



BHARAT HEAVY ELECTRICALS LIMITED
(A Govt , Of India Undertaking)
Electroporcelains Division
P.B.No.1245, Science Institute Post
BANGALORE 560 012

BHEL:EPD:F&A:2018-19

August 4, 2018

To

Sub: Request for quotation for stock verification by Chartered Accountants' firm.

Bharat Heavy Electricals Ltd/Electro Porcelains Division, a Government of India Enterprises, is desirous of engaging a Chartered Accountants Firm for carrying out of stock verification at their premises for a period of one year starting from 1st October 2018.

Interested and eligible parties may study the enclosed documents carefully and submit their offers in **two part bid system** on or before 2 pm on 21st August 2018 to

The Additional General Manager/Finance
Bharat Heavy Electricals Ltd/EPD
Prof CNR Rao Circle,
Science Institute PO
Bangalore 560 012.

Part A must be duly completed, sealed and superscribed "Quotation for Stock Verification RFQ no.BHEL:EPD:F&A:2018-19 dt.04.08.2018 due on 21.08.2018" and include brief details of the Chartered Accountants firm and of its partners (if any), Work experience in conducting Stock verification of a manufacturing plant with relevant supporting documents, details of employees etc. It should also contain the acceptance of all terms and conditions given in Annexure A and B.

Part B – the price format in Annexure D must be duly completed, put in a separate envelope, sealed and superscribed "Quotation for Stock Verification RFQ no.BHEL:EPD:F&A:2018-19 dt.21.08.2018 – Price bid". It should not carry any conditions. Price should be quoted in clear terms in the format given by BHEL.

For Bharat Heavy Electricals Ltd/EPD


(Sameena Kohli)
Addl General Manager/Finance



Annexure-A

Scope Of Work:

- Physical stock verification of raw materials, stores & spares, tools, consumables etc. with respect to the ledger balances to be done.
- The frequency of verification is every quarter. The volume of verification will be as per latest record as on 31st March of the previous financial year (as given in Annexure C). This may vary depending upon actual stock position.
- Preparation and approval of discrepancy voucher if any to be made.
- Physical stock verification of Finished goods, Medical & Canteen inventory are to be done only at the end of the year based on balance as on 31st March of the year.
- Surprise stock verification is to be conducted at least twice during the year by a special team i.e other than the normal stock verification team.
- Payment will be made quarterly in the ratio of 20:20:20:40 in the first, second, third and fourth quarter (financial year) respectively. Payment shall be linked to the completion of physical verification and submission of discrepancy report & rectification report duly certified by the stores in charge.
- Any other work related to stock verification as directed by the officer in charge of the Stock Verification section shall also be fulfilled.
- Applicable taxes payable extra.
- The verification work is time bound. Program for the whole year is given in Annexure C which is to be followed. The staff are to report (Items verified /not verified /delay in verification due to any reason) the progress of verification during the course of audit. However BHEL reserves the right to change verification program according to the circumstances.
- The data in respect of the work done is to be filled-up as per the prescribed format given herein attached as annexure E1, E2, F & G.



Annexure-B

- 1) Reimbursement for quarterly verification fees shall be submitted after close of every quarter's verification along with the report as per formats given in Annexure A.
- 2) Suitable staff, **who have the functional knowledge of working in SAP,** are to be posted to carry out the daily verification work in time. BHEL feels that minimum two staff for 10 days in a quarter are required to carry out the assignment. Stock Verification job will be carried out throughout the year as per program. **Chartered Accounts firm should have adequate experience in conducting Stock Verification in a manufacturing industry in an SAP environment. Relevant certificates supporting the claim shall be enclosed.**
- 3) In case of emergency, additional staff may be required to carry out the verification work which is to be provided by Chartered Accountants firm without any extra charges. It may be required at the time of finished goods verification at the end of financial year.
- 4) Change in staff shall be made in consultation with BHEL. BHEL reserves the right to ask for the changes of any staff, if the performance /workmanship are found unsatisfactory. Prior period notice of at least 10 days required to be given in case of change of staff.
- 5) Holidays shall be followed as per the holidays declared by BHEL, EPD.
- 6) The stock verification work should be conducted during the official working hours of BHEL i.e. 8.30 AM to 3.30 P.M for proper support and smooth and efficient working.
- 7) No. of items mentioned in Annexure - C is only an estimate and actual number of items may vary depending upon the actual no. of items available at the time of physical verification.
- 8) The awarding of above work will be for one year
- 9) Payment of verification charges are subject to deduction of TDS as per income tax Act.
- 10) If any report submitted without verification at any point of time which affects the department's reputation, you & your staff will be fully responsible for that.
- 11) Compliance of statutory requirements of Government (PF, ESI, Bonus, Gratuity, etc) is to be fulfilled by you. BHEL has no stake on this.
- 12) **Penalty:** The verification work is time bound. Program for the whole year is as given in Annexure C which is to be followed. Any delay in completion of quarter's program due to your staff will attract penalty @ 2% on the value of the items not verified (i.e. total value of the items planned for verification in the quarter less value of the items actual

verified).The staffs are to report (Items verified /not verified /delay in verification due to any reason) the progress of verification during the course of the audit. However BHEL reserves the right to change verification program according to the circumstances.

- 13) Entry passes for staffs will be restricted to maximum five persons for the contract. However temporary passes will be arranged in case of exigency of work.
- 14) Surprise stock verification is to be conducted at least twice during the year by a special team i.e other than the normal stock verification team. The compensation for surprise stock verification also is to be included in the quotation and it will be paid at the end of the 2nd quarter and the 4th quarter provided the surprise stock verification is completed.
- 15) Evaluation of offer for verification work will be based on the **total value quoted in the offer against enquiry** .

16) It may be noted that no Travelling Allowance (TA)/Dearness Allowance (DA) will be reimbursed by BHEL. Further neither any accommodation will be provided by BHEL nor will any reimbursement for Hotel charges be paid by BHEL for completion of the Stock verification job.

17) Arbitration: Except as provided elsewhere in this contract, in case amicable settlement is not reached between the parties, in respect of any dispute or difference, arising out of the formation, breach, termination, validity or execution of the contract; or, the respective rights and liabilities of the parties; or, in relation to interpretation of any provision of the contract; or, in any manner touching upon the contract, then, either party may, by a notice in writing to the other party refer such dispute or difference to the sole arbitration of an arbitrator appointed by Head of the BHEL Electroporcelains Division.

The Arbitrator shall pass a reasoned award and the award of the Arbitrator shall be final and binding upon the parties.

Subject as aforesaid, the provisions of Arbitration and Conciliation Act 1996 (India) or statutory modifications or re-enactments thereof and the rules made thereunder and for the time being in force shall apply to the arbitration proceedings under this clause. The seat of arbitration shall be Bengaluru.

The cost of arbitration shall be borne as per the award of the Arbitrator.

The Courts at Bengaluru shall have exclusive jurisdiction over any matter arising out of or in connection with this contract.

Notwithstanding the existence or any dispute or differences and/or reference for the arbitration, the contractor shall proceed and continue without hindrance the performance of its obligations under this Contract with due diligence and expedition

in a professional manner except where the contract has been terminated by either party in terms of this contract.

18) Compensation:

BHEL, Bangalore shall not be liable for any compensation whatsoever in the case of accident/injury to the person employed by the CA firm. BHEL reserves the right to short close the order any time, without assigning any reason.

C.A. Firm shall ensure payment of all statutory dues (to both staff & concerned statutory authorities) as may be applicable.

ANNEXURE - 'C'

S.NO.	Inventory Item	No. of items (approximately)	WEIGHTAGE OF ITEMS TO BE VERIFIED (in Value)	Remarks	Schedule
1	Stores & Spares	100	0.61%	To be done every quarter	1. During the quarter in the first 3 quarters of the financial year; 2. Financial year end balances are to be verified before 4th April.
2	General Spares	200	1.00%	To be done every quarter	1. During the quarter in the first 3 quarters of the financial year; 2. Financial year end balances are to be verified before 4th April.
3	Stationery & Misc stores	100	0.58%	To be done every quarter	1. During the quarter in the first 3 quarters of the financial year; 2. Financial year end balances are to be verified before 4th April.
4	Inventory Packing materials	100	0.11%	To be done every quarter	1. During the quarter in the first 3 quarters of the financial year; 2. Financial year end balances are to be verified before 4th April.
5	Canteen stock	100	0.20%	Only the balance at the end of the financial year to be verified	To be completed before 4th April
6	Medical stock	200	0.41%	Only the balance at the end of the financial year to be verified	To be completed before 4th April
7	Oil & Fuel stores	10	0.50%	To be done every quarter	1. During the quarter in the first 3 quarters of the financial year; 2. Financial year end balances are to be verified before 4th April.
8	Raw material stores	1000	57.03%	To be done every quarter	1. During the quarter in the first 3 quarters of the financial year; 2. Financial year end balances are to be verified before 4th April.
9	FG	250	39.56%	Only the balance at the end of the financial year to be verified	To be completed before 5th April

ANNEXURE - 'D' - Price format

Sl No.	Particulars	No of items (approximately)	Amount quoted
1	Stock Verification	2060	
2	Surprise Stock verification (twice in a year)	1510	
	Total		

Quoted Value in words (_____ Only)

NOTE

- 1) **IN CASE OF DISCREPANCY FOUND IN QUOTED RATES IN FIGURES AND IN WORDS THEN THE VALUE WRITTEN IN WORDS WILL BE CONSIDERED AS FINAL**
- 2) **TAXES AS APPLICABLE WILL BE PAYABLE EXTRA**
- 3) **THE PRICED FORMAT IS SACROSANCT AND ANY CHANGE IN THE PRICED FORMAT AS GIVEN ABOVE WILL BE SUBJECT TO REJECTION OF THE BID**
- 4) **OFFER TO BE SUBMITTED IN TERMS OF LUMPSUM VALUE ONLY**

ANNEXURE - E1

**BHARAT HEAVY ELECTRICALS LTD
ELECTRO PORCELAINS DIVISION**

Storage location:

Date:

S.No	Material code No	Description & Specification of the Unit Item	Unit	Ground balance	Balance as per SAP	Discrepancies						Remarks
						Shortages			Surpluses			
						Qty	Rate	Value	Qty	Rate	Value	
1	2	3	4	5	6	7 (a)	7(b)	7©	8(a)	8(b)	8©	9

Certificates:

1. Certified that all the stock of this/these items have been produced for verification.
2. Certified that all stores documents received till date have been accounted for and posted in SAP.

SIGNATURE OF
STROE KEEPER

SIGNATURE OF
STOCK VERIFIER

ANNEXURE - E2

**BHARAT HEAVY ELECTRICALS LTD
ELECTRO PORCELAINS DIVISION**

Storage location:

Date:

S.No	Material code No	Description & Specification of the Item	Unit	Ground balance	Balance as per SAP	Discrepancies						Details of rectification/adju stments done	Rectification/adjustment document number & Date
						Shortages			Surpluses				
						Qty	Rate	Value	Qty	Rate	Value		
						7 (a)	7(b)	7©	8(a)	8(b)	8©		
1	2	3	4	5	6							9	10

**SIGNATURE OF
STROE KEEPER**

**SIGNATURE OF
STOCK VERIFIER**

Signature of Section I/C

Signature of Chief Stock Verification Officer

BHARAT H. VY ELECTRICALS LIMITED

Electro Porcelains Division

Quarterly Progress Report of Stock Verification

SL. No.	Name of Stock Verifier	Total number of items of stock to be verified during the quarter (as per programme)	No. of items required to be verified during the quarter	Total	No. of items actually verified during the quarter	No. of items not verified during the quarter and carried over to the next quarter	No. of discrepancies noticed during the quarter		Cumulative No. of discrepancies noticed till date		
							Shortages	Surpluses			
			Arrears from the last quarter, if any	Due for this quarter				Shortages	Surpluses	Shortages	Surpluses
								9a	9b	10a	10b
1	2	3	4	5	6	7	8				

Signature of the Chief/Head Stock Verifier

Signature of Stock Verification Officer

Submitted to:

Head of Finance & Accounts department for information please.

BHARAT HEAVY ELECTRICALS LIMITED

Annexure -G

DIVISION

Quarterly Progress Report on Discrepancy Vouchers

Quarterly Progress Report on Discrepancy Vouchers																		
SL.	Deptt.	DV's pending as per previous report				DV's raised during the quarter				DV's cleared during the quarter				DV's pending for clearance				Reasons
		Shortages		Surpluses		Shortages		Surpluses		Shortages		Surpluses		Shortages		Surpluses		
		Nos.	Value	Nos.	Value	Nos.	Value	Nos.	Value	Nos.	Value	Nos.	Value	Nos.	Value	Nos.	Value	
		Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	
1	2	3a	3b	4a	4b	5a	5b	6a	6b	7a	7b	8a	8b	9a	9b	10a	10b	

Signature of the Chief/Head Stock Verifier

Signature of Stock Verification Officer