

Price: Nil
Not transferable

TAMIL NADU STATE MARKETING CORPORATION LIMITED
IV FLOOR, CMDA TOWER – II, GANDHI IRWIN BRIDGE ROAD,
EGMORE, CHENNAI – 6000 008
PHONE: 044-28521970, FAX: 044-28524634

TENDER DOCUMENT

- 1 Sealed Tenders are invited by the Managing Director, Tamil Nadu State Marketing Corporation Limited, Chennai (TASMAC) from the reputed firm of Chartered Accountants firms / Cost Accountants (partnership firm/sole proprietorship firm) or independent Chartered Accountant / Cost Accountant having full time Certificate of Practice meeting minimum eligibility conditions given in clause 3 and clause 11 for empanelment for allotment/appointment for audit of retail vending outlets/shops, depots, office of the District Managers, and Office of the Senior Regional Managers of TASMAC located all over the State of Tamil Nadu, Corporate Office at Chennai for the year 2014-15 which may be extended up to the year 2016-17 as per the instructions issued by TASMAC from time to time.

The number of audit units mentioned in the Appendix – 1 is only approximate and will not in any manner, bind on TASMAC. The final audit units would vary depending upon actual requirement.

2 DUE DATE AND TIME

- a) The tender documents (not transferable) can be obtained at the above address on any working day up to 3:00 P.M. on 27 June 2014 free of cost. Alternatively, the tender documents may be downloaded from the Government of Tamil Nadu website (www.tenders.tn.gov.in) or TASMAC website (www.tasmac.tn.gov.in) free of cost.
- b) The tender should be addressed to and reach the Managing Director, Tamil Nadu State Marketing Corporation Limited, IV Floor, CMDA Tower – II, Gandhi Irwin Bridge Road, Egmore, Chennai – 6000 008 on or before 27 June 2014 at 4:00 P.M. Tenders received after the due date and time including postal delay will be summarily rejected.

3 ELIGIBILITY FOR PARTICIPATION (MANDATORY CONDITIONS)

- a) Only Chartered Accountant firms (partnership firm/sole proprietorship firm) or Cost Accountant firms (sole proprietorship firm/ partnership firm) holding, as on date, a valid certificate of firm registration or independent Chartered Accountant or Cost Accountant having full time Certificate of Practice issued on or before 1 April 2013 from the Institute of Chartered Accountants of India or the Institute of Cost Accountants of India, as the case may be, will be eligible for participation for the empanelment.

- b) The firm should have minimum one ACA/FCA in case of Chartered Accountant firm or ACMA/FCMA in case of Cost Accountant firm.
- c) The firm should have minimum four semi-qualified audit assistants {CA (Inter) /CMA (Inter)/ CS (Inter) / a degree or post graduate degree with accountancy and auditing as major subject} or article clerks for audit in TASMAC.
- d) The firm should have minimum one year experience in auditing retail industry or verification of stock in any industry.
- e) The firm should offer to cover at least 120 shops within a district or within the adjoining district or within any district within the Region in which the firm is located or the branch office of the firm is located. Audit units details, district, depot, & regions are given in Appendix-1.
- f) The annual income of the audit firm should not be less than four lakh rupees.
- g) The composition of audit fee /stock verification fee in the annual income of the audit firm should not be less than two lakh rupees.
- h) The proprietor or partners of the firm or any CA or CMA employed/associated with the firm should have not been debarred or cautioned by Institute of Chartered Accountants of India / Institute of Cost Accountants of India / Central or State Public Sector Enterprise / Government (Central/State) during the last three years;
- i) A member of Institute of Chartered Accountants of India / Institute of Cost Accountants of India who is holding part-time Certificate of Practice from the institute is not eligible for the empanelment/appointment.
- j) In case of partnership firm, individual Chartered Accountant or Cost Accountant should not engage in practice otherwise or in any other activity which would be deemed to be in practice under the Chartered Accountants Act, 1949 or Cost and Works Accountants Act, 1959 as the case may be.
- k) The Chartered Accountants / Cost Accountants who were engaged by TASMAC for its internal audit/tax audit/statutory audit during the preceding three financial years 2011-12, 2012-13, & 2013-14 need not apply as per the directives of Government of Tamil Nadu. In other words, there should be a gap of three years between two audit assignments in TASMAC. Please refer Appendix – 7 regarding eligibility.
- l) The prospective eligible Chartered Accountants / Cost Accountants should not engage (in audit of TASMAC) any partner / qualified staff / semi-qualified audit assistant / article clerks who were previously engaged by any other Chartered Accountants / Cost Accountants for the tax/internal/statutory audit during the preceding three financial years – 2011-12, 2012-13, and 2013-14 in internal audit in TASMAC. Please refer Appendix – 7 regarding eligibility.
- m) Individual Chartered Accountant / Cost Accountant or firm of Chartered Accountants /Cost Accountants conducted internal / tax / cost / statutory audit during any of the preceding three financial years (2011-12 & 2012-13, & 2013-14) in any company supplying liquor to TASMAC need not apply.

- n) Individual Chartered Accountant / Cost Accountant or firm of Chartered Accountants /Cost Accountants who were appointed by TASMAC in the previous year and have not carried out the job and/or not carried out the jobs satisfactorily after acceptance shall not be considered for empanelment/appointment.
- o) Only those independent/firms of Chartered Accountants /Cost Accountants who have applied in response to our advertisement in the press and on the website of TASMAC or website of Government of Tamil Nadu as well as website on the website of Institute of Chartered Accountants of India and Institute of Cost Accountants of India within the due date and time are eligible for empanelment.

4 AMENDMENT TO THE TENDER CONDITIONS

- a) TASMAC reserve the right to amend any or all the conditions of the Tender including modification relating to due date and time for submission of bids without assigning any reasons whatsoever.
- b) The amendment to the Tender conditions will be notified in the TASMAC website (www.tasmac.tn.gov.in). It shall be the responsibility of the applicants to periodically browse TASMAC website till the closing date of this Tender for any amendment or corrigendum issued in connection with this Tender. TASMAC is not responsible for any misrepresentation of the provisions of this tender document on account of the failure of the applicants to update the tender documents based on changes announced through the website. Provided, no such changes would be effected within 72 hours prior to the time fixed for opening of the bid documents.

5 MODE OF DESPATCH

The tender should be addressed to the Managing Director, Tamil Nadu State Marketing Corporation Limited, IV Floor, CMDA Tower – II, Gandhi Irwin Bridge Road, Egmore, Chennai – 6000 008 by designation and should be **only in sealed covers** sent by registered post / speed post with acknowledgement due or handed over in person or dropped in the box kept for this purpose at Corporate Office, Chennai. **Tenders received in ordinary covers without seal will be rejected.**

6 GENERAL BID

- a) Tenders should be sent in single sealed cover containing sealed Cover 'A' and sealed 'B'.
- b) The Cover 'A' should contain the General terms and conditions of the tender along with duly filled in all appendixes and signed in all pages and other places specified for this purpose and all supporting documents. The tender applicant should indicate the details of units proposed to be covered by them for internal audit in the Appendix – 2.
- c) Cover 'B' should contain scanned soft copy of duly filed in tender terms and conditions and appendixes in PDF format in "Read Only CD".

- d) The scanned soft copy of each colour photograph of partners/proprietor/audit staff proposed for allocation for audit of TASMACH should be submitted in JPG file format with file size between 75 kb to 100 kb and with 300 x 300 pixels (width x height) with bit depth 24.

7 SUPERSCRPTION

The top Cover, Cover 'A', and Cover 'B' should be superscribed as "Empanelment of Internal Auditors".

8 EARNEST MONEY DEPOSIT/SECURITY DEPOSIT AND COST OF TENDER

Earnest Money Deposit and Security Deposit are not required for this tender and the cost of the tender document is nil.

9 DETAILS TO BE FURNISHED AND MODE OF PRESENTATION

- a) The offer / tender applications should contain all information and supporting documents as required Appendixes
- b) The application will be rejected if the information submitted in the tender is incomplete, found to be false, or misleading.
- c) Telegraphic, Telex, Fax, e-mail or open letter offers will not be accepted.

10 OPENING OF TENDER

- a) The bids received up to 4:00 P.M. on 27.06.2014, will be opened at 5:00 P.M. on 27.06.2014 by the Managing Director, TASMACH or an Officer authorized by him on his behalf at the Corporate Office of TASMACH, Chennai in the presence of such of those tenderers or their representatives who may be present at the time of opening.
- b) The representatives of the tendering firms who are attending the opening of the tenders should bring the letter of authority, in the format given in Appendix – 6, from the tendering firms which they represent to identify their *bona-fide*.

11 EVALUATION OF BIDS

- a) The Committee consisting of the Managing Director, Chief General Manager (Finance) & Company Secretary, General Manager (Wholesale & Administration), Chief Accounts Officer, and Senior Audit Officer of TASMACH will evaluate the applications of the firms. The firms which do not satisfy the mandatory conditions as per clause 3 will be summarily rejected.
- b) The offer with complete information with supporting documents as per Appendix – 5 will only be evaluated.
- c) Marks will be awarded by following criteria given below while evaluating the application (tender).

Sl No	Norms	Basis of Marks	Maximum score	Minimum score required
1.	Year of establishment of the firm / sole proprietorship	2 marks for each year	10	2
2.	Number of partner(s)/qualified assistant(s)	<ul style="list-style-type: none"> • 2 marks for each partner having ACA/ ACMA or qualified assistant having CA/CMA • 4 marks for each partner having FCA/ FCMA 	8	2
3.	Number of semi-qualified assistants {CA(Inter)/CMA(Inter)/ CS (Inter) / a degree or post graduate degree with accountancy and auditing as major subject} for 120 retail shops per month or depot or district manager office or senior regional manager office or corporate office	1 marks for each semi-qualified assistant or article clerk	10	4
4.	Experience in statutory/internal auditing Public Sector Enterprises (other than beverage companies)	1 marks for each year	10	-
5.	Number of year of experience in auditing retail industry	2 marks for each year	10	2
6.	Number of year of experience in auditing beverage (liquor) industry	3 marks for each year	15	-
7.	Whether the firm (including its branch) is located within the District or adjoining Districts for which expression of interest / tender for empanelment is given by the firm	<ul style="list-style-type: none"> • 20 marks for within the district • 10 marks for within the adjoining district/region 	20	10
8.	Annual turnover of Individual Chartered Accountant / Cost Accountant or firm of CAs/CMAAs	One mark for each lakh rupees	9	4
9.	Composition of audit fee in the annual turnover of the Individual Chartered Accountant / Cost Accountant or firm of CAs/CMAAs	One mark for each lakh rupees	8	2

- d) The tender submitted by tenderer who has not scored minimum marks against any of the norm will be rejected. In other words, tenders who have scored minimum marks against all the norms will only be empanelled.
- e) Tenderer(s) who have scored maximum marks for a location will be considered for appointment as Internal Auditor(s). In case where more than one tenderer scored same marks, the appointment will be based on the location of audit firm.
- f) For selection of firms for empanelment on the basis of above evaluation criteria, Management's discretion is final and the Management reserves the right to reject any prospective applicant without assigning any reason whatsoever.
- g) TASMAC reserve right to appoint any firm within the empanelment for appointment as internal auditors and mere empanelment shall not give right for appointment for internal auditing in TASMAC.

12 AGREEMENT

- a) The empanelled auditors should execute an agreement for the fulfillment of the internal audit service contract in ₹ 100 non judicial stamp paper in the model form enclosed in Appendix – 3 with in fifteen days from the date of acceptance of the audit assignment.
- b) The expenses incidental to the execution of agreement shall be borne by the successful tenderer.
- c) The conditions stipulated in the agreement form and tender document should be strictly adhered to and violation of any of the conditions will entail termination of the contract without prejudice to the right of TASMAC including right to recover any consequential losses from the successful tenderer
- d) The Appointment Order / Engagement Order will be released after execution of the above contract by the Managing Director, TASMAC or by any officers duly delegated for this purpose.
- e) The actual number of audit units would vary and will be communicated by the Managing Director, TASMAC

13 COMPOSITION OF AUDIT TEAM AND CONDUCT OF AUDIT

- a) The audit team should consist of minimum of four semi-qualified assistants/article clerks for auditing maximum of 120 retail vending shops within 15 days per month (@ one audit staff for two shops per day for 15 days in a month).
- b) A partner/sole proprietor of the audit firm must directly conduct audit of 10 per cent of retail vending shops allotted.
- c) The audit firm should consists of qualified, semi-qualified assistants {CA (Inter) / CMA (Inter) / CS (Inter) / a degree or post graduate degree with accountancy and auditing as major subjects} and/or article clerks.

- d) The allotment/entrustment of audit of retail vending shops to any single audit firm shall normally be in the range between 70 shops and 120 shops per month in a particular district. However, TASMAC shall reserve the right to entrust less or more number of shops for any firm taking into consideration of number of eligible audit staff of that firm and other necessities and circumstances.
- e) **The number of retail vending shops taken up for audit for each audit staff (qualified/semi-qualified/article clerk) in a day must not exceed two.**
- f) The monthly audit of each District Manager's Office should be undertaken for the minimum period of five working days by two audit staff.
- g) **The monthly audit of office of the District Manager shall be entrusted on rotation basis to any of internal audit firms who are auditing retail vending shops of the concerned district for which no separate payment of audit fee shall be paid.**
- h) The monthly audit of each Senior Regional Manager's office should be undertaken for the minimum period of four working days by two audit staff.
- i) **The monthly audit of each Depot should be undertaken by a team of two audit staff for minimum four working days.**
- j) **The monthly audit of Corporate Office should be undertaken by a team of four audit assistants for a minimum ten working days.**
- k) The monthly audit of Corporate Office, Chennai should be undertaken for a minimum of 10 working days for each month.
- l) The Audit Team Members should carry Photo Identity Card issued by the Audit Firm as well as by Corporate Office, TASMAC, Chennai. On cessation of audit assignment either due to expiry of tenure or due to termination of audit, the Photo Identity Card should be surrendered to the Corporate Office and the same should not be used in any form/purpose.
- m) Normally the audit staff identified and allocated by the audit firm and approved by the Corporate Office, TASMAC, Chennai for internal audit of TASMAC should not be changed. However, under certain circumstances beyond control of the Audit Firm and/or TASMAC, if the audit staffs need to be changed in any manner, it may be done with the written approval of the Managing Director of TASMAC subject to verification of credentials of the new incumbent.
- n) **The audit staff identified and allocated by the audit firm and approved by the Corporate Office, TASMAC, Chennai for internal audit of TASMAC should have not been employed or engaged by the firms who have disqualified in any manner as stipulated in the tender. TASMAC shall reserve the right to file a criminal case (cheating, falsification, etc.) under Indian Penal Code or other applicable Act in Court of Law, notwithstanding Arbitration clause stipulated in this Tender, if this condition is violated, knowingly or unknowingly, by the audit firm/audit staff and TASMAC**

reserve the right to claim damages equivalent to 10 times of audit fee paid or payable to the firm during the contract duration.

- o) The Internal Auditor should render and deliver internal audit services for the units of TASMAC in conformity with the Standards of Internal Audit issued by the Institute of Chartered Accountants of India in so far those Standards are not in contrary with the Act, Rules, Regulations, Orders applicable to TASMAC as well as rules, regulations, orders, guidelines, manual, instructions, etc. issued by TASMAC from time to time, and in consultation with the concerned officials of D.M offices / SRM offices / Depots / Corporate Office
- p) TASMAC shall give instructions or directions to the audit firm or staff normally in writing. However, whenever TASMAC give oral instructions/directions to firm/staff, the concerned audit firm/staff may act upon such oral instructions/directions subject to a condition that the concerned the authorized representative of the audit must send an email (digitally signed) to the Corporate Office within 24 hours regarding the oral instructions/directions and action taken by the Internal Auditors thereon.
- q) The internal auditors should not sub-contract the audit work to any firm or other person(s) even whether such persons are qualified chartered accountants / cost accountants or not.
- r) If the progress and/or performance of the Internal Auditors are not satisfactory, TASMAC reserves the right to terminate the empanelment and/or appointment of the internal auditors with prior notice of one week in writing.
- q) The appointment of the Internal Auditors, from the list of empaneled internal auditors, will be for the period starting from the date of appointment or as specified later to 31 March 2015 at the first instance and extendable by two financial years – 2015-16 and 2016-17 at the discretion of TASMAC.
- r) The illustrative audit areas and checks for conducting internal audit engagement are given Appendix – 4 which are not exhaustive. The internal auditors should conduct the audit thoroughly and comment on all the major and minor irregularities observed with proper recommendations as per the rules and regulations for timely corrective action by TASMAC
- s) The Audit Firm will be debarred from getting in future the internal audit in TASMAC in the following cases –
 - i) If the firm obtains appointment on the basis of false information / false statement.
 - ii) If the firm does not take up audit in terms of appointment letter.
 - iii) If the firm does not submit audit report, complete in all respect in terms of appointment.
- t) In case of non-compliance to any of the terms and conditions of the tender / agreement entered into or deficiency in performance or violation of code of conduct prescribed by the Institute of Chartered Accountants of India or Institute of Cost Accountant of India, the issue will be referred to the concerned institute

for necessary action in addition to other appropriate action deemed fit by TASMAC.

14 AUDIT REPORT

- a) The Internal Audit Report and Interim Internal Audit Report should be submitted in hard form (paper form) in person/post as well as soft form (electronic records) by email as detailed below. The details of email IDs will be intimation upon appointment.

Audit unit	Hard Copy (paper form) of audit reports and annexures	E-mail (MS word and MS excel)	E-mail (digitally signed each and every page of audit report and annexures pdf files)
Retail Vending Shops	Concerned District Manager	a) Concerned District Manager b) Concerned Senior Regional Manager c) Corporate Office	a) Concerned District Manager b) Concerned Senior Regional Manager c) Corporate Office
Office of the District Manager	Concerned District Manager	a) Concerned District Manager b) Concerned Senior Regional Manager c) Corporate Office	a) Concerned District Manager b) Concerned Senior Regional Manager c) Corporate Office
Depot and Office of the Depot Manager	Concerned District Manager	a) Concerned District Manager b) Concerned Senior Regional Manager c) Corporate Office	a) Concerned District Manager b) Concerned Senior Regional Manager c) Corporate Office
Office of the Senior Regional Manager	Concerned Senior Regional Manager	a) Concerned Senior Regional Manager b) Corporate Office	a) Concerned Senior Regional Manager b) Corporate Office
Corporate Office	Managing Director	Corporate Office	Corporate Office

- b) The audit firm shall conduct the internal audit of Retail Vending Shops / Depots / DM office / SRM office / Corporate Office of TASMAC, and submit the audit report on monthly basis on or before 20th of following month in which audit was undertaken. For example, the internal audit report should be submitted on or before 20 August 2014 for audit relating to activities pertaining to the month of July 2014 but conducted in August 2014.
- c) The partner/sole proprietor of the audit firm must discuss each and every aspect concerning the internal audit function and the internal audit reports with the unit head before submitting the audit report to TASMAC. Both partner/sole proprietor of the audit firm and unit head must sign in each and every page of internal audit report with seal and with the word “seen and discussed”.
- d) The Internal Audit Report must be in the prescribed format and contain such annexure as prescribed from time to time.

- e) All Internal Audit Report must contain compliance report on the unsettled audit observations in the previous internal audit reports.
- f) Special Audit Report or Interim Internal Audit Report may be submitted within 24 hours upon detection of major irregularity in the course of audit.

15 PAYMENT OF AUDIT FEE

- a) ₹ 400 per month per retail vending shop plus applicable taxes shall be paid
- b) ₹ 60,000 per month plus applicable taxes for auditing all depots, offices of the Senior Regional Managers, and the Corporate Office all put together
- c) TA/DA will not be paid for reporting to area for commencement of the audit and back
- d) Boarding, lodging and local transportation will not be provided by TASMAC
- e) The audit fee is subject to revision at the discretion of TASMAC
- f) 100 *per cent* payment of internal audit fee, subject to clause 16, shall be made by the Corporate Office through online “Electronic Clearance System” and only after receiving a certificate from the concerned audit unit that the internal auditor has carried out the audit in accordance with the terms and conditions and instruction issued from time to time by TASMAC
- g) No separate audit fee shall be paid for audit of office of the District Manager.
- h) Expenditure, if any, relating to preparation and submission of internal audit reports (hard form/soft form) shall be borne by the internal auditors and TASMAC will not reimburse the same under any circumstances.
- i) The successful applicants have to furnish required documents and information as decided by the Management for payment through ECS

16 PENALTY FOR NON-FULFILLMENT OF TENDER / CONTRACT

- a) For delay in submission of audit reports (hard form as well as soft form) against the stipulated date, subject to force majeure conditions, penalty equivalent to two *per cent* per day subject to 20 *per cent* of total audit fee for the month will be levied.
- b) In respect of internal audit services done inadequately or non-fulfillment of internal audit services or non-observance of any of the conditions of the tender and/or contract, other than delay in submission of audit report, the internal auditor shall pay a penalty an amount equal to the actual loss incurred by TASMAC or forfeiture of internal audit fee whichever is higher.

17 ACCEPTANCE AND WITHDRAWAL

- a) The final acceptance of the tender is entirely vested with the Managing Director, TASMAC who reserve the right to accept or reject any or all the tenders without assigning any reason whatsoever. There is no obligation on the part of TASMAC to communicate with the rejected tenderers. After acceptance of the tender by TASMAC, the tenderer shall have no right to withdraw his tender or claim higher fee/amount for the service of internal audit.
- b) The offers that are not supported with relevant documents and any form of misrepresentation made in respect of submitted documents will not be considered for appointment as Internal Auditor and no other correspondence in this respect will be entertained.
- c) Tenders with incomplete information will be summarily rejected.
- d) The internal audit fee as per clause 15 is accepted with or without negotiation shall be final and binding
- e) The particulars given should be complete and correct and if any of the statements made or the information so furnished in the Tender is later found not correct or false or there has been suppression of material information, the firm would not only stand disqualified from allotment but would be liable for disciplinary action under the Chartered Accountants Act, 1949 and the regulations framed thereunder or under the Cost and Works Accountants Act, 1959 and the regulations framed thereunder as the case may be.
- f) The Managing Director reserves the right:
 - i) to reject all or any of the tenderers without assigning any reason
 - ii) to split up the tender, and
 - iii) to negotiate with the tenderers before entering into agreement.

16 DISPUTES, ARBITRATION AND JURISDICTION OF COURTS

- a) All disputes and claims, save as provided otherwise in clause 13 (k) of this Tender, that may arise between TASMAC and the tenderers arising out of or in any way concerning any point, matter or clause of this contract shall be referred to Arbitration only and not to any court of Law and the Arbitration for all purpose regarding this application will be with the person mutually agreed by TASMAC and the tenderer and the Arbitration proceedings shall be only at the city of Chennai. The award of such Arbitrator shall be final and binding on the parties.
- b) The Courts of Chennai City alone will have exclusive jurisdiction relating to all disputes or follow up action arising out of or relating to the Arbitration proceedings or other legal proceedings
- c) The person mutually agreed by TASMAC and the tenderer shall act as the arbitrator

- d) The Tenderers while sending their Tenders should enclose a copy of the tender document signed in all pages in token of accepting the above Tender conditions and other information stated in the tender that they have understood and accepted them fully

Tenders received without signed tender documents including appendixes shall be rejected summarily. The tenderer must sign and affix his seal (Round Seal) in every page of the tender document.

I / We the sole proprietor / following partners of M/s. _____, Chartered Accountants / Cost and Management Accountants do hereby jointly and severally verify and declare that I / We have gone through the terms and conditions and will abide by them as laid down above

Place

Signature of the Applicant
With Seal

Name:
Membership No.
FRN/COP No

Date

Note: The above tender document duly signed along with appendixes duly signed should be put in a sealed cover and marked as "COVER-A".