



**Notice Inviting Tender (NIT)**

**From**

**CHARTERED ACCOUNTANT**

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**DIRECTORATE OF AUDIT & MARKETING  
KHADI AND VILLAGE INDUSTRIES COMMISSION  
3, IRLA ROAD, VILE PARLE (WEST), MUMBAI-400056**

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**1) BID-DATA SHEET**

<b>Tender Number:</b> <b>Date:</b>	KVIC/ AUDIT & MARKETING /2017-18/001 20.12.2017	
<b>Issue of Tender Forms</b>	Tender Documents / Forms can be Downloaded from the website <a href="http://www.kvic.org.in">www.kvic.org.in</a>	
<b>Cost of Tender Documents</b>	<b>Rs.500/-</b> (Rupees Five Hundred only) by way of A/c Payee Demand draft in the name of Chief Executive Officer, KVIC payable at Mumbai	
<b>Earnest Money Deposit ( EMD)</b>	Earnest Money of <b>Rs.5000/- (Rupees Five Thousand only)</b> to be deposited along with the Tender Documents in the form of A/c Payee Demand Draft favouring Chief Executive Officer, KVIC payable at Mumbai issued by any Nationalized & Scheduled Bank. Earnest money is refundable.	
<b>Last Date of Submission of Tender</b>	<b>08-01-2018</b> upto 15.00 hrs.	
<b>Opening of Tender</b>	<b>08.01.2018</b> at 16.00 hrs.	
<b>Contact Person And Contact Address</b>	Director (Audit) Khadi & Village Industries Commission 3, Irla Road, Vile Parle (West) Mumbai-400 056	Director (Marketing), Khadi & Village Industries Commission 3, Irla Road, Vile Parle (West) Mumbai-400 056
<b>Contact Phone Number (s) E-mail Address</b>	022-26280891, 022-26718286 Mob. No. 07303424820 <a href="mailto:audit.kvic@gov.in">audit.kvic@gov.in</a> <a href="mailto:finance.kvic@gov.in">finance.kvic@gov.in</a>	022-26716680, 022-26241738 Mob. No. 09491198505 <a href="mailto:mkting.kvic@gov.in">mkting.kvic@gov.in</a>
<b>Website</b>	<a href="http://www.kvic.org.in">http://www.kvic.org.in</a>	

## 2) TERMS OF REFERENCE

### BACKGROUND

Khadi and Village Industries Commission (KVIC) is a statutory body created by an Act of Parliament (No.61 of 1956 and as amended by Act. No.12 of 1987 and Act. No. 10 of 2006). Established in April 1957, it took over the work of the former All India Khadi and Village Industries Board. It functions under the administrative control of the Ministry of Micro, Small and Medium Enterprises (MSME), Govt. of India.

### OBJECTIVES

The board objectives of KVIC:

1. The social objective of providing employment;
2. The economic objective of producing saleable articles, and
3. The wider objective of creating self-reliance amongst the people and building up of a strong rural community spirit.

### KVIC-NETWORK

KVIC functions with its Central Office in Mumbai, 45 State/Divisional/Sub Offices all over the Country, 6 Zonal Offices at New Delhi (North Zone), Bhopal (Central Zone), Kolkata (East Zone), Guwahati (North East Zone), Bengaluru (South Zone) and Mumbai (West Zone), 16 Departmental Training Centers, 7 Departmental Sales Outlets and 6 Central Sliver Plants. KVIC proposes to engage a qualified Chartered Accountant Firm for assisting in the preparation of its Annual Accounts.

### SCOPE OF WORK

The nature of work of the Chartered Accountant Firm shall be as follows:-

1. Supervision in the smooth migration of data from manual system of accounting to SAP system and preparation of Annual Accounts of the KVIC as per prescribed format applicable for Central Government Autonomous Bodies.
2. Preparation of Annual Accounts of Khadi Gramodyog Bhavan, Mumbai and Khadi Gramodyog Bhavan, Goa.
3. Verification of books of accounts and ancillary records of KVIC and submission of report on quarterly basis.
4. Report risk management issue and internal control deficiencies identified and provide recommendation for improving KVIC's activities.
5. Compliances of all statutory obligations such as Income Tax, GST, P.Tax, STDS, NPS etc.
6. Verify the provisions of accrued expenditure and income as at the end of the year.
7. Verification of bank reconciliation statements.
8. Identify the sources of generation of internal resources and to suggest measures for augmentation thereof.
9. Review management of fixed assets, fixed assets register, physical verification of the fixed assets and its valuation.
10. Suggestion for improvement of the existing system of accounting/internal control and management information system.
11. Presentation of periodical (quarterly) reports highlighting major issues, objections, suggestions and corrective measures.

### **TIME PERIOD**

The Chartered Accountant firm will be required to provide the desired services initially for a period of **One year** which can be renewed for another two years on satisfactory performance. Notwithstanding anything contained herein above, KVIC reserves the right to discontinue the services of Chartered Accountant firm in the event their services are evaluated as unsatisfactory at any time during the period.

### **SUPPORT AND INPUTS FROM KVIC**

The KVIC shall provide office space and computers/printers to the Chartered Accountant firm to perform its services..

### **PRE-QUALIFICATION CRITERIA**

The Chartered Accountant firm eligible for the bidding process must satisfy the following eligibility criteria:

1. The Chartered Accountant firm should be based in Mumbai.
2. The Chartered Accountant firm should be registered with the Institute of Chartered Accountants of India. They must have Income Tax Permanent Account Number (PAN) and GST Registration.
3. The Chartered Accountant firm should have at least two partners.
4. The firm should have been in operation for at least 5 years after its registration.
5. The firm should be empanelled with Comptroller and Auditor General of India (C&AG).
6. Average Annual Income (i.e. Average Gross Professional Fees earned during the 3 years) of the firm in the last 3 financial years ending on March 31<sup>st</sup> 2017 must be equal to or more than Rs.50 (Fifty) lakhs.
7. The firm should have experience in handling Internal Audit/Maintenance/Preparation of Accounts of at least 3 Public Sector Undertakings/Autonomous Bodies during the last five years.
8. The firm should not have been disqualified by any Government Organization/PSU/Autonomous body or black listed by the ICAI in the last 7 years.

### **PAYMENT TERMS**

The payment shall be made against the services provided by firm as per the nature of work, subject to the following terms and conditions:

1. The payment during the entire contract period shall be made in accordance with the financial bid submitted by the selected bidder and accepted by KVIC. No price variation would be allowed during the contract period.
2. Any increase in GST rates during the contract period will be borne by KVIC.
3. TDS under Income tax will be deducted at applicable rates.
4. The KVIC reserves the right to deduct any amount from the bill as may be considered reasonable for unsatisfactory services or delay in providing of services. The decision of the KVIC will be the final in this regard.
5. The Service Provider will raise the quarterly bills in duplicate on submission of the quarterly report as per scope of work to KVIC.

## PERFORMANCE SECURITY

The successful bidder will be required to deposit **10%** of the bid amount towards Performance Security in the form of A/c Payee Demand Draft in the name of **Chief Executive Officer, KVIC** payable at **Mumbai** or Bank guarantee from a Commercial Bank in an acceptable form or Online Payment with acceptance of the offer letter. No interest will be paid on the Performance Security by the KVIC.

### 3. SUBMISSION AND EVALUATION OF THE TENDER

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#### 3.1 SUBMISSION OF TENDER

The interested firms meeting the pre-qualification criteria are required to submit their Tender in sealed envelopes. The Tender should contain the following documents:

- i) **Prequalification-cum-technical bid** in **Annexure-A** along with all supporting documents along with Earnest Money Deposit (EMD) of Rs. **5000.00** in the form of A/c Payee Demand Draft in favour of Chief Executive Officer, KVIC payable at Mumbai and Tender Fee for Rs. **500.00** in the form of A/c Payee Demand Draft in favour of Chief Executive Officer, KVIC payable at Mumbai should be kept in a separate envelope super scribing “**TECHNICAL BID**”.
- ii) Financial Bid in **Annexure- B** should be kept in a separate envelope super scribing “**FINANCIAL BID**”

All the pages of the Tender documents including the annexures and copy of certificates/document should be signed by the authorized person of the Firm along with seal of the firm. Both Technical bid and Financial Bid envelopes should be kept in a separate envelop. The envelope should be super scribed:

#### “TENDER FOR SELECTION OF CHARTERED ACCOUNTANT FIRM FOR KVIC, MUMBAI”.

Submitted by: **(Name, Address, E-mail and Telephone Number of the Firm)**

Submitted To: **The Director (Audit),**

**Khadi & Village Industries Commission,**

**3<sup>rd</sup> Irla Road, Vile Parle (W) Mumbai 400056**

The Applicant can submit the Tender by registered post /courier/Speed post or submit the same in person, so as to reach the designated address by the time and date stipulated. No delay in the submission of the Tender for any reason will be entertained. Any Tender received by KVIC after the deadline shall not be accepted.

### 3.2 TENDER FEES AND EARNEST MONEY DEPOSIT

Cost of the Tender document is Rs. **500.00**. The Tender document can be downloaded from the website of the KVIC i.e. [www.kvic.org.in](http://www.kvic.org.in). The tender fee should be paid by way of A/c Payee demand draft in the name of **Chief Executive Officer, KVIC** payable at **Mumbai**. The Demand Draft should be submitted along with the technical bid.

Earnest Money Deposit of Rs. **5000.00** by way of Demand draft in the name of **Chief Executive Officer, KVIC** payable at **Mumbai** should be submitted alongwith the Technical bid. The EMD amount will be returned to unsuccessful firms after finalization of the bid. In respect of the successful bidder the EMD will be returned after acceptance of the offer letter alongwith the performance security. No interest will be paid on the Earnest Money Deposit.

### 3.3 TENDER QUERIES

The interested firms may seek clarification on Tender document from the Director (Finance) and Director(Audit). They can also seek clarification from the Director (Marketing) regarding the audit of Khadi Gramodyog Bhavan, Mumbai and Goa. The Annual Accounts of KVIC may be seen on the website of KVIC. The firms can visit the **Finance, Account, Audit and Marketing Section** between **10.00 a.m. to 5.00 p.m.** on any working day before **08.01.2018**.

### 3.4 LAST DATE OF SUBMISSION OF TENDER

Last date of submission of the Tender is **08.01.2018** up to **15.00 hours**.

### 3.5 DATE OF OPENING OF TENDER

The Tender will be opened for technical evaluation on **08.01.2018 at 16:00 hours** in Gramodaya Premises of KVIC. The authorized representatives must carry authorization letter to attend the bid opening, if they desire to remain present. The date of opening of financial bids will be communicated later.

### 3.6 EVALUATION OF TENDER

The Tender will be evaluated by Tender evaluation committee constituted by KVIC. The detailed evaluation method for Prequalification-cum-Technical and Financial bids is specified below. The technical and financial bid will be given weightage of 60 and 40 respectively. In case of non-fulfillment of the minimum criteria in each category of the technical bid, the bid of the respective bidder shall be rejected. The combined score of technical and financial bids will be taken into consideration for finalizing the firm for award of contract. The firm scoring maximum marks will be declared successful. However, mere scoring of maximum marks does not entitle the firm for award of contract.

#### **4. EVALUATION OF TECHNICAL AND FINANCIAL PROPOSAL**

Technical and financial bids of all the firms, which meet the prequalification criteria, would be taken up for detailed evaluation as per the technical and financial bid evaluation criteria. Each firm meeting the pre-qualification criteria would be evaluated and given technical score out of 60 marks and financial score out of 40. Those firms, who do not meet the pre-qualification criteria, shall not be evaluated.

#### **5. FRAUD AND CORRUPT PRACTICES :**

The Applicants and their respective officers, employees and agents shall observe the highest standard of ethics during the Selection Process. Notwithstanding anything to the contrary contained in this document, the KVIC shall reject a Proposal without being liable in any manner whatsoever to the Applicant, if it determines that the Applicant has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice (collectively the "Prohibited Practices") in the Selection Process. In such an event, the KVIC shall, without prejudice to its any other rights or remedies, forfeit and appropriate the EMD, towards compensation and damages payable to the KVIC for, *inter alia*, time, cost and effort of the KVIC in regard to this document, including consideration and evaluation of such Applicant's Proposal.

#### **6. SETTLEMENT OF DISPUTES:**

In the event of any dispute or difference relating to assignment, the parties agree either to seek an amicable settlement of that dispute by mutual discussion, failing which the dispute shall be referred for conciliation under the ICADR Conciliation Rules, 1996 or to submit that dispute to Arbitration under the ICADR Arbitration Rules, 1996. The place of Arbitration shall be in Mumbai.

#### **7. LEGAL JURISDICTION :**

For any litigation concerning the assignment, courts in Mumbai alone shall have exclusive jurisdiction.



### Technical and Financial Evaluation Criteria

01.	Firm's Experience		40
	Firm's Existence in years after its registration		10
	5 Years – 7 years	3	
	> 7 Years – 10 years	6	
	> 10 Years	10	
	Average Annual Income of the Firm (in the last 3 financial years) ended on 31 <sup>st</sup> March 2017		10
	Rs.50 Lakhs – Rs.75 Lakhs	3	
	> Rs.76 Lakhs – Rs.100 Lakhs	6	
	Above Rs.100 Lakhs	10	
	Experience of handling Internal Audit/Maintenance/Preparation of Accounts of at least 3 Public Sector Undertakings/Autonomous Bodies during the last five years.		20
	3 – 5 Organizations	5	
	> 5– 10 Organizations	15	
	> 10 Organizations	20	
02.	Key Experts and Manpower		20
	Number of Partners' in the Firm		10
	2 Partners	5	
	> 2 – 3 Partners	7	
	> 3 Partners	10	
	Number of paid staff (Full Time) on the roll of establishment		10
	5- 10 Staff	5	
	>10-20 Staff	7	
	>20 Staff	10	
	03.	Total Technical Score (01+02)	
04.	Score on Financial Proposal		40
Grand – Total (03+04)			100
<b>Formula for calculation of Financial Proposal</b>			
The lowest evaluated financial proposal will be given maximum score of 40. The score of other firms would be calculated as per the formula: <b>F (other than lowest bidder) = (price quoted by lowest bidder/ price quoted by the bidder) X 40</b>			

**PRE-QUALIFICATION-CUM-TECHNICAL BID**

Sl. No.	Criterion	Firm's Strength & Capacity	
1.	<p>The firm should be based in Mumbai or have a branch in Mumbai</p> <p><i>(Submit supporting document regarding address)</i></p>	Name of The Firm	
		Address of the Firm	
		Address of Branch at Mumbai	
		Name and address of the authorized official	
		Telephone No Mobile: E-mail:	
2.	<p>The Chartered Accountant firm should be registered with The Institute of Chartered Accountants of India. They must have Income Tax Permanent Account Number (PAN) and Service Tax Registration; <i>(Provide all registration certificates)</i></p>	If registered then mention Registration Number	
		PAN of the Firm	
		GST Registration No.	
3.	<p>The firm should be empanelled with Comptroller &amp; Auditor General of India (C&amp;AG)</p> <p><i>(Provide registration certificate)</i></p>	Empanelled with C&AG	Yes/ No.: _____
4.	<p>The firm should be in operation for at least 05 years after its registration</p> <p><i>(Provide necessary evidence)</i></p>	Year of Registration/ Starting of operation	
		Nos. of years in operation after registration (in years)	
5.	<p>Average Annual Income of the firm for the last 3 (three) years ending on 31<sup>st</sup> March, 2017</p> <p>[Must be equal to or greater than RS.50 (Fifty) Lakhs]</p> <p><i>[Provide copies of the Audited Financial Statements for all the 3 (Three) years upto 31<sup>st</sup> March, 2017 along with a Certificate in A-1 proforma as per annexure]</i></p>	<p>Average Annual Income (i.e. Average Gross Professional Fees received / earned) of the CA Firm in last 3 (three) years ending on 31<sup>st</sup> March, 2017)</p> <p><b>Rs.</b>..... (in figure)</p> <p><b>Rs.</b>(in words) .....</p> <p>.....</p>	

6.	<p>The firm should have Experience of handling Internal Audit/ Maintenance/Preparation of Accounts of at least 3 Public Sector Undertakings/Autonomous Bodies/Government Organization during the last five years.  <i>(Details to be provided in proforma A-2. Attach copies of works order/ works completion as evidence)</i></p>	<p>Nos. of Govt. Organizations/ PSUs where similar Service was provided in the last 5 (Five) years</p> <p>Nos. (in words).....</p> <p>Nos. (in figure) .....</p>
7.	<p>Firm should have minimum 2 (Two) partners</p> <p><i>(Submit the proof of the Ownership pattern &amp; registration certificates along with details of the Chief Functionary (s) of the CA firm provided in Performa A-3)</i></p>	<p>Nos. of Partners</p> <p>Nos. (in words).....</p> <p>Nos. (in figure) .....</p>
8.	<p>Nos. of Payroll staff (Full Time)/ Article ship incumbent/ Apprentices (if any)</p>	<p>i) No. of Payroll Staff (Full Time) : _____</p> <p>ii) Nos. of Article-ship Incumbent : _____</p> <p>iii) Nos. of Apprentice : _____</p>

Certified that the above particulars are correct. In the event of any information found to be incorrect, the KVIC is at liberty to reject the proposal of the CA Firm.

**SEAL:**

**Signature** : \_\_\_\_\_

**Date:**

**Name & Designation** : \_\_\_\_\_

**Proforma to Annexure-A**

**PROFORMA : A1**

**Details of Firm's Professional Income  
[Gross Professional Fees earned]**

Particular	Financial Year 2014-2015	Financial Year 2015-2016	Financial Year 2016-2017	Average Annual Income
Annual Income* (Rs. in Lakhs)				

\* Furnish the Audited Accounts of the Firm along with copy of the acknowledgement of Income Tax return for the all 3 (three) years

**SEAL:** **Signature** : \_\_\_\_\_

**Date:** **Name & Designation** : \_\_\_\_\_

**Details of Firm's Experience of Similar Services  
[During last 5(five) years]**

Sl. No	Name of the Project	Duration of the Project [Start date / End date]	Name of the Client/ Govt. organization/PSU/ Autonomous Bodies	Nature of the Assignments & services provided (Please specify whether the work involved Internal Audit/Maintenance/ Preparation of Accounts )	Nature of the Supporting Documents provided
1.					
2.					
3.					
4.					
5.					

\* Furnish the copy of the documentary evidence in support of the information provided above. If required, add/append a page in this format

**SEAL:**

**Signature** : \_\_\_\_\_

**Date:**

**Name & Designation** : \_\_\_\_\_

**Details of Firm's Partners, Name and Registration Nos.**

Sl. No	Name of the Member	Designation	Membership No.	Status (FCA/ACA)	Remarks
1.					
2.					
3.					
4.					
5.					

\* *Furnish the copy of the documentary evidence in support of the information provided above. If require, add/append a page in this format*

**SEAL:**

**Signature** : \_\_\_\_\_

**Date:**

**Name & Designation** : \_\_\_\_\_

**FINANCIAL BID**

Sl. No.	Description of Fees	Fees		Payment Schedule
		Rupees in Figure	Rupees in words	
A.	Professional Fees for one year			The service Provider will raise the quarterly bills in duplicate on submission of the quarterly Report as per scope of work
B.	Add: GST as per applicable rate on the services provided			
C.	<b>Total Fees to be paid (including Tax (A+B))</b>			

***N.B.: Statutory Changes in tax rate if any shall be borne by the KVIC. Deductions shall be made by the KVIC as per statutory rates & norms wherever applicable***

We undertake that the rates quoted above by us will not change during the Contract period and accept the payment schedule as described in the appropriate column.

**SEAL:** **Signature** : \_\_\_\_\_

**Date:** **Name & Designation** : \_\_\_\_\_