



AIRPORTS AUTHORITY OF INDIA
INTERNAL AUDIT DEPARTMENT

Tender Reference No. : fixed assets-audit-2021-22

Tender ID: 2022_AAI_110632_1

AAI invites Tender from Delhi based major CA firms empanelled with RBI as “Statutory Central Auditors” for FY 2021-22, conducting “**Physical verification of Fixed Assets / inventory / stores and Reconciliation with books of accounts**” at CHQ,AAI for the **F.Y. 2021-22**. The work shall be awarded to the lowest quoted bidder.

The Estimated Cost of the tender is Rs. 6,40,000/-(Rupees Six Lacs Forty Thousand only). The detail scope of tender (Annexure-2) along with terms and conditions (Annexure–1) is available at E-tender portal with URL address <https://etenders.gov.in/eprocure/app>.

Bid Manager
AIRPORTS AUTHORITY OF INDIA
Internal Audit Dept, CHQ, New Delhi

E-Tender shall be submitted in two bid system as follows :

TECHNICAL BID ENVELOPE – I

The Technical bid shall contain

1. Proof for appointment as Statutory Central Auditors in Public Sector Banks by RBI for F.Y. 2021-22
2. Unconditional Acceptance Letter as per Annexure-5
3. Undertaking as per Annexure-6
4. Undertaking regarding debarment / blacklisting as per Annexure-7 duly signed & stamped by the Authorized signatory of the firm.

Technical bid containing financial quotes will be summarily rejected

FINANCIAL BID ENVELOPE - II

This Financial Bid is called through the electronic process and can be downloaded from the e-tender portal of AAI with URL address <https://etenders.gov.in/eprocure/app>. The Financial Bid is also available on AAI website www.aai.aero. **Please note that submission of the Financial Bid is essential and can only be uploaded through the E-tender portal <https://etenders.gov.in/eprocure/app>.**

The last date of submission of bid is **28.03.2022 by 1500 hrs.** and the same shall be opened on **29.03.2022 by 1530 hrs.**

Bid Manager
AIRPORTS AUTHORITY OF INDIA
Internal Audit Dept, CHQ, New Delhi

1. INTRODUCTION:

The Airports Authority of India (AAI) under the Ministry of Civil Aviation is responsible for creating, upgrading, maintaining and managing civil aviation infrastructure in India. It provides Air traffic management (ATM) services over Indian Airspace and adjoining oceanic areas with ground installations at all Airports and 25 other locations to ensure safety of Aircraft operations.

AAI manages 137 airports, which include 24 International Airports (including 3 International Civil Enclaves), 10 Customs Airports (including 4 Customs Civil Enclaves), 80 Domestic Airports and 23 Domestic Civil Enclaves at Defence airfields.



Guidelines and Terms & Conditions

1. The unconditional acceptance letter (Annexure–5), Undertaking (Annexure –6), Undertaking regarding debarment / blacklisting (Annexure-7) and Proof for appointment as Statutory Central Auditors in Public Sector Banks by RBI for F.Y. 2021-22 are to be submitted in Technical Bid (Envelope-I). In case of any deficiencies & requisite documents are not submitted in Envelope-I by the firm, the bid of the firm will be rejected and Financial Bid (Envelope-II) of the firm will not be opened.
2. Rates are to be quoted without GST. GST as applicable shall be paid extra.
3. The firm cannot sub-contract the work. Only partners of the firm or employees or qualified associates whose bio data is provided at least 7 days in advance can take up the audit. Any form of canvassing/ lobbying influence will result in disqualification of the firm and which is the sole discretion of AAI.
4. The Team should consist of minimum of 2 Nos. of CA and 4 Nos. of Assistants having experience of 10 years in the field.
5. The Assignment will be terminated in the following cases:
 - a.) If the firms obtain the appointment on the basis of false information /false statement.
 - b.) If the firm does not take up audit in terms of appointment letter within one month.
 - c.) If the firm does not submit the report, complete in all respects, as per terms of appointment within stipulated time.
 - d.) If the performance of the firm is not found satisfactory.
 - e.) If any fraud/embezzlement is detected subsequently and not reported to AAI
 - f.) The firm has to maintain the confidentiality requirement in terms of professional code of conduct and they shall not appoint/utilize the services of those who are not employee/ partner/director of the firm.
 - g.) If progress/performance of the firm is not satisfactory, the management reserves the right to terminate the appointment or debar the firm for participating in any future tender invited by AAI for one year.
 - h.) AAI reserves the right to reject any or all the tenders without assigning any reason thereof and to call for any other detail or information from any of the tender(s).
6. The above bid amount is inclusive of professional fees, TA/DA, local conveyance, lodging & boarding etc. except GST/applicable taxes. No other payment shall be

made except the amount quoted above. The payment shall be released after acceptance and approval of the report by the Competent Authority.

7. Report Submission :The report is to be submitted to Airport-in-Charge by 20th April 2022, after an exit meeting with Local Finance-in-Charge. Immediate corrective action after the exit meeting may be done and the same shall be covered in the *Final Report* for acceptance. The Report shall be submitted within 15 working days of Exit Meeting on completion of work. The report along with relevant information should be submitted in the prescribed format only. No statement other than the prescribed format will be accepted and no payment will be made till the acceptance of the report by the Competent Authority.
8. Payments shall be made on production of original invoices indicating GST No. and after acceptance of the report by the Competent Authority.
9. The firm must be familiarized with the scope of the work and consider the same before quoting for the tender. To obtain first-hand information on the assignment and scope, firm may visit the O/O Local Finance-in-Charge before submitting the Proposal.
10. AAI reserves the right to reject or accept or withdraw the tender in full or part, as the case may be, without assigning any reasons thereto. No conditional tenders will be accepted.
11. Penalty: If the job is not completed and Report is not submitted as per the requirement within prescribed period of time, Penalty @ 2% per week subject to maximum of 20% of awarded value will be levied and deducted from the payment of the Firm. Delay in finalization of the assignment and submission of Report for reasons beyond of the Auditors may be condoned with the approval of the competent Authority at CHQ.
12. Others:
 - I. In case of any disputes arising out of the assignment, the decision of Member (Finance), Airports Authority of India shall be final and binding on both the parties.
 - II. For clarifications, if any, the matter may be addressed to the Internal Audit Department, CHQ, Airports Authority of India.

Bid Manager
AIRPORTS AUTHORITY OF INDIA
Internal Audit Dept, CHQ, New Delhi

SCOPE for “Physical verification of Fixed Assets / inventory/stores and Reconciliation with books of accounts”

The physical verification of fixed assets / reconciliation of fixed assets/Stores has to be carried out as follows and the corrective actions if any, has to be reported in the specified format as mentioned follows:

I. Verification of Capitalization of Assets

- (i) Capitalization is carried out as per policy of AAI. Deviations, if any, to be reported in **FORMAT-1**
 - a. Construction Works (Project) – Capitalization is done from the time the project is ready for intended use
 - b. Equipment relating to Airport, Cargo, Security & I.T. and CNS Equipment not requiring Calibration: Capitalization is done from the date of installation, testing and commissioning
 - c. CNS Equipment requiring Calibration – ILS, RADAR, VORs, ADSB: To be capitalized from the date the flight calibration is completed as certified by Flight Information Unit (FIU) of AAI or immediately after 3 months from the date of installation as certified by Radio Construction and Development Unit (RCDU) of AAI / Suppliers whichever is earlier
- (ii) Fixed assets have been accounted correctly as per invoices and include all Costs and Taxes. Deviations, if any, to be reported in **FORMAT-2**
- (iii) Apportionment of expenditure of project office have been made correctly to various schemes implemented during the financial year. Deviations, if any, to be reported in **FORMAT-3**
- (iv) Expenditure like shifting of overhead cables / underground cables which have not created new assets have been charged to revenue. Expenditure on revenue account like repairs and maintenance, renewals etc. have been charged to capital accounts and vice versa. Deviations, if any, to be reported in **FORMAT-4**
- (v) Availability of Test check reports, completion certificates, installation and commissioning reports for plant and machinery, equipment etc. Deviations, if any, to be reported in **FORMAT-5**
- (vi) Assets and loose tools below the specified limit i.e., Rs.5,000 have been charged to revenue. Deviations, if any, to be reported in **FORMAT-6**
- (vii) Ownership of land are clear and free from encumbrance and title deed and all relevant documents relating to lands are available. Deviations, if any, to be reported in **FORMAT-7**

II. Verification of Disposal of Assets

(i) Accounting entries in case of assets transferred from one unit to another have been made correctly in the books and supported by relevant papers i.e. Transfer Voucher, E – Bill, and other required documents. Deviations, if any, to be reported in **FORMAT-8**

ii) Accounting entries in case of assets sold or disposed of have been made correctly in the books and supported by relevant papers i.e. Transfer Voucher, E– Bill, copy of Survey Committee Reports and other required documents. Deviations, if any, to be reported in **FORMAT-9**

(iii) Accounting entries towards profit or loss on sale of fixed assets, removal from Gross Block and accumulated depreciation have been made correctly. Deviations, if any, to be reported in **FORMAT-10**

III. Physical Verification of Assets/Inventory/Stores and reconciliation with Books of Accounts

(i) Carrying out of Physical verification of assets/inventory/stores, as per Accounting Policy.

ii) Entries in the Fixed Asset Registers/Schedules, are to be reconciled with SAP GL Balance. Variations, if any, to be reported in **FORMAT-11**

iii) Entries in the Fixed Asset Registers / Schedules are to be reconciled with physical Verification report. Shortage /Excess, if any, to be reported in **FORMAT-12** and **13** respectively.

(iv) Unserviceable assets if any, to be reported in **FORMAT-14**

(v) Entries in the Store Registers / Schedules are to be reconciled with physical Verification report of stores/inventory. Shortage/excess of Inventory/stores to be reported in **FORMAT-15 and FORMAT-16 respectively**

vi) Deviation in the accounting of stores/inventory from accounting policy of AAI if any to be reported in **Formatr-17**

Significant ACCOUNTING POLICIES to be noted

- Expenditure incurred on procurement of arms / ammunitions for CISF, which is dealt by NASFT [National Aviation Security Fee Trust], is not forming part of Fixed Assets.

2.1.7 Part completion of works / projects and put to use are to be capitalized based on the technical assessment.

2.1.8 Expenditure not represented by AAI Assets is charged off as Revenue expenses.

2.1.9 Pre-project expenditure in case of abandoned works and expenditure incurred for foreclosed and abandoned works are charged off as Revenue expenses.

2.1.10 Fixed Assets which have been fully depreciated are shown at residual value of Re.1/- till disposal.

2.1.11 Any non-monetary asset acquired from State Government free of cost is valued at nominal value of Re.1/- for each type of asset.

2.1.12 Wherever land is sold / transferred / disposed-off and the specific value of such land is not available, it is valued at average cost of acquisition, except in cases where it is acquired free of cost.

2.2.1 Direct revenue expenditure of exclusive Project Division handling capital projects are capitalized along with the completion cost of the work(s).

2.2.2 The interest on mobilization advance in respect of project is set off against the project expenses.

2.2.3 Interest on borrowings for projects is capitalized up to the date of capitalisation.

2.3.1 Computer Software (not being an embedded software in the equipment) which is put to use and is expected to provide future enduring economic benefits is recognized as Intangible Assets and amortized on straight line basis over a period of five years or licence period of the software whichever is earlier. However where such computer software is still in development stage, costs incurred during the development stage of such software are accounted as "Intangible Assets Under Development".

2.3.2 Expenditure on Research & Development, other than on capital account, is charged to revenue.

2.6 Physical Verification of Fixed Assets

The Physical Verification of Fixed assets are carried out as under :

Big Airports (including ATC centres/Security/Cargo units) : **Every 3 years.**

Medium Airports : **Every 2 years.**

Small Airports (includes ACS, CHQ, CATC, RCDU, CRSD, FIU, EMO, and RHQ (Administrative offices) : **Every year.**

5 Inventories

- i. Stock/Spares consumed during the year are charged as revenue expenditure.
- ii. Stock at year end (except store/spare with unit cost of Rs. 5000 and less) is valued at cost price on FIFO basis for a period of five years from the date of receipt. Thereafter the net realizable value is worked out as under and is shown at cost or net realizable value whichever is less:

6th year	70% of the cost
7th year	40% of the cost
8th year onwards	10% of the cost

SOP for conducting “Physical verification / Reconciliation of Fixed Assets/Stores”

1. The senior partner of CA Firms appointed for conducting **“Physical verification / Reconciliation of Fixed Assets/Stores”** for the **F.Y. 2021-22** along with his team members will approach various departments and discuss the Scope of work.
2. Department Heads after discussion, will intimate and coordinate with all the Officials to keep the records as requisitioned by the firm and ready for their inspection/verification/Auditing as per the schedule submitted by the CA firm.
3. Department Heads will immediately detail a Nodal Officer from the Section /Department to co-ordinate with all other Officers/Officials to carry out the assigned work smoothly.
4. The physical verification report of previous years need to be made available to the firm immediately. Station Heads / APDs may instruct the concerned to provide the *Physical Verification Report* to the Audit Team on arrival.
5. All the related documents, files, approvals, reports, work orders, agreements, correspondence with the statutory bodies / Authorities, vouchers / invoices / bills etc. should be made available to the firm. APDs may ensure full cooperation and timely submission of requisite documents to the firm during the course of verification.
6. Regarding viewing the SAP (ERP) System by the firm, it has been decided that the Coordinator / Nodal Officer from the concerned Section will open the SAP system by using his ID to enable the Auditor to verify the details. As access of SAP(ERP) system to the Audit Team is paramount for this assignment, APDs / HODs may ensure this on request.



GUIDELINES TO BIDDERS/ SELF-HELP FILES/FAQ & SYESTEM SETTING
(Help Desk Services)

- a. In order to facilitate the Vendors / Bidders as well as internal users from AAI, Help Desk services are available for the e-tender portal <https://etenders.gov.in/eprocure/app>. The Help desk services shall be available on all working days **(except Sunday)** between **0800-1900 hours** and shall assist users on technical issues related to the use of the e-tender portal.
- b. For any technical assistance with regard to the functioning of the portal the bidders as well as AAI users may contact according to the escalation matrix as mentioned below:

SL No	Support Persons	Escalation Matrix	E-Mail Address	Contact Numbers	Timings*
1.	Help Desk Team	Instant Support	eprochelp@aai.aero	011-24632950, Ext-3512 (Six Lines)	0800-2000 Hrs. (MON - SAT)
2.	Mr. Sanjeev Kumar Mgr.(IT)	After 4 Hours of Issue	etendersupport@aai.aero or sanjeevkumar@aai.aero	011-24632950, Ext-3523,3505	0930-1800 Hrs. (MON-FRI)
3.	Mrs. S. Nita AGM(IT)	After 12 Hours	snita@aai.aero	011-24632950, Ext-3523	0930-1800 Hrs. (MON-FRI)
4.	General Manager(IT)	After 03 Days	gmitichq@aai.aero	011-24657900	0930-1800 Hrs. (MON-FRI)

- c. The above mentioned help desk numbers are intended only for queries related to the issues on e-tendering portal and help needed on the operation of the portal. For queries related to the tenders published on the portal, bidders are advised to contact concerned Bid Manager from AAI.

All the CA firms are requested to submit their Technical & Financial Bid through AAI e-tender portal by using digital signature of Class III that includes (a) signing and (b) encryption within.

In case of any assistance please contact above mentioned person / personnel along with the undersigned bid manager

Bid Manager
AIRPORTS AUTHORITY OF INDIA
Internal Audit Dept, CHQ, New Delhi

TO BE SUBMITTED IN E-TECHNICAL BID

ACCEPTANCE LETTER

(Scanned copy for Technical bids)

(Refer Clause for technical bid of NIT)

To

Bid Manager
AIRPORTS AUTHORITY OF INDIA
Internal Audit Dept, CHQ, New Delhi

Subject : ACCEPTANCE OF AAI's E-TENDER CONDITIONS

Sir,

E-tender documents for Notice Inviting Technical & Financial bids from the CA firms empaneled with RBI for conducting “**Physical verification / Reconciliation of Fixed Assets / Stores**” for the **F.Y. 2021-22**

1. Has been downloaded by me. I/we hereby certify that I/we have inspected and read the entire terms and conditions of the e-tender documents made available to me/us which shall form part of the contract agreement and I / we shall abide by the conditions / Clauses contained therein.
2. I/We hereby unconditionally accept the e-tender conditions of AAI's e-tender documents in its entirety for the above services.
3. The contents of Clause 1 of General information & guidelines of the Notice Inviting E-Tender of the E-Tender Documents has been noted wherein it is clarified that AAI reserves the right to reject the e-tenders without assigning any reason thereto.
4. I/We declare that I/We have not paid and will not pay any bribe to any officer of AAI for awarding this contract at any stage during its execution or at the time of payment of bills and further if any officer of AAI asks for bribe/gratification, I/We will immediately report it to the appropriate authority in AAI.

Yours faithfully,

Date: _____

(Signature of the e-tenderer)

UNDERTAKING TO BE SUBMITTED BY BIDDER'S (ON LETTER HEAD)

I/ we, _____, Proprietor/Partner/Legal Attorney/Director/ Accredited Representative of _____, solemnly declare that:

1. I/We am/are submitting Offer/Bid for the work of _____ against NIT No./ Tender ID _____ Dated _____ and I/We offer to execute the work in accordance with all the terms & conditions of the bid.
2. Myself/Our Partners/Directors don't have/had any relative as employee of **Airports Authority of India**.
3. All copy of documents, credentials and documents submitted along with this Bid are genuine, authentic, true and valid.
4. I/We hereby authorise department to seek references/clarifications from the Bankers and/or other departments/statutory bodies.
5. We hereby undertake that we shall register and obtain license from the Competent Authority under the contract labour (Registration and Abolition Act) as relevant, if applicable.
6. *I/We hereby confirm that we have registration with CMPF/EPF Authorities. We shall make necessary payments as required under law.

Or

*I/We hereby undertake that we shall take appropriate steps for registration as relevant under CMPF/EPF Authorities. We shall make necessary payments as required under the law. (***Delete whichever is not applicable**)

8. I/We have not been banned or delisted by any Govt. / Quasi Govt. Agencies or PSUs (In case of joint venture all partners are covered).
9. If any information and document submitted is found to be false/incorrect at any time, authority may cancel my/our Bid and action as deemed fit may be taken against me/us, including termination of the contract, forfeiture of all dues

including Earnest Money and banning/delisting of our firm and all partners of the firm etc.

Signature (with Stamp of Firm): _____

Name & Designation of Authorised Signatory: _____

Date _____ Place _____

UNDERTAKING REGARDING DEBARMENT / BLACKLISTING

I/We(name and post of authorized signatory) on behalf of(Name of firm) do here by solemnly affirm and declare as follows:

- (i) Our firm is not restrained/debarred/blacklisted by AAI or Central/State Govt. Depts./PSUs/World Bank/ADB etc. and the debarment is not in force as on last date of submission of proposal.
- (ii) None of Proprietor/Partners/Board Members/Directors of M/s.....(Name of firm) has remained Proprietor/Partner/Board Member/Director in any firm which stands debarred/blacklisted by AAI or Central/State Govt. Depts./PSUs/World Bank/ADB etc. and the debarment is not in force as on last date of submission of proposal.
- (iii) Our firm understands that at any stage, if above statements are found to be false, our firm shall be liable for debarment from bidding in AAI, apart from any other appropriate contractual legal action including debarment/blacklisting, termination of the contract etc. as deemed fit.

Date:

[Signature and name of the authorized signatory of the firm]

Place:

Note: Above undertaking is to be given on company's letter head.

Report on "Physical Verification and reconciliation of Assets/Stores"

Format 1	Capitalization of Assets not made, as per AAI's Policy				
Asset id in SAP	Asset Description	Asset Class	Cost Centre	Value (Rs.)	Remarks

Format 2	Fixed Assets not accounted as per Invoice				
Asset id in SAP	Asset Description	Asset Class	Cost Centre	Value (Rs.)	Remarks

Format 3	Improper apportionment of expenditure on project office				
Asset id in SAP	Asset Description	Asset Class	Cost Centre	Value (Rs.)	Remarks

Format 4	Revenue Expenditure charged to Capital				
Asset id in SAP	Description	Asset Class	Cost Centre	Value (Rs.)	Remarks

Format 5	Non- availability of Test check reports, completion certificates, commissioning reports etc.				
Asset id in SAP	Asset Description	Asset Class	Cost Centre	Value (Rs.)	Remarks

Format 6	Assets and loose tools below the specified limit not charged to revenue				
Asset id in SAP	Asset Description	Asset Class	Cost Centre	Value (Rs.)	Remarks

Format 7	Assets not free from encumbrance /not having title deeds				
Asset id in SAP	Details of Land	Value of Land not free from all encumbrances (Rs.)	Value of Land for which title deed not available (Rs.)	Cost Centre	Remarks

Format 8	Transfer of Assets from one Region / Airport to another not accounted for				
Asset id in SAP	Asset Description	Date of Transfer	Transfer from	Value (Rs.)	Remarks

Format 9	Disposal of assets not accounted for				
Asset id in SAP	Asset Description	Date of disposal	Value of disposal (Rs.)	Whether the same has been reflected in FAR as well as in SAP	Remarks

Format 10	Profit / Loss on sale of Fixed Assets not accounted for				
Asset id in SAP	Asset Description	Date of disposal	Value of disposal (Rs.)	Whether the asset has been removed from the Gross Block and accumulated Depreciation has been done properly?	Remarks

Format 11	Difference in Value of Assets in Fixed Assets Register and SAP GL Balance				
Asset id in SAP	Asset Description	Asset Class	Cost Centre	Value as per SAP GL (Rs.)	Remarks

Format 12	Assets found short on physical verification				
Asset id in SAP	Asset Description	Date of capitalization	Value as per FAR (Rs.)	Value as per physical verification (Rs.)	Remarks

Format 13	Assets found in excess on physical verification				
Asset id in SAP	Asset Description	Date of capitalization	Value as per FAR (Rs.)	Value as per physical verification (Rs.)	Remarks

Format 14	Survey Action i.r.o. unserviceable assets				
Asset id in SAP	Asset Description	Asset Class	Value (Rs.)	Whether Disposal Action has been completed for write-off assets?	Remarks

Format 15	Stores found short on physical verification				
Stock id in SAP	Stock Description	Value as per Stock Register / Schedule (Rs.)	Value as per physical verification (Rs.)	Stock not accounted for as per accounting policy (Rs.)	Remarks

Format 16	Stores found excess on physical verification				
Stock id in SAP	Stock Description	Value as per Stock Register / Schedule (Rs.)	Value as per physical verification (Rs.)	Stock not accounted for as per accounting policy (Rs.)	Remarks

Format 17	Stores not accounted for as per accounting policy of AAI				
Stock id in SAP	Stock Description	Class	Value (Rs.)	Stock not accounted for as per accounting policy (Rs.)	Remarks