICE

REQUEST FOR QUOTATION FOR CONDUCTING INTERNAL AUDIT FOR THE YEAR 2024-25 AND 2025-26 FOR OUR Regional and District offices.

**LAST DATE FOR SUBMISSION OF BID IS ON 17.01.2024**

BEML LIMITED  
CORPORATE OFFICE  
BEMLSoudha,23/1,  
4<sup>th</sup>Main,SRNagar,  
Bangalore-560027

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

## INTRODUCTION

### GENERAL INFORMATION

BEML LTD, incorporated in 1964, is a Mini-Ratna (Category-I) Public Sector Undertaking, under the Ministry of Defence engaged in the design, development, manufacturing and after-sales service of a wide range of products of core sectors of economy such as coal, mining, steel, cement, power, irrigation, construction, road building, Defence, Railway and Metro transportation system & Aero space, BEML is a listed company and Government of India holds about 54% of the total paid up capital of the Company. BEML operates in three business segments – Mining & Construction, Defence & Aerospace, Rail & Metro and International Business Division for export activities.

BEML under its Defence segment offers High Mobility and Recovery vehicles, Bridge Systems, vehicles for Missile projects, Tank Transportation Trailers, Mil rail Wagons, Mine Ploughs, Crash Fire Tenders, Aircraft Towing Tractors, Aircraft Weapon Loading Trolley etc,. Under Rail & Metro segment, BEML offers Passenger Vehicles, EMUs, Metro Cars, Maintenance & Utility Vehicles etc,. Under Mining and Construction segment, the company offers Bull Dozers, Excavators, Dumpers, Shovels, Loaders, Water Sprinklers, Motor Graders., Pipe Layers, Tyre- Handlers, etc,.

The company has four manufacturing complexes located Bengaluru, KGF, Mysore and Palakkad. All the manufacturing divisions of BEML have been accredited with ISO 9001-2000 certification, BEML has its own world-class Composite R&D establishment for Design and Development of products. The company has nationwide Marketing Network and International Business Division.

## 2. BID PROCESS

**BEML Limited invites technical bid and commercial (price) bid from Partnership/Limited Liability Partnership Firms of Chartered Accountants/ Cost Accountants with minimum 2 partners**(Excluding the firms which have the ex-employee(s) of BEML Limited as partner(s) of the firm) to conduct Internal audit of its Regional Offices (ROs) and District Offices(DOs) for the **FY 2024-25 and FY 2025-26 following terms:**

1. Scope, Coverage and Audit Program: As enclosed.
2. Period: FY 2024-25 and FY 2025-26
3. Date of Commencement of audit: 01.04.2024
4. AUDIT TEAM:
  - a) The Partnership/Limited Liability Firms of Chartered Accountants/Cost Accountants registered with the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India, appointed to conduct Internal Audit shall depute audit team consisting of articulated/audit assistants, qualified Chartered/Cost Accountants including partners to respective ROs/ DOs.
  - b) The Audit Team should visit respective ROs/DOs each period as mentioned below and conduct Audit for at least 4 working days in a period. The attendance of the team members will be maintained by Chief of Accounts of ROs/DOs concerned.
  - c) Partner of the firm should visit at least one day for each Quarter for discussion with the Chief of Accounts along with Regional/District Manager concerned.
  - d) The Audit team shall conduct the audit as per Manual, rules and regulations, guidelines, instructions, Delegation of Power etc., and in consultation with officials concerned at the respective ROs/DOs. The Audit Program indicated is only tentative and actual program will be issued with the approval of Management and Audit Committee for each year.

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

5. Periodicity of Report: Quarterly .

6.

| Period                  | Audit Period   |
|-------------------------|--|
| For April & May         | Audit Completed Second week of June                                      |
| For June, July & August | Audit Completed Second week of September                                 |
| For Sep, Oct & Nov      | Audit Completed Second week of December                                  |
| For Dec, January & Feb  | Audit Completed Second week of March                                     |
| For March               | Audit Completed between 20 <sup>th</sup> April to 25 <sup>th</sup> April |

7. Methodology of Audit: Transaction Audit will be conducted for the full Financial Year 2024-25 and FY 2025-26 **on each period** by a dedicated team. Audit observations requiring written clarification shall be concurrently communicated to the Head of Regional/ District office. Internal Audit Report shall be submitted for every quarter. Internal audit report containing all observations which are not resolved to the satisfaction of the Transaction Auditor shall be submitted to the Chief of Corporate Audit, BEML Limited, BEML Soudha, Bangalore – 560027 duly juxtaposed with the replies. The report shall include the coverage of issues of material nature involving deviations from the policies of the Company, GAAP, Accounting Policies, Accounting Standards and the Internal Controls established by the Management in the form of various manuals and the required corrective action and recommendation for preventing recurrence. The report should also contain a separate section on 'Value Addition' made by the Audit.
8. Unresolved issues of material nature, involving Accounting Principles and Standards shall be coordinated by Corporate Audit in consultation with the Statutory Auditors of the Company and resolved before presentation to the Management and to the Audit Committee.
9. Due date for submission of Report: Draft Report shall be submitted to the Chief of Regional Office/ District Office within Seven (**7**) days from the close of the period under report. Final Report shall be submitted 2 days thereafter to the Chief of Corporate Audit, BEML Limited, BEML Soudha, Bangalore – 560027 i.e. within Nine (**9**) days from the close of the period under report with a copy to Regional/ District Manager concerned.
10. Presentation to Management and Audit Committee: If felt necessary, the Management may invite the firm to be present at BEML HQ for discussion with Management/ Audit Committee on major issues brought out in the Report, in which case, out of pocket expenses, if any, will be borne by BEML Limited.
11. Remuneration: the **all-inclusive audit fee**(subject to Board Approval) per annum be quoted in the price bid applicable for the FY 2024-25 and FY 2025-26 **excluding applicable GST but subject to deduction of TDS as applicable** for following locations:-

(

| Amount in Rs )  |   |                    |                       |   |  |
|---|---|--------------------|-----------------------|---|--|
| <i>Details of Regional offices (RO)/ District Offices (DO) of BEML Limited for carrying out transaction audit</i> | <i>Turnover FY 2022-23 (Rs. in Crore)</i> | <i>No of Firms</i> | <i>Place of Audit</i> | <i>Preferred location of the firm</i>             | <i>Minimum Audit Fees ( Based on previous year audit fee )</i> |
| New Delhi RO, DOs - Jammu and Leh, for (i) RO New Delhi including DO Jammu & Leh )                                | 18.31                                     | One                | New Delhi             | Location of the place of audit of Regional office | 21000  |

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

|  |        |     |            |  |       |
|--|--------|-----|------------|--|-------|
| Kolkata RO and DO Guwahati   | 18.97  | One | Kolkata    | (RO)/ District office (DO) or within the radius of around 250 Kms of the place of audit of RO/ DO concerned. | 25000 |
| Mumbai RO and DOs - Ahmedabad, Udaipur, Pune, Jodhpur and Panjim     | 125.20 | One | Mumbai     |  | 50000 |
| Chandrapur DO  | 111.00 | One | Chandrapur |  | 48000 |
| Nagpur RO (including Nagpur Global Service Centre) and DO Bhilai     | 28.50  | One | Nagpur     |  | 60000 |
| Bilaspur RO  | 85.90  | One | Bilaspur   |  | 53000 |
| Hyderabad RO and DOs - Bacheli, Hospet, Vishakapatnam and Vijayawada | 37.95  | One | Hyderabad  |  | 63000 |
| Kothagudem and Ramagundam DOs  | 54.68  | One | Kothagudem |  | 32000 |
| Ranchi RO including KDH Heslong                                      | 49.94  | One | Ranchi     |  | 42000 |
| Dhanbad RO   | 30.93  | One | Dhanbad    |  | 45000 |
| Singrauli RO   | 146.24 | One | Singrauli  |  | 63000 |
| Asansol DO   | 23.32  | One | Asansol    |  | 42000 |
| Sambalpur RO and DO Bhubaneswar                                      | 57.52  | One | Sambalpur  |  | 53000 |
| Neyveli RO and DOs – Chennai, Avadi and Kochi                        | 37.87  | One | Chennai    |  | 63000 |

**The last date for submission of the bid is on or before 17.01.2024 @ 14.00 Hrs**

### 3. CRITERIA FOR SELECTION

**1.Criteria for selection:** The firm is required to submit the technical bid and price bid in two separate sealed envelopes quoting "Technical bid" on one envelope & "Price bid" on the other envelope which contains price bid .

Technical bid shall be opened first and eligibility of the firm shall be determined based on

- (i) Firm having minimum 2 full time partners being Cost Accountant or Chartered Accountant
- (ii) None of the present partners of the firm should be the ex-employee of BEML Limited and(iii) Certificate as mentioned in the Sr. No. 1 to 4 of the technical bid shall be enclosed.

The price bid shall be opened in respect of those firm(s) only, which qualifies the criteria (i) to (iii) as mentioned in the above para and not for those firms which do not qualify. The firm with L1 quote having fulfilled the eligibility criteria as per (i) to (iii) above shall be selected for conducting the transaction audit for that location.

However, in case L1 rate is same for two or more firms and quoting equal professional fee, then the selection will be based on Evaluation criteria as per clause A.

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

## A. Evaluation Criteria :

| Sl. No.                      | Evaluation Criteria (Bidder should be a Partnership Firm)   | Minimum Preference Points | Remarks   | Maximum Preference Points |
|------------------------------|---|---------------------------|---|---------------------------|
| 1                            | The Firm of CA / Cost Accountants must have at least five years of standing in the profession from inception.                             | 10                        | Extra 1 point for each year for having more than 5 years of standing in the profession subject to maximum of 10 points  | 20                        |
| 2                            | The Firm should have at least two qualified CA/Cost Accountants (FCA/ACA/FCMA/ACMA)* for audit of transaction records including partners. | 10                        | Extra 2 points for each qualified cost accountants / Chartered Accountants employed by the firm including partners in excess to maximum requirement of four subject to maximum of 20 points | 30                        |
| 3                            | The Firm should have the experience of conducting Internal Audit.<br>(During preceding 5 years i.e. FY 2018-19 to 2022-23)                | 10<br>For first audit     | Extra 3 points for each audit in excess to minimum one requirement of audit subject to maximum of 30 points.  | 40                        |
| 4                            | The Firm should have exposure of Internal Audit in SAP Environment.   | -                         | 5 Points per Company  | 10                        |
| <b>T O T A L P O I N T S</b> |   |                           |   | <b>100</b>                |

The firms are free to quote above the minimum fees as indicated above.

It is re-iterated that the Audit fee to be mentioned in the price bid is **all-inclusive per annum** i.e. fees and all out-of-pocket expenses including Boarding, Lodging and Conveyance. The company will extend its Guest House/ Boarding facility during the course of transaction audit subject to availability and recovery of charges applicable as per rules of the company. Copy of GST registration certificate and PAN needs to be submitted by the firm.

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

- 2 **Payment:** 50% of the total fees for the year as indicated above will be paid after acceptance of the internal audit reports of the first two periods by the Management and the balance 50% will be paid after acceptance of the internal audit reports of all five periods by the Audit Committee.
- 3 The engagement, if given, is subject to confidentiality and Non-disclosure undertaking to be executed in the form and content acceptable to BEML before commencement of the assignment.
- 4 The Company reserves the right to review the performance of the assignment, if given, and to terminate the services without assigning any reason and without cost or consequence on the part of the Company. On satisfactory performance the Company may also extend the contract for another year i.e. for FY 2025-26.
- 5 **Technical bid and price bid** should be submitted to the following address in two separate sealed envelopes duly super scribing our letter reference Ref.: CM/IA/HQ/Div/Mktg /2023-234(B)/2023 **dated 27.12.2023 to reach us before 2.00 p.m. on or before 17.01.2024** . Unconditional willingness or otherwise, with a brief profile as per the format enclosed to be downloaded from Company's website and documents shall be placed in the sealed envelope of technical bid only. It is re-iterated that the sealed envelope of price bid shall not contain any document except audit fee quote and all the documents required to be submitted shall be placed in the sealed envelope of Technical bid only.

**The commercial bid envelop should be sealed and super scribed as :** Ref. :CM/IA/HQ/Div/Mktg/2023-24(B)/2023 dated 27.12.2023

**The Chief General Manager,  
Corporate Materials,  
Room No.1  
BEML SOUDHA, # 23/1, 4<sup>th</sup>Main Road, S R Nagar,  
BEML Limited,  
Bangalore 560 027**

- 6 No clarifications or counter offer will be entertained.
- 7 Firm(s) having partner(s), who is/ are ex-employee of BEML Limited, need not apply against this tender.
- 8 The selection will be made based on the selection criteria mentioned at para 11 above and bid documents submitted as per para 5 above. The Company reserves the right to engage any firm of Chartered Accountants/Cost Accountants meeting the selection criteria and to change the RO/ DO or scope of work for any reason including administrative or location convenience and as such the decision of the Company will be final and binding.
- 9 The firms are advised not to quote, if any of the disqualifications prescribed under rules/ regulations and decisions of Institute of Chartered Accountants of India/Institute of Cost Accountants of India is found applicable to the firms and conditions prescribed by C&AG under section 139 of the Companies Act, 2013, to the extent applicable, are not met or debarred by any Public Sector Companies.
- 10 The firm quoting for more than one location of company shall indicate its preference for each of such location as preference 1, 2, 3 and so on. However, one firm will be given audit assignment for one location only. If the same firm qualifies as L1 for more than one location/ place of audit, then assignment for one of the places of audit will only be trusted to that firm based on preference indicated by the firm. In that case, the firm next to L1 firm will be considered where L1 firm is excluded for that particular location.

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

## 4. GENERAL TERMS AND CONDITIONS:

- i) The Audit Firm must not sub-contract the work in whole or in part.
- ii) Dispute/ difference, if any, shall be mutually settled with Regional/ District Manager along with Chief of accounts of the ROs/ DOs concerned. If the dispute could not be settled at above level, it will be forwarded to the Chief of Corporate Audit for decision of CMD, which will be final and binding on all concerned.
- iii) Firm will be debarred from getting Internal Audit assignments in future in BEML Limited in the following cases:
  - a) If the firm obtains appointment on the basis of false information/false statement.
  - b) If the firm does not take up audit in terms of appointment letter.
  - c) If the firm does not submit the Audit Report, complete in all respect, in terms of appointment.

**11** In case of bidders will L1 in more than ONE LOCATION , Order will be placed for only ONE LOCATION & in this regard , decision of the company will be Final.

Kindly arrange to submit your willingness in the form of technical bid and price bid strictly in line with the above, noting that there is no assurance of engagement thereby.

## 5. SCOPE OF INTERNAL AUDIT

The Internal Audit of the Company should be commensurate as per scope of reporting on internal control under section 138 of the Companies Act,2013 and the objective of internal audit is to review the accounting and internal control system as service to the Company. The function of Internal Audit inter-alia includes examining, evaluation and reporting to the Management on the adequacy and effectiveness of components of the Accounting and Internal Control System as well as control of deficiencies and weaknesses.

The Auditor shall review the systems, transactions, sanctions and internal control of the areas as per Internal Audit Manual of the company including cash and bank transactions, pre-paid expenses, Trade Receivables, Inventory, loans, Contracts, Sales, Purchases, Trade Payable, Provision for Expenses, Establishment records both in F&A and HR, establishment expenses, other expenses, depreciation, provision for gratuity, ex-gratia/ special incentive, revenue from operations, commercial billing, confirmation of balance from banks, debtors, creditors, fixed assets, capital work-in-progress, expenditure during construction, tangible assets, mandatory spares, stores, Raw Material stock, Finished Goods/Semi Finished Goods stocks, inter unit accounts, review of books of accounts, trial balance, guest house wherever applicable, etc.

The scope of work includes compliances of Income Tax, GST Law, Local Body Taxes, PF, ESIC, Professional Tax, Deferred Taxes and all other relevant taxes and duties during the course of Audit.

During the course of audit, the Management may add/delete/modify the scope of any of these areas of work.

1.1 The Auditor will also cover the following records/documents in their audit as per prescribed percentage/period and provide a compliance report thereon:

1. Accounts - Cash and bank transactions, adjustment entries in bank accounts, short term deposits and related interest review, short term bank loan repayment and related interest, other loans, inter unit accounts, review of books of accounts, trial balance etc.

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

2. Purchase - Purchases orders, recording of purchases, GRNs, financial sanctions, procedure followed in payment, review of stock verification reports & insurance, long pending advances & PDO recovery, Sub-contract, GRIR clearing, closure of old PRs and POs, other service bills etc.
3. Sales (Marketing) - Sales recording, invoicing, rebates/discounts credit notes, procedures followed in issue of credit notes, insurance, BG register, credit Limits and adherence to sales orders, realization and accounting – equipment & spares, Service – MARC, others etc.
4. Establishment –Bills with respect to rules and propriety aspects, review of subsidiary records of F&A and HR
5. Stock Accounting - Documentation and procedure, classification of stock as moving and non-moving, confirmation of stock, material available in rejected stores, goods-in-transit, blocked stock, material available with sub-contractors, pending goods receipt, stock transfer order (STO) etc.
6. Works contract - Pre/post award and execution.
7. Tax matters –GST, income tax, professional tax etc.
8. Statutory deductions: Payments & compliances - Timely deposit of dues and returns i.e. GST, TDS, professional tax etc.
9. Assets - Fixed assets, investment, current assets, capital WIP assets and stock insurance etc.
10. Service - Review of service orders, drawl of materials for service orders, closure of service orders, idle hours, energy consumption etc.(wherever applicable).
11. ERP - Review of General IT controls around data access, data and physical security, back-up, help desk.
12. The auditor should also check whether Regional/ District Offices concerned are maintaining proper records/data in compliance with Cost Audit Report Rules and Cost Audit Record Rules.
13. Stock Verification on sample basis , to be done, at the year end by the transaction auditors and verification included in their report.
14. Sales return & their accounting in ERP.
15. Refund of EMD / SD within schedule time as per company Rules..
16. Inventory Checking Quarterly, PSV Report Annually.

1.2 The scope of work shall also include the other areas, though not specifically covered above, but as may be required or necessary to achieve the objectives and the scope of audit, those shall be deemed to have been included for the same.

1.3 Auditors while ensuring the complete coverage of the scope of internal audit as mentioned above should make efforts to prioritize/provide relative emphasis between the different areas based on the professional assessment of the risk profiles of different areas.

1.4 The Auditors should pick up at least 1 system/sub-system in each phase (Quarter) of audit and indicate how specific internal controls need to be strengthened in that area. Auditor shall also report whether:



# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

- i) There is any system deficiencies and also report on risk assessment.
- ii) Guidelines, issued by F&A and other Dept. from time to time, have been complied with.
- iii) Internal audit/Govt. audit/Statutory audit observations on the accounts of previous year, which are outstanding as at the end of the year, have been complied with.
- iv) Tax deduction at source are being made in all cases, as applicable under the Income Tax Act, 1961 at prescribed rates and that TDS deposit are being made within the prescribed time and also that the unit is complying with all statutory requirements under Tax and other laws.

1.5 To provide the annual compliance report (i.e. along with the report of March ) as below:-

- a) Compliance report in respect of points mentioned at para 1.1 above and
- b) Compliance report as per Internal Audit Check list as provided by the Corporate Audit.

1.6 Following points shall also be covered:-

- i) Review report for delay in payments to the contractors/suppliers/service providers (cases covering delay of 60 days and above from due date is to be considered).
- ii) Review report on performance bank guarantee (PBG) facility given to customer, mainly on validity extension & BG encashment with due justification and supporting documents required to be reviewed.
- iii) Review report on legal cases running across BEML (w.r.t. concerned RO/ DO) and running expenses thereon.
- iv) Review report on BEML's subsidiaries and JVs.
- v) Review report on old sundry debtors across BEML (w.r.t. concerned RO/ DO), reason for non-realization and action plan for realization (i.e. more than 3 years.)

1.7 The auditors shall review the physical verification report of RO/ DO concerned on spare parts inventory, reconciliation, reason for mismatch and action taken on mismatch reported by RO's/DO's and same shall specifically be reported in the audit report mentioning that the necessary entry of stock mismatch, if any, has been made in the books of account and inventory in SAP after due approval of management.

## 6. AUDIT REPORT

On completion of Audit of the respective ROs/ DOs in case of each Quarter, the preliminary observation shall first be discussed with the Regional/ District Manager and Finance Chief concerned. Based on the outcome of the discussions, the audit report thus compiled shall be structured as per the scope of reporting on the Internal Financial Control and as outlined hereunder:-

### **Part-I Compliance and report:**

This part shall cover the point wise comments of the Auditors on the adequacy of the compliance and action taken for rectification of errors, discrepancies pointed out by previous auditor pertaining to earlier period. It shall also contain the confirmation regarding implementation of policies, systems, controls etc., to avoid the recurrence of such irregularities in future. It may be ensured (while conducting the audit) that compliance report of the audit observations pointed out in the earlier report of preceding period(s), is furnished along with the corrective action taken.

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

## Part – II Important observations/ findings:

This part shall contain all such significant discrepancies observed during the current audit and which (as auditors feel) require immediate attention of the management specifying the financial implications, if any. In this part auditor shall also bring out the important deviation/observations, if any, on policies, system and procedure of the Company.

## Part- III Detailed report :

In this part, the auditor shall furnish the detailed results of the audit and auditors' confirmation whether Company's system/guidelines/propriety has been adhered to in the areas viz., works contracts, procurement, operations, establishment, records of gratuity, ex gratia/ special incentive, commercial billing and its realization/reconciliation, maintenance of fixed assets register, investments, current assets, capital work in progress, expenditure during construction, ERP, mandatory spares, stores, inter unit accounts, review of accounts, guest house wherever applicable and provision of liabilities etc., besides all items covered in the point no. 1.1 to 1.7 in the scope of Transaction Audit *including annual compliance report mentioned in point no. 1.5 in the Scope of Transaction Audit above.*

The report should be supplemented in each phase by statement indicating:

- i) Particulars of records with their volume (i.e. total no. of vouchers in each category for each phase) and value checked as compared to the total volume and value of transactions.
- ii) A summary report indicating the important observations for each period and each area.
- iii) A statement indicating the audit personnel deployed their designation and the period of deployment for each period.
- iv) In case of "works and procurement" items, a list of the cases audited above value of Rs. 5 lakhs may please be mentioned in the report.

Auditor shall interact/ discuss with the Finance Chief of respective Regional/ District Office for finalizing the detailed program/ schedule of Audit at least 2 weeks before commencing the audit and communicate the specific records/ documents to be kept ready for audit, so as to ensure that the audit is completed on time.

During internal audit, auditors should finalize the draft report and discuss the same with Finance Chief and Regional/ District Manager for further action/compliance. A certificate that the draft report has been discussed with the Finance Chief and Regional/ Dist. Manager indicating the date, time and venue be enclosed along with the Final Report to be submitted to the Chief of Corporate Audit. Draft Report shall be submitted to the Chief of Regional/ Dist. Office within Seven (**7**) days from the close of the Quarter under report. Final Report shall be submitted to Chief of Corporate Audit, BEML Limited., BEML Soudha, Bangalore- 560027, within **Nine( 9)** days from close of the period under report with a copy to the Regional/ Dist. Chief concerned. Report be submitted strictly as per above time schedule.

As mentioned above, Internal Auditors (in consultation with the Finance Chief of respective Regional/ District office) shall plan their audit well in advance (i.e. at least 2 weeks before), so as to ensure that the audit is completed on time and final report is submitted to the Chief of Corporate Audit positively **on or before 9<sup>th</sup> of the month following the period**, so that the same along with the replies of the Regional/ District Office is made available to the Statutory Auditors and also for perusal of the Audit Committee in its ensuing Meeting.

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

## TECHNICAL BID DETAILS

### BRIEF PROFILE OF PARTNERSHIP/LLP FIRMS OF CHARTERED ACCOUNTANTS/COST ACCOUNTANTS AS ON THE DATE OF PUBLISHING TENDER FOR TRANSACTION AUDITING FOR THE FY 2024-25 AND FY 2025-26

| Sl.No. | Description  |                          |          |                               |  |   |
|--------|--|--------------------------|----------|-------------------------------|--|---|
| 1      | Name, Address of the firm with PAN and GST Registration No. (Copy of PAN & GST Regn. Certificate to be enclosed)   |                          |          |                               |  |   |
| 2      | Date of Registration of the firm with the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India - (Copy of Certificate to be enclosed) |                          |          |                               |  |   |
| 3      | <b>Details of Full Time FCA/FCMA Partners:(As on the date of publishing of Tender)</b>   |                          |          |                               |  |   |
|        | Name   | Date of joining the firm | Location | Date of enrolment as FCA/FCMA | CISA/DISA/ISA (yes or no) Certificate to be enclosed | Membership No. (Certificate to be enclosed) |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |
| 4      | <b>Details of Full Time ACA/ACMA Partners:(As on the date of publishing of Tender)</b>   |                          |          |                               |  |   |
|        | Name   | Date of joining the firm | Location | Date of enrolment as ACA/ACMA | CISA/DISA/ISA (yes or no) Certificate to be enclosed | Membership No (Certificate to be enclosed)  |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |
| 5      | Is any partner an ex-employee of BEML Limited? (Yes/ No) – If yes please indicate the details.   |                          |          |                               |  |   |
| 6      | <b>Details of Full Time CA/CMA Assistants:(working for a minimum of 1 year on the date of publishing of Tender)</b>  |                          |          |                               |  |   |
|        | Name   |                          |          | Date of enrolment as ACA/ACMA | CISA/DISA/ISA (yes or No)                            | Membership No                               |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |
|        |  |                          |          |                               |  |   |

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

|   |  |                          |   |                           |
|---|--|--------------------------|---|---------------------------|
| 7   | Details of <b>partners' association with the same firm:</b><br><br>Name of the Partner   | Date of joining the firm | Location  | CISA/DISA/ISA (yes or no) |
|   |  |                          |   |                           |
|   |  |                          |   |                           |
|   |  |                          |   |                           |
| 8   | <b>Statutory Audit assigned by C&amp;AG u/s 139 of the Companies Act, 2013/ Cost Audit assigned u/s 148 of Companies Act, 2013 (restricted to last five years i.e. w.e.f. ( FY 2018-19) in Central/State PSEs.</b> |                          |   |                           |
|   | Name of the PSE (engagement details may be <b>enclosed</b> )   |                          | Year of engagement                                    |                           |
|   |  |                          |   |                           |
|   |  |                          |   |                           |
| 9   | <b>Internal Audit Assignments of Central/State PSEs restricted to last five years i.e. w.e.f. (FY 2018-19)</b>   |                          |   |                           |
|   | Name of the PSE (engagement details may be <b>enclosed</b> )   |                          | Year of engagement                                    |                           |
|   |  |                          |   |                           |
| 10  | The Exposure of Internal Audit in SAP environment  |                          | 1. Year of Assignment.<br><br>2. Name of the Company. |                           |
| <p><b>Note:</b> Full time partner <b>does not include</b> a person who is:</p> <p>(a) a partner in other firms.</p> <p>(b) employed full time/part time elsewhere, practicing in his/ her own name or engaged in practice otherwise or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949/ Cost and Works Accountants Act, 1959.</p> |  |                          |   |                           |

## Eligibility Criteria :

- a. Firm having minimum 2 full time partners being Cost Accountant or Chartered Accountant
- b. Firm shall give an undertaking that partner and/or other team members of Audit carrying out auditing BEML shall not be ex-employee of BEML.
- c. Certificate as mentioned in the Sr.No.1to4 above, meeting the eligibility criteria shall be enclosed.

**Note:** It is mandatory to submit the relevant certificates mentioned in Sr. No. 1 to 4 above along with the Technical Bid.

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

Ref.: CM/IA/HQ/ROs and DOs/Mktg/2023-24(B)/2023

27.12.2023

## UNDERTAKING

(To be furnished on the letter head of the Firm)

We, M/s \_\_\_\_\_, firm of Chartered Accountants/Cost Accountants do hereby verify and declare:

- (i) that the particulars given above are complete and correct and that if any of the statements made or the information so furnished is later found to be incorrect or false or there has been suppression of material information, the firm would stand disqualified from empanelment/allotment of audit assignment and might be liable for disciplinary action under the Chartered Accountants Act, 1949/ Cost and Works Accountants Act, 1959 and the regulations framed there under;
- (ii) that the firm or partner(s) has/have/ has not/have not been debarred or cautioned by the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India during the last three years (if the answer is 'affirmative' please furnish details);
- (iii) that individually the partners are not engaged in practice otherwise or in any other activity which would be deemed to be in practice u/s 2 (2) of the Chartered Accountants Act,1949 or u/s 2(2) of the Cost and Works Accountants Act, 1959.
- (iv) that the constitution of the firm as on the date publishing of Tender is the same as that in the records of the Institute of Chartered Accountants of India/Institute of Cost Accountants of India (if not please enclose details of revised constitution of the firm as on the date of submission of Tender).
- (v) that none of the partners of the firm is ex-employee of BEML Limited and the said position shall continue during the period of engagement of the firm for Transaction Audit of the company.

Place:

Signature with Seal of the Firm

Date:

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

Ref.: CM/IA/HQ/ROs and DOs/Mktg/2023-24(B)/2023

27.12.2023

## OTHER TERMS AND CONDITIONS

### (i) ARBITRATION:

In the event of any dispute or difference relating to the interpretation and application of the provisions of this Agreement, such dispute or difference shall be referred by either party for Arbitration to the Sole Arbitrator to be appointed by BEML. The Arbitration proceedings shall be in accordance with the provisions of Arbitration and Conciliation Act, 1996 and Rules framed there under. The place of Arbitration shall be Bangalore and all Arbitration proceedings shall be conducted in English language and governed by the above said Act and Rules.

Courts at Bangalore shall alone have sole jurisdiction to decide any issue arising out of the Arbitration or this Agreement.

### (ii) FORCE MAJEURE CLAUSE:

Notwithstanding anything contained in the Contract, neither the Supplier nor the Purchaser shall be held responsible for total or partial non-execution of any of the contractual obligations, should the obligation become unreasonably onerous or impossible due to occurrence of a 'Force Majeure' conditions which directly affect the obligations to be performed by the Purchaser or the Supplier. Such events include war, military operations of any nature, blockages, revolutions, insurrections, riots, civil commotions, insurgency, sabotage, acts of public enemy, fires, explosion, epidemics, quarantine restrictions, floods, earthquake, or acts of God, restrictions by Govt. authorities over which the Supplier or the action which the Purchaser has no control.

The party claiming to be affected by Force Majeure shall notify the other party in writing without delay, within two weeks on the intervention and on the cessation of such circumstance. Extension of time sought by the Supplier along with supporting evidence and so granted by the Purchaser for the supply/work affected, if any, shall not be construed as waiver in respect of remaining deliveries.

Notwithstanding above provisions, Purchaser shall reserve the right to cancel the order/Contract, wholly or partly, in order to meet the overall delivery schedule and make alternative arrangements including arrangements with third party for completion of deliveries and other schedules. Purchaser may take over partly processed material at a mutually agreed price.

### (iii) APPLICABLE LAWS AND JURISDICTION OF COURTS:

Indian laws both substantive and procedural, for the time being in force including modifications thereto, shall govern Contract. The competent Indian court shall have sole jurisdiction over disputes between purchaser and the Supplier.

### (iv) INTELLECTUAL PROPERTY RIGHTS; LICENSES:

If any Patent design, trademark or any other intellectual property rights apply to the delivery or accompanying documentation, Purchaser shall be entitled to the legal use thereof free of charge by means of a non-exclusive, worldwide, perpetual license. All intellectual property rights that arise due to the execution of the delivery by the Supplier and by its employees or third parties involved by the Supplier for performance of the agreement shall be long to Purchaser.

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

The Suppliers shall be obligated to do everything necessary to obtain or establish the above mentioned rights. The Supplier guarantees that the delivery does not infringe on any of the intellectual property rights of third parties. The Supplier shall also be obligated to do everything necessary to obtain or establish the alternate acceptable arrangement pending resolution of any (alleged) claims by third parties. The Supplier shall indemnify the Purchaser against any (alleged) claims by third parties in this regard and shall reimburse Purchaser for any damages suffered as a result thereof. "The Supplier shall comply with all applicable Labor Laws, particularly Contract Labour (Regulation & Abolition) Act, 1970, ESI Act, Gratuity Act, Payment of Bonus Act, Payment of Minimum Wages Act, Provident Fund Act etc., and Rules framed therein from time to time and the Supplier shall indemnify the Company for any loss caused to it by reason of inaction, non-compliance etc., of the provisions of any Law by the Supplier".

(v) BRIBES AND GIFTS:

Any bribe, commissions, gift or advantage given, promised or offered by or on behalf of the supplier or his partner, agent or servant or anyone on his or on their behalf to any officer, servant, representative or agent of BEML or any person on his or their behalf in relation to the obtaining or to the execution of or any other contract with BEML Ltd., shall in addition to any criminal liability which the supplier, may incur, subject the supplier to the cancellation of this and all other contracts with BEML and also for payment of any loss or damages resulting from any such cancellation to like extent, the supplier shall be liable for any loss which BEML may sustain on that account. Any question or dispute as to the commissions of any offence under the present clause shall be settled by BEML in such manner and on such evidence of information as they may think fit and sufficient and their decision shall be final and conclusive.

(vi) JURISDICTION:

Courts at Bangalore alone shall have jurisdiction to decide any issue/dispute arising out of the Arbitration or this Purchase Order in exclusion of all other Courts. However, jurisdiction of any other court may be accepted by mutual discussion and agreement by and between the Company and the Supplier.

(vii) DRAWINGS AND DOCUMENTS:

Drawings, technical documents or other technical information received by one party shall not, without the consent of the other party, be used for any other purpose than that for which they were provided. They may not, without the consent of the submitting party, otherwise be used or copied, reproduced, transmitted or communicated to third parties.

The Supplier shall, as per agreed date/s but not later than the date of delivery, provide free of charge information and drawings which are necessary to permit the Purchaser to erect, commission, operate and maintain the product. All intellectual properties, including designs, drawings and product information etc. exchanged during the formation and execution of the Contract shall continue to be the property of the submitting party.

(viii) NON-DISCLOSURE AND INFORMATION OBLIGATIONS:

The Supplier shall provide Purchaser with all information pertaining to the delivery in so far as it could be of importance to Purchaser. The Supplier shall not reveal confidential information to its own employees not involved with the tender / Contract & its execution and delivery or to third parties. The Supplier shall not be entitled to use the Purchaser's name in advertisements and other commercial publications without prior written permission from Purchaser.

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

Further to above, the supplier shall not divulge/share any data/information collected through the survey/findings of the survey to any person/firm. The complete process/assignment shall be treated as confidential. The format will be shared with the firms who are allotted the Audit assignment

(ix) DURING ARBITRATION

"Supplies under this Purchase Order, if reasonably possible, may continue by mutual agreement during the dispute/Arbitration proceedings".

(x) PROGRESS REPORT:

The supplier shall regularly inform the progress of work and in such form as may be called for by the Purchaser from time to time. The submission and acceptance of such reports shall not prejudice the rights of the Purchaser in any manner.

(xi) NON-WAIVER OF DEFAULTS

If any individual provision of the Contract is invalid the other provisions shall not be affected. The failure of BEML to insist upon performance of the Contract, to enforce any of the terms and conditions of this Contract or to exercise any right or privilege granted to BEML under this Contract or under law, shall not be construed as a waiver and the same shall continue in full force and effect.

(xii) ASSIGNMENT OF RIGHTS AND OBLIGATIONS; SUBCONTRACTING:

The supplier is not permitted to subcontract the delivery or any part thereof to third parties or to assign the rights and obligations resulting from this agreement in whole or in part to third parties without prior written permission from Purchaser. Any permission or approval given by the Purchaser shall, however, not absolve the supplier of the responsibility of his obligations under the contract.

(xiii) INTEGRITY COMMITMENT IN THE EXECUTION OF CONTRACTS :

Commitment by Purchaser:

Purchaser commits to take all necessary steps to prevent corruption in connection with the execution of the Contract.

Commitment by the Contractor:

The Contractor (s) commit (s) to take all measures to prevent corruption and will not directly or indirectly try to influence any decision for the benefit for which he is not legally entitled. The contractor (s) will not commit any offence under the relevant Acts. The Contractor (s) will not use improperly, for purpose of competition or personal gain or pass on to others, any information or documents provided by Purchaser as part of business relationship.

The Consultant (s) will not enter with other Firm (s) / Consultant(s) into any undisclosed agreement or understanding or any actions to restrict competition. If the Consultant(s), before award or during execution of the consultancy Contract commit(s) a transgression of the above or in any other manner such as to put his reliability or credibility in question, Purchaser is entitled to disqualify the consultancy contractor(s) from the consultancy process or terminate the contract and / or take suitable actions as deemed fit.



# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

**9. SPECIAL CONDITIONS ARISING OUT OF IMPLEMENTATION OF GST WHICH IS TO BE SIGNED AND SUBMITTED ALONG WITH THE OFFER TAX INDEMNITYCLAUSE.**

1. The supplier of Goods/ Services shall comply with all the procedural requirement sand relevant provisions under GST Law so as to enable BEML Limited (BEML) to avail Input Tax Credit (ITC) in at timely manner. BEML has the right to recover tax loss along with consequential interest and penaltysufferedbyBEMLduetoanynon-complianceoftaxlawsbythesupplier.AnyGSTliabilityarisingonthe supplier on account of loss of GST credits for reasons such as failure of the supplier to provide the details for raising invoice with necessary particulars, delay in payment of consideration beyond stipulated time period and the interest thereon would be on the suppliers themselves and BEML shall not be liable to compensate the same.
2. The supplier shall ensure that the Taxes which have been collected / with-held on behalf of BEML have been duly paid / will be paid to the Government account within the due dates specified under various Tax Laws in India and Rules made there under. It may please be noted that if BEML is not able to avail any tax credit due to any short coming on the part of the supplier (which otherwise should have been available to BEML in the normal course), then the supplier at his own cost and effort will get the shortcoming rectified. If for any reason the same is not possible, then the supplier will make 'good' the loss suffered by BEML due to the tax credit it lost in that transaction.
3. Under the GSTN Law, any economic or tax benefit arising out of the implementation of GST is mandatory and required to be passed on to BEML by the supplier. Similarly, the benefits enjoyed by the supplier and other players in the supply chain are also required to be passed on to the supplier by them, which in turn shall be passed on to BEML by way of price reductions. The suppliers shall indemnify BEML against any direct or indirect loss arising out of not passing on the aforesaid benefits. As responsible suppliers of BEML, the responsibility to pass on the above benefits vests with the supplier and BEML reserve the right to seek the manner in which such benefits is passed on to BEML.
4. Any amount paid to the suppliers including job-workers / sub-contractors shall be first attributable to the GST Tax charged in the invoice and the balance shall be considered towards the 'value' of supply of goods/services.
5. Timely provision of invoices / Debit Note / Credit Note: The supplier has to timely provide invoice /Debit Note /Credit Note to enable BEML to claim tax benefit on or before stipulated time period as per GST Law. All necessary adjustment entries (Credit Note, Purchase Returns, Debit Notes) shall be made before September of the succeeding Financial Year.
6. HSN for goods shall be specifically included to avoid disagreement on classification at a later stage.
7. BEML shall identify the Place of supply to enable to avail the GST credit at right location.
8. Advance payment if any made before supply of goods/services or raising of invoices, would' attract GST.

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027

Phone: 080 22963179 / 22963315. FAX: 080 22963283

In case of receipt of advance, the supplier undertakes to raise the necessary statutory document .Further the supplier declares to raise the prescribed documentation governing the movement of goods.

9. Any known discount shall form part of terms of the agreement to enable Supplier / BEML to claim tax adjustment.
10. THREE copies of the invoices are mandatory and need to be provided by the suppliers and wherever the law requires, an Electronic Reference Number for each invoice should be provided. Further, the invoices for supplies shall clearly bear the GSTIN No. / UID No. along with purchase order number and date accompanied by dispatch advice and date of packing list.
11. Wherever applicable, BEML has the right to deduct "Tax deducted at source" at the rate prescribed under the GST law and remit the same to the Government of India.
12. Any local levies and or other charges levied y any Central/State/Local authorities wherever applicable shall be extra and supplier shall be liable to discharge the same.
13. The supplier shall be responsible to issue documents required for movement of goods and the logistic partner shall not be liable for any loss arising due to confiscation of goods by government agencies on account of lack of proper documents , deficiencies in documentation or any wrong declaration.
14. Any Liability arising out of dispute on the tax structure, computation and payment to the Government will be to the Supplier's account.
15. Where the supply of goods / services are liable to GST under reverse charge mechanism, then the supplier should clearly mention the category under which it has been registered and also that "the liability of payment of GST is on the Recipient of Service".
16. The invoice should be clearly specified with any abatement, if any claimed or otherwise from the Taxable Value, while calculating the GST.
17. The Bid evaluation criteria will include but not limited to 'GST Compliance rating' when introduced and operational by GSTN. The Purchase Order shall be void, if at any point of time the supplier is found to be a blacklisted dealer as per GSTN rating system and further no payment shall be entertained.

Signature with date of Authorized

Signatory Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Companys Seal: \_\_\_\_\_

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)  
"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027  
Phone: 080 22963179 / 22963315. FAX: 080 22963283

Ref.: CM/IA/HQ/ROs and DOs/Mktg/2023-24(B)/2023

27.12.2023

## UNDERTAKING

This is to certify that \_\_\_\_\_ (Name of the Firm) has not been banned / black listed / debarred from Trade by any Central /State Govt. Dept. / Autonomous Institution / PSUs in India at the time of bidding.

I / we hereby certify that all the information given above is factual.

Signature with date of Authorized signatory

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Firm's Seal: \_\_\_\_\_

# BEML LIMITED

(A Government of India Mini Ratna Company under Ministry of Defence)  
"BEML SOUDHA" 23/1, 4<sup>TH</sup> Main, S.R. Nagar, Bangalore 560027  
Phone: 080 22963179 / 22963315. FAX: 080 22963283

Ref.: CM/IA/HQ/ROs and DOs/Mktg/2023-24(B)/2023

27.12.2023

## UNDERTAKING

To:

The General Manager (Corporate Materials),

M/s. BEML LTD

Bangalore-27

Dear Sir,

Having examined the Bid # the receipt of which is hereby duly acknowledged, we, the undersigned, hereby confirming that we read, understood and accepting all the terms & conditions available in the tender. Further, we indicate that upon selection, we will execute the assignment as per the tender terms and conditions at the time of bidding.

Signature with date of Authorized signatory

Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Firm's Seal : \_\_\_\_\_