

Hemisphere Properties India Limited

CIN: U70101DL2005GOI132162

Regd. Office Address: Room No. 144, C-Wing

Nirman Bhawan, Maulana Azad Road

New Delhi-110001

Date : February 16, 2021

Tendor No. L&DO/L-II/11/1154/IA/02

ENGAGEMENT OF INTERNAL AUDITOR

Hemisphere Properties India Limited (HPIL) was set up on 17th January, 2005 as “Company” under the provisions of Companies Act, 1956. It is a Listed Public Sector Undertaking, under administration of Ministry of Housing & Urban Affairs. The equity share paid up capital of the company is Rs.285 crores. To know more about the company, please visit our website: www.hpil.co.in.

A. SCOPE OF WORK

The illustrative (but not exhaustive) Scope of Work under Internal Audit is given in **Annexure-I** for understanding and ready reference.

B. Eligibility criteria for submission of Technical Bid

Mandatory Eligibility Conditions for participation in Tender are as below.
Bidder must satisfy all these condition, before participation in the tender.

- 1. The firm must have strength of minimum two active partners in full time practice who are qualified Chartered Accountants and members of ICAI and*
- 2. The Lead Partner/Proprietor/Individual, under whose supervision the Internal Audit of Hemisphere Properties India Limited (HPIL) will be carried out, should have continuous (without any break) experience of 5 years or more in full time practice. The cut-off date for ascertaining experience will be 01.04.2020 and;*
- 3. The firm should have experience of internal/statutory audit of company having turnover of Rs 5 Crore or more in any two of last five financial years.*
- 4. Firm should have minimum average turnover of Rs. 15 Lacs in last three Financial years.*
- 5. The firm should have offices in any of the following cities: Delhi/NCR.*

Note:

1. Consortium or Joint Ventures are not allowed.
2. Internal Auditor will not be allowed to do any consultancy work of HPIL other than the internal audit, during the audit period and for next 2 years after the audit.
3. The work of internal audit will not be awarded to a firm which had in preceding two Financial Years provided any consultancy work other than internal audit to HPIL
4. The Firm (Bidder) qualifying the above eligibility criteria shall be considered for Financial Bid.

C. Last date for submission of Technical Bid & Financial Bid:

Technical Bid and Financial Bid formats are enclosed as **Annexure-II** and **Annexure-III** respectively. The Technical Bid and Financial Bid duly signed/initialed/DSC signed on each page, should be submitted along with supporting documents for eligibility wherever required and Covering Letter as per Form-A in separate sealed envelopes superscribed as “Technical Bid” and “Financial Bid” for “Offer for conducting Internal Audit for the Financial Year 2020-21 and 2021-2022” and should reach on or before 26th February, 2021 by 3.00 P.M. at the following address:

Physical
Sh Diwakar Kumar Barnwal, Director, Hemisphere Properties India Limited Room No: 624, Nirman Bhawan, Maulana Azad Road, Delhi: 110001

D. Opening of Technical bid: Technical Bids will be opened on 01st March, 2021 at 3.00 P.M. in the presence of applicants, who desire to be present there. The Technical Bids received after the specified date/time, incomplete/unsigned, in open envelope or by fax will not be considered and shall be rejected.

E. Opening of Financial Bid: After evaluation of technical bids on pre-determined criteria, Financial Bids of top 10 rank holders in the list of technically qualified bidders only, will be opened on 01st March, 2021 in the presence of bidders, if they desire so. The Bidder who will quote the lowest fee (not less than Re.1/-) would be considered for award of the mandate for conducting Internal Audit.

F. Conflict of interest

- a. The selected Firm should provide professional, objective and impartial service and hold HPIL’s interest paramount.
- b. The selected Firm shall not deploy former employees who have served HPIL in last six months.
- c. The selected Firm shall not downstream or outsource any part of the scope of work.
- d. Non-disclosure of such an association will lead to termination of Agency.

Terms & Conditions

- (i) **Validity of Appointment:** The appointment will be for conducting Internal Audit for the financial year 2020-21 and 2021-22.
- (ii) The Management of Hemisphere Properties India Limited (HPIL) reserves the right to reject all or any bids without assigning any reason(s), whatsoever.
- (iii) **Place of Audit:** The audit work has to be conducted at the registered office of the Corporation at Room No. 144, C-Wing, Nirman Bhawan Maulana Azad Road New Delhi-110001.

- (iv) **Payment Terms:**
- a. Payments will be released against pre-receipted bills in the name of Hemisphere Properties India Limited accompanied with necessary documents of reports as per Part-3 Annx-1.
 - b. GST, as applicable, will be paid extra on actual basis
 - c. All payments will be made subject to TDS (Tax deduction at Source) as per the Income- Tax Act, 1961 and other taxes if any as per Government of India rules.
 - d. No advance payment shall be made for conduct of Internal Audit.
- (v) HPIL has full right on the entire document related to assignment carried out for HPIL. The same may be asked by HPIL at any time from the bidder and it will be the duty of bidder to return all such document to HPIL.
- (vi) The bidder will not outsource the work to any other associate/franchisee/third party under any circumstances. If it so happens then HPIL will impose sanctions which will include termination of the contract for default.
- (vii) HPIL may by written notice sent to the bidder; terminate the work order and/or the Contract, in whole or in part at any time of its convenience. The notice of termination will specify that termination is for HPIL's convenience, the extent to which performance of work under the work order and /or the contract is terminated, and the date upon which such termination becomes effective. HPIL reserves the right to cancel the remaining part and pay to an agreed amount for partially completed Services.
- (viii) The staff deployed by the bidder will maintain office decorum. They will be courteous, polite and cooperative and able to resolve the users' problems
- (ix) **Dispute:** In case of any dispute arising during execution of contract, an amicable solution may be arrived at with discussion and reconciliation. However, in case of any dispute remaining unresolved, decision of CMD (Chairperson and Managing Director), Hemisphere Properties India Limited (HPIL) will be final and binding on both the parties to the contract.
- (x) **Termination for Insolvency, Dissolution etc**
HPIL may at any time terminate the appointment by giving written notice to the Bidder without any compensation if the bidder becomes bankrupt or otherwise insolvent or in case of dissolution of firm or winding up of company/firm, provided that such termination will not prejudice or effect any right of action or remedy which has accrued thereafter to HPIL.
- (xi) **No Claim Certificate**
The bidder will not be entitled to make any claim, whatsoever, against HPIL under or by virtue of or arising out of this contract nor will HPIL entertain or consider any such claim for the jobs accepted after completion of Audit.

- (xii) **Suspension**
HPIL may by a written notice of suspension, suspend all payments to the bidder under the contract, if the bidder fails to perform any of its obligations under this contract provided that such notice of suspension:
- a. will specify the nature of the failure and
 - b. will request the bidder to remedy such failure within a specified period from the date of issue of such notice of suspension.
- (xiii) **Confidentiality**
The Bidder and their personnel will not, either during the term or after expiration of this contract, disclose any proprietary or confidential information relating to the services, contract or business or operations of HPIL or its clients without the prior written consent of HPIL.
- (xiv) **Security**
- a. The agency or its deployed personnel, by virtue of working on HPIL, can't claim any rights on the work performed by them. HPIL will have absolute rights on the work assigned and performed by them. Neither any claims of the agency or its deployed professionals will be entertained on the deliverables.
 - b. The agency will ensure that no information shall be leaked out about the software, hardware, including Electronic form or otherwise, by the manpower posted by them.
- (xv) **Review of Progress of allotted work**
HPIL will monitor the progress of work very closely and will have the right to terminate the contract, in case of non-satisfaction or non-performance or for non-completion of work within the stipulated time. Supervise the progress of work until its full completion. Bidder will ensure that the assigned job is completed as per the schedules given in the work order.
- (xvi) **Penalty for delays**
This assignment will have a definite date of completion. For any time slippages, the bidders can induct more resources at their cost to meet the time schedules. Delays on account of the bidder will attract a penalty of 0.5% (point five percent) per day of the total value of work subject to maximum of 10% of the value of work for delay beyond 30 days. HPIL will be free to get the job done from an alternate source at the risk and cost of the defaulting bidder.

Annexure-I

SCOPE OF WORK – INTERNAL AUDIT

Part-1

Internal Auditors should ensure to check : -

- i. Verifications of vouchers: Auditors will also report all the items, where the vendor has not charged GST, but company can avail GST credit after demanding documents from vendors. This report is required to be submitted party wise as well as item wise (expenditure head wise). All revenue expenditure and capital expenditure bills shall be verified 100%.
- ii. Compliance of statutory requirements, Company rules and procedures: All non-compliance cases will be reported in a separate annexure.
- iii. Adequate mechanism for true & fair view of state of affairs of the Office of Company.
- iv. Correct invoicing for receivables and realization thereof as per provisions of the contract.
- v. That Payables are as per agreement and no undue benefit is passed on to the supplier/ contractor.
- vi. Review of accounting systems and internal control systems so that no revenue leakage takes place.
- vii. Identification of the reasons for 'delay' in capitalization of CWIP.
- viii. Project Execution-Physical and financial progress of work vis-a-vis targets. Actual costs vis-a-vis sanctioned estimates. Expenditure incurred has been authorized by the authority competent to do so. Approval exists for variation in the rates for items in the schedule attached to the contract. Extension of completion date of the contracts for works has been obtained where necessary. Approval exists for introduction of new rates. Approval has been obtained for variation in quantities in excess of limits specified in the contract.
- ix. Taxation/Labour law- Compliance with all tax laws applicable such as Income Tax, Custom Duties, GST, PF, Gratuity, labor and a report on regularities in filing returns and allied matters. Whether TDS Certificates are being obtained on time from customers for the taxes deducted by them.
- x. Fixed Assets- Physical verification have been carried out, all capital expenditures are capitalized. There is no delay in capitalization of CWIP. Details of all the assets lying in the assets clearing account needs to be reported.
- xi. IND-AS- Compliance of Ind-AS and its disclosure requirements.

xii. Auditors will confirm balances and send confirmation letter to all debtors and creditors of the company.

Part-2

S.No.	Particulars	Extent of checking
A	Vouching	
	<ul style="list-style-type: none"> • Payment/ Bank Receipt & Deposit/ Journal Vouchers 	100%
	<ul style="list-style-type: none"> • Correctness of postings in basic books, general ledgers, and subsidiary Ledgers 	100%
	<ul style="list-style-type: none"> • FDR details/Interest on FDRs 	100%
	<ul style="list-style-type: none"> • Payment/Bank Receipt & deposits/Journal vouchers 	100%
	<ul style="list-style-type: none"> • Deduction of tax under various heads and deposit with government. 	100%
	<ul style="list-style-type: none"> • Deduction of P.F. and other statutory dues and payment of contributions. 	100%
	<ul style="list-style-type: none"> • Detailed Scrutiny of all sub-ledgers and general ledgers 	100%
	<ul style="list-style-type: none"> • Bank Reconciliation Statement 	100%
	<ul style="list-style-type: none"> • Misc Other Vouchers 	100%
	<ul style="list-style-type: none"> • Verification of Voucher of Capital Expenditure 	100%
	<ul style="list-style-type: none"> • Verification of Voucher of Revenue Expenditure 	100%
B	Payment and Recording of Expenses	
	<ul style="list-style-type: none"> • Purchase bills from contractors and suppliers 	100%
	<ul style="list-style-type: none"> • Misc. supplies and fixed assets and other expenses etc 	100%
C	Recording of Income	
	<ul style="list-style-type: none"> • Invoices for all the services offered and other income. 	100%
	<ul style="list-style-type: none"> • Debit/Credit Notes issued against the invoices 	100%
D	Checking of deduction and collection of Taxes Income tax, Custom duty, GST, TDS, Professional Tax, and quarterly issue of TDS certificates and correctness of all the taxation returns	100%
E	Verification of all statutory registers required to be maintained under Companies Act	100%
F	Verification of Assets Register and Depreciation on fixed Asset	100%
G	Receipt and utilization of Subsidy/grants/funding and their accounting	100%
H	Verification that all liabilities and provisions have been created in the books of accounts.	100%
I	Compliance of SOP	100%. All the payment needs to be verified in reference to

		SOP issued by the Company. Whether correct provisions of SOP have been applied for
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Part-3

Reports- Quarterly report in PDF format and hard signed copies needs to be submitted as below, within 15 days from end of the quarter.

- i. Report on input credit
 - (a) Input Credit charged by vendor on the invoices, but credit for the same has not been availed by HPIL.
 - (b) GST which is not charged by the vendor on the invoice submitted to HPIL (since contract is all inclusive), but document for the same can be asked from vendor for availing credit.
- ii. Report on compliance of previous Audit Reports
- iii. Report on compliance of all Statutory Auditors Qualifications and suggestions for removal of same, Half Margins issued by C&AG of India in the Audit report of previous year.
- iv. Report on compliance of all the Statutory requirement of the company viz
 - a. All Tax deducted/deposited correctly as per the relevant provisions of Tax Laws.
 - b. All Taxation return has been filed correctly- details of all such return with their due date and filing date in chronological order.
- v. Detailed Report of discrepancies as mentioned in the “extent of checking”
- vi. A total list of works/Tender finalized/awarded during the half year- whether all the conditions of LOA are being followed or not.
- vii. Report on compliance of Ind-AS, Interpretations, relevant guidance notes, and Auditing Standards issued by ICAI.
- viii. Irregularities of serious nature transactions noticed during audit through a special report.
- ix. Suggestion for system improvement and further strengthening of internal control procedure.
- x. Explanation of items reported in internal audit before the Audit Committee.
- xi. Suggestion for system improvement
- xii. Wherever deficiency is noticed, Internal Auditor shall ensure corrective actions for removal of deficiencies.
- xiii. Any other report as desired by the management

Annexure-II

PROFORMA FOR TECHNICAL BID

(For conducting Internal Audit of Hemisphere Properties India Limited.)

To
The Company Secretary ,
Hemisphere Properties India Limited
Room No: 624, Nirman Bhawan,
Maulana Azad Road, Delhi: 110001

Sl.No.	Particulars	Details
1.	Name of the Firm of Chartered Accountant: <ul style="list-style-type: none">• Whether Partnership/Proprietorship/ Individual• Name of the Lead Partner/Proprietorship/ Individual/Incharge• Name(s) of the Contact person(s) and the Contact details	
2.	<ul style="list-style-type: none">• Date of Commencement of Practice• Date of approval of name of the Firm from ICAI• Certificate of Practice(COP)• Registration Number <p>(Please Attach Documentary evidence)</p>	
3.	Details of Office(s) Address: Telephone No.s Fax No. E-mail Website,if any	
4.	Post Qualification Experience in full time practice of Lead Partner/Proprietor/ Individual under whose supervision the Internal Audit of Hemisphere Properties India Limited will be conducted. (Please Attach Documentary evidence i.e. COP etc)	

5.	PAN No. GST Regn.No. (Please Attach Documentary evidence)			
6.	Number of Internal/Statutory Audits conducted as per eligibility criteria. (Please Attach Documentary evidence)	S.No.	Name of the Company	Financial Year for which Internal/Statutory Audit Conducted
7.	Number of active Partners in the Firm or Number of employees, who are qualified Chartered Accountant and members of ICAI: (Please attach details including name, membership no., experience etc. of active partner/employee)			
8.	Average Annual Turnover of the Firm in preceding three financial years based on ITR/Balance Sheet (Please Attach Documentary evidence).			
9.	Any other relevant information (Please Attach separate sheet, if required).			

Declaration:

1. All the information provided by me/us herein above is correct.
2. I/We have no objection if enquiries are made about the work listed by me/us in the accompanying sheets/annexure.
3. I/We have read all the terms & conditions of bid and the instructions and these are acceptable to me/us.

Signature_____

Name & Designation of the Authorized Signatory_____

Stamp of the Firm_____

Date:-----

Place:-----

Annexure-III

PROFORMA FOR FINANCIAL BID

(For conducting Internal Audit of Hemisphere Properties India Limited.

To
The Company Secretary ,
Hemisphere Properties India Limited
Room No: 624, Nirman Bhawan,
Maulana Azad Road, Delhi: 110001

S.No.	Description	Annual fee (Rs.)
A.	Fixed Amount (inclusive of all charges, out of pocket expenses etc.)	
	Total Amount Payable	
	Amount in Words	

Note: 1. The above quoted amount is exclusive of all taxes and duties and remains firm during the period of the contract.

Signature-----

Name & Designation of the Authorized Signatory-----

Stamp of the Firm-----

Date-----

Place-----

Form – A
(On letter head of Firm of Chartered Accountant)

Date : _____

To
The Company Secretary ,
Hemisphere Properties India Limited
Room No: 624, Nirman Bhawan,
Maulana Azad Road, Delhi: 110001

Dear Sir,

We, the undersigned, offer to provide the Internal Audit services for Financial Year 2020-21 and 2021-22 in accordance with your tender enquiry dated 15.02.2021, and hereby submit our Proposal, which includes:

- a) Technical Proposal (**Annexure- II**) enclosed under a separate sealed envelope.
- b) Financial Proposal (**Annexure - III**) enclosed under a separate sealed envelope.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification. I/We have no objection if enquiries are made about the work listed by me/us in the accompanying sheets/ annexure.

We hereby confirm:

- (a) that I am/any partner of the firm or the Firm is not related to any of the Directors or KMPs of the Company within the meaning of Companies Act, 2013 and Rules made thereunder.
- (b) that neither the firm/proprietorship nor its Partners or Associates have interest in the business of the Company.
- (c) that the appointment / re-appointment will be within the applicable maximum limit as per the provisions of the Companies Act, 2013.
- (d) that no partners/ employee of the firm has been held guilty of professional misconduct by ICAI.

The prices quoted by us in the Financial Proposal (**Annexure - III**) are valid till six months from the date of submission of the quotation. We confirm that this proposal will remain binding upon us and may be accepted by you at any time before the expiry date.

Prices have been arrived independently without consultation, communication, agreement or understanding (for the purpose of restricting competition) with any competitor.

I/ We agree to bear all costs incurred by us in connection with the preparation and submission of the proposal and to bear any further pre-contract costs.

I/We agree to provide all additional information/clarification/documents as may be required by the Company in connection with the processing of proposal.

I/We understand that Hemisphere Properties India Limited not bound to accept the lowest or any proposal or to give any reason for award, or for the rejection of any proposal.

I confirm that I have authority of [Insert Name of the Agency/Firm] to submit the proposal and to negotiate on its behalf.

I/We have read all the terms & conditions of bid and the instructions and these are acceptable to me/us.

Signature

Name & Designation of Authorised Signatory.....

Stamp of Firm.....

Date:-----

Place:-----