



**REQUEST FOR PROPOSAL (RFP NO. KSIIDC/2023-24/SE0011)**

**FOR  
APPOINTMENT OF CHARTERED ACCOUNTANT / COST &  
MANAGEMENT ACCOUNTANT FIRM FOR INTERNAL AND  
CONCURRENT AUDIT ASSIGNMENT**

**February 2024**

*Issued by: Karnataka State Industrial & Infrastructure Development Corporation Limited*

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Address: Khaniya Bhavan, 4th Floor, East Wing, No 49, Racecourse Road, Bangalore – 560001

Website: <http://ksiidc.karnataka.gov.in>

E-mail: [madhavi.ksiidc@gmail.com](mailto:madhavi.ksiidc@gmail.com), [ipd2@ksiidc.com](mailto:ipd2@ksiidc.com)

**KARNATAKA STATE INDUSTRIAL AND INFRASTRUCTURE  
DEVELOPMENT CORPORATION LIMITED**

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## **01.Request for Proposal (RFP)**

KSIIDC/2023-24/SE0011

Date: 27.02.2024

### **Notice Inviting Tender**

#### **Sub: Request for proposal for assignment of Internal Audit and Concurrent Audit.**

Karnataka State Industrial and Infrastructure Development Corporation Limited (KSIIDC) invite proposals / offers through e-procurement from Chartered Accountant CA/CMA / Cost Management Accountant (CMA) Firms for one year to be extended on Performance basis for another two years.

1. The CA /CMA Firm will be selected as per the procedures described in this Tender Document and in accordance with the policies of KSIIDC.
2. The CA /CMA Firms can view the tender details from e-procurement website – <https://kppp.karnataka.gov.in/#/portal/portal-home>.
3. The bid is to be quoted online through e-Tender in the Government of Karnataka e-Procurement platform only.
4. The aspiring CA firm who has not registered in e-procurement portal should register before participating through the website <https://kppp.karnataka.gov.in/#/portal/portal-home>
5. The bidders can access tender documents on the website and participate in the E-Tender within the stipulated time and date as per Tender Notice details through e-portal only. The soft copies of the Tender documents can be downloaded from e-procurement portal consisting of qualification criteria along with terms and conditions of contract to be complied with by the CA / CMA firm registered with e-procurement portal of Govt. of Karnataka.
6. Before submission of the bid on-line, the CA /CMA firm shall ensure that the scanned copies of all the necessary documents have been attached with the bid.
7. For details on registration, e-payment, user manual for bid submission, visit GoK e-procurement website <https://kppp.karnataka.gov.in/#/portal/portal-home> or contract e-procurement Help Desk Number.
8. The Technical& Financial proposal is through e-procurement portal only. The CA/CMA firm shall upload all the documents as per the tender document through online only.
9. Technically qualified CA/CMA firms will only be considered for opening the financial bid containing the Price bids.
10. KSIIDC reserves the right to reject any and all proposals as it may determine in its sole and absolute discretion.

**Assistant General Manager,  
KSIIDC**

## DISCLAIMER

The information contained in this Request for Proposal document (“RFP”) or subsequently provided to Applicants, whether verbally or in documentary or any other form by or on behalf of Authority or any of its employees or advisers, is provided to Applicants on the terms and conditions set out in this RFP and such other terms and conditions subject to which such information is provided.

This RFP is not an agreement or an offer by the Authority to the prospective Applicants or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in the formulation of their Proposals pursuant to this RFP. This RFP includes statements, which reflect various assumptions and assessments arrived at by Authority in relation to the Consultancy. Such assumptions, assessments and statements do not purport to contain all the information that each Applicant may require. This RFP may not be appropriate for all persons, and it is not possible for the Authority, its employees, or advisers to consider the objectives, technical expertise and particular needs of each party who reads or uses this RFP. The assumptions, assessments, statements, and information contained in this RFP, may not be complete, accurate, adequate, or correct. Each Applicant should, therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments and information contained in this RFP and obtain independent advice from appropriate sources.

Information provided in this RFP to the Applicants may be on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. The Authority accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on the law expressed herein.

The Authority, its employees and advisers make no representation or warranty and shall have no liability to any person including any Applicant under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this RFP or otherwise, including the accuracy, adequacy, correctness, reliability or completeness of the RFP and any assessment, assumption, statement or information contained therein or deemed to form part of this RFP or arising in anyway in this Selection Process.

The Authority also accepts no liability of any nature whether resulting from negligence or otherwise however caused arising from reliance of any Applicant upon the statements contained in this RFP.

The Authority may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumption contained in this RFP.

The issue of this RFP does not imply that the Authority is bound to select an Applicant or to appoint the Selected Applicant, as the case may be, for the Consultancy and the Authority reserves the right to reject all or any of the Proposals without assigning any reasons whatsoever.

The Applicant shall bear all its costs associated with or relating to the preparation and submission of its Proposal including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Authority, or any other costs incurred in connection with or relating to its Proposal. All such costs and expenses will remain with the Applicant and the Authority shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by an Applicant in preparation or submission of the Proposal, regardless of the conduct or outcome of the Selection Process.

## 02. INTRODUCTION

Karnataka State Industrial & Infrastructure Development Corporation Limited (KSIIDC) is inviting participation of eligible entities in the subject e-tender for Appointment of Chartered Accountant's / Cost & Management Accountant Firm for Internal & Concurrent Audit Assignment.

KSIIDC was established in the year 1964, as a wholly owned undertaking of the Government of Karnataka under the provisions of Companies Act, 1956. The Registered Office of the Corporation is situated at Khanija Bhavan, 4<sup>th</sup> Floor, East Wing, No.49, Race Course Road, Bengaluru- 560001. The activities of KSIIDC can be broadly classified under the following three areas:

- a) Promotional, Developmental, Infrastructure Initiatives and Nodal Agency Role
- b) Promotion of Industries through Equity assistance
- c) Promotion of Industries through Loan assistance.

Some of the major promotional and developmental activities undertaken by KSIIDC include:

- i. Promotion and implementation of the Bengaluru International Airport Project at Devanahalli.
- ii. Construction of a state-of-the-art office complex at Racecourse Road, Bengaluru (Khanija Bhavan) which has become operational for the last 24 years.
- iii. Construction of a modern IT / BT Park at Rajajinagar Industrial Area, Bengaluru.
- iv. Jindal Vijayanagar Steel Limited promoted by KSIIDC in the joint sector which is now contributing significantly to the cause of industrialization.
- v. New infrastructure projects such as development of Tadadi Integrated Eco-Tourism Centre, International Convention Centre, Gas Pipeline Project, development of Bengaluru Signature Business Park project and Access flyover to BSBP crossing existing NH-44 and Railway Line.

- vi. KSIIDC is involved in development of airports, airstrips, helipads, water aerodromes, etc as a nodal agency on behalf of GoK. Kalaburagi, Bidar and Shivamogga airports are under operation. Vijayapura, Raichur and Hassan airports are under construction. Being strategically positioned, KSIIDC is one of the leading organizations for furthering the industrial and economic development in the state of Karnataka.
- vii. KSIIDC is also a nodal agency for implementation of PPP projects across Karnataka which hand holds the PPP projects from the conception stage to implementation stage and also assists to monitor the operations of the PPP projects.

KSIIDC commenced its lending operations from the year 1977 under IDBI refinance scheme. KSIIDC has so far assisted about 135 starts up ventures through equity participation. These include both listed and unlisted investments. The total equity investment as of March 31, 2023, is Rs.116.79 crores. KSIIDC is divesting its share holdings.

KSIIDC has put on hold sanction of loans and financial assistance and is presently focusing on recovering from NPAs.

KSIIDC was a profit-making company for almost three decades. However, due to change in market forces following economic liberalization, KSIIDC's operations suffered resulting in increase in NPAs. KSIIDC has incurred losses for about eight years from year 1998-99. Due to timely corrective measures and other initiatives taken for revival, KSIIDC has turned around from 2006-07 by earning cash profit. The audited balance sheet of KSIIDC for the period ending March 31, 2023, posted a profit of Rs.66.15 Crores.

### **03. SCOPE OF SERVICES**

The operations of all the department of KSIIDC need to be audited on regular basis. The objective of the audit is to effectively put in place a reporting system on quarterly basis or as often as an audit team deems fit, to act as an effective MIS. Although, it is expected that quarterly finding (summary) of the audit work carried out in all the departments would be furnished in the form of quarterly reports, the audit assignment would also call for immediate reporting to the management if major lapses or lacuna are noticed in the operations.

The specific works required to be audited on a continuous basis in the existing departments are indicated below:

#### **A. FINANCE & ACCOUNTS DEPARTMENT:**

##### **1. Ledger Verifications / Scrutiny**

- a. To review the accounting entries are in accordance with Generally Accepted Accounting Principles /Indian Accounting Standards (IND AS).
- b. To review that expenses are properly authorized with all supporting vouchers & approvals, any expenditure incurred without proper approvals & supporting vouchers should be reported & rectified.
- c. To review internal controls & accounting policies, procedures and the orders issued from time to time.
- d. To check that the internal controls are in place to ensure that purchases and revenue payments are properly approved, for bona fide purposes, and are accurately classified and recorded.
- e. Verification of Heads of Accounts of various transactions recorded in the books of accounts and check that no unauthorized head of account is operated. Periodical review of all ledger accounts records.
- f. To verify and comment that the information generated from the books of accounts is accurate, complete, secure and readily available to support for taking decisions.
- g. To check that Cash Book, Bank ledger and other accounting records are properly maintained.

- h. To look into the compliance of previous audit objections raised (if any) and to verify or comment on the supporting documents/ vouchers submitted at later stage, to settle the audit qualifications in the Statutory Audit Report of this assignment.
- i. To certify that the financial statements and the Cash Flow Statement for the period under report gives a true and fair view of the affairs of the Company.
- j. To conduct a quick ledger scrutiny and give comments.
- k. To verify that all the accounting entries with respect to income, expenses, banks, journals, cash etc., are incorporated in the books of accounts.
- l. Scrutiny of advances outstanding, Security Deposits and Sundry Creditors & Debtors.

2. **Receipts:**

- a. To review that all money due to the company is received, correctly identified, properly and completely recorded and promptly deposited on the same day or the next day.
- b. To verify the Interest accrued and received on the funds parked in the form of FDR's or in any other form with various banks has been correctly calculated and is properly accounted for.
- c. To review any payments received by the company and later on dishonoured, through bank reconciliation.

3. **Fixed Assets**

- a. To review the policies of the Company for the control and proper utilization of all the fixed assets and their entries in the books of
- b. To verify the method of charging Depreciation being followed by the Company and provision for depreciation at year end.
- c. Checking of procedures with regard to disposal of assets to ensure that adequate procedures exist for scrapping, condemning and the same is followed.
- d. All purchases above Rs.10,000/- to be verified and reported.

4. **Bank Reconciliation and Fund Management:**

- a. To review the status and pending items of bank reconciliations.
- b. To review the idle funds if any and reason thereof.
- c. Advice the company to achieve better revenue/savings of cost.
- d. Verify BRS statements are prepared on timely.

5. **Statutory Requirements**

- a. To review that Company is regular in deducting and depositing tax on various payments like salaries, consultation fees, professional fees, payments to contractors etc.
- b. Review that the Company is issuing TDS certificates in correct form and in prescribed time.
- c. To verify and ensure the submission of TDS/ GST returns/Revised Returns/ if any, with the respective departments in time.
- d. To check that Advance Income Tax/GST /TDS under GST has been calculated correctly and remitted.
- e. Verification and validation of interest calculations in time in respect of finance extended by the Corporation (100%).
- f. Verification and Validation of Interest / other demands including TDS from Banks / Financial Institutions / other institutions, (if any), etc.
- g. To ensure completeness / correctness of accounting of revenue (ie., interest received on loans). Verify the postings made in the financial accounts with similar entries made under Loan Monitoring System on a routine basis (weekly) (100%).
- h. As regards Journal Entries (100% verification), the audit is required to ensure the correctness of the entries, mismatch, if any, in the ledger account especially pertaining to the areas like statutory payments, leakage of revenue, wrong classification of capital to revenue, and vice-versa, which will have a bearing on the accounts. The report should indicate the extent of verification and months covered in all the cases.
- i. Verify Interest calculations and recovery of all loans provided by the Corporation to its employees (100%).
- j. To verify the dues furnished / computed under Simple Interest / normal interest as sought by, to process the cases under One Time Settlement (OTS).

- k. To verify the files before issue of 'No Due Certificate' (NDC) with reference to all the receipts and dues, if any, payable under OTS and status of realization.
- l. Surprise physical verification of cash on a fortnightly basis. Including utilisation and necessary approvals
- m. Verify compliance with regard to RBI norms, RBI Bulletins and Circulars applicable to NBFCs / as applicable to financial institutions issued from time to time and report deviations, including accounting implications.
- n. Verify CSR funds utilization and calculation of CSR funds

6. **Other Assets and liabilities.**

- a. To review various loans and advances and timely recovery of the same.
- b. Staff advances – comment on the regular and timely clearance of staff advance.
- c. To review current liabilities and also provisioning of various liabilities.

7. **NPA Management:**

Review of existing systems, policies, procedures being followed and report whether they are in compliance with relevant guidelines / circulars etc., issued from time to time by RBI. To suggest improvement in the areas system development compliance / non-compliance with regard to NPA Management.

8. **Others:**

- a. To audit and verify the files for placing of Term / Fixed Deposits with respect to rates obtained, limits, fixed, statutory compliance, if any. Also, to physically verify the Term / Fixed Deposit Receipts with the register maintained and Financial Accounts.
- b. To verify invoices raised on lease rent payable to GoK in respect of Bangalore International Airport as per the terms of agreement.
- c. Whether the Corporation maintains an account separately of waiver of loans, interests / other debits etc.
- d. Overtime Payments /TA / DA /other Payments. Special auditing in certain cases w.r.t. authenticity, procedures, followed, etc
- e. To involve in finalization of financial statements annual accounts and vet the same after finalization before placing the same before the Audit Committee.
- f. To co-ordinate with Statutory Audit, C & AG Audit and furnish replies as may be necessary.

**B. RECOVERY DEPARTMENT:**

Since last 22 years, KSIIDC has kept on hold sanction of fresh financial assistance. Presently, it is focusing on recoveries from advances and tackling of NPAs. The indicative Scope of Work relating to the audit of the Recovery Department and the specific works required to be audited on a continuous basis are indicated below:

1. Review and report on recovery in respect of various types of loans:
  - a. All files.
  - b. One time settlement proposals.
  - c. To assist / guide in recovery activities NCLT CASES.
  - d. Procedures adopted in recommending for taking over of an under Sec. 29 of SFC's Act.
  - e. Whether the unit was taken over under Sec. 29 within the stipulated period
2. Review and report on units proceeded with recovery action under SFCs Act.
  - a. Delay in selling of assets.
  - b. Review of periodical inspection of units and recordings on the state of the fixed assets and current assets within the unit.
  - c. Comment on security employed in guarding the assets taken over under Sec 29 of SFC's Act, selection and satisfactory services of security agencies, etc.
  - d. Review of proposals / offers for purchase of assets, procedures adopted in selling of assets, handing over of assets, monies received on selling of assets, allocation of monies received to proper head of account etc.
  - e. Action taken on assets missing, if any, from the taken over units.
  - f. Pre-audit of all security payments proposed to safeguard secured / mortgaged assets against which recovery action has been initiated under various Sections of SFCs Act.
  - g. Any other related matter.
3. Review whether the Corporation has a system of monitoring the timely recovery of outstanding dues.
4. Review whether the Corporation has a system of monitoring insurance and other claims.
5. To verify computation of interest furnished by Accounts Department for the purpose of settlement of dues under OTS by the loanees.

**C. LEGAL CELL:**

- (i) Verification of all legal documentation (comment on lapses on securing the loan sanctioned / disbursed through proper legal documentation, if any).
- (ii) Verification of registers / records with the original documents deposited as security.
- (iii) Review the criminal complaints filed for the loss of assets charged to the Corporation.
- (iv) Auditing of files pertaining to invoking of personal guarantees of loanees and related issues with the files handled by the department.
- (v) Review and verification original security documents periodically in respect of all loan account.

**D. INFORMATION TECHNOLOGY DEPARTMENT:**

All purchases above Rs.10,000/-

- i) Actual requirement of purchases.
- ii) Approval by concerned authority
- iii) Authorization for purchases
- iv) Systems and procedures followed
- v) Details of existing computers and peripherals
- vi) Proper maintenance of computers and peripherals
- vii) Procedure adopted on writing off computers and peripherals, if any
- viii) Whether the Board is briefed regularly of the IT strategy

**E. ADMINISTRATION DEPARTMENT:**

All purchases above Rs.10,000/-

- (i) Actual requirement of purchases.
- (ii) Approval by concerned authority
- (iii) Systems and procedures followed
- (iv) Details of existing assets
- (v) Physical verification of assets on' a yearly basis
- (vi) Examination and verification of physical existence and condition of the tangible assets.
- (vii) Procedure adopted in writing off and disposing of assets.
- (viii) Proper maintenance of assets

- (ix) Maintenance of Fixed Asset Register as per the prescribed format under the new Companies Act, 2013.
- (x) Procedure adopted in selection of various vendors including those providing annual maintenance.
- (xi) Sanction of various loans to the employees of the Corporation as per rules, eligibility etc., including obtaining security towards loan.
- (xii) Selection of security agency as per relevant acts and rules. Internal control on security exerted by the department.
- (xiii) Inventory of cars, control on fuel and kilometre usage, trip scheme, authorization to use cars for various trips etc.,
- (xiv) Vehicle maintenance cost and its control.
- (xv) Verification of monthly Lunch Expenses provided to the employees
- (xvi) Verification of HBA / HPA / Vehicle Advance files of employees, who are attaining superannuation / retiring under VRS.
- (xvii) Other issues emerging from time to time.

**F. PERSONNEL DEPARTMENT:**

- i) Increments provided to employees as per rules.
- ii) Promotions provided as per rules.
- iii) Filing of various returns to the State Government as per rules as well as within prescribed time.
- iv) Undue delay in processing of files.
- v) Disciplinary action taken is within rules or disciplinary action not taken when warranted.
- iv) Review of implementation of rules / circular issued by various authorities within the organization, controlling Government department and State Government.
- v) Verification of Earned Leave / Half Pay Leave as well as Encashment Register and payments.
- vi) Payment revisions, if any.
- vii) Other issues emerging from time to time, if any.

**G. FINANCIAL SERVICES DIVISION (FSD):**

- i. The proposals for investment in equity shares / debentures / mutual funds.

- ii. Investment in shares.
- iii. The proposal for disinvestment of shares held by the Corporation.
- iv. Physical verification of inventory of stocks including register.
- v. Management related activities (all aspects covering expenditure, fund flow) etc.

#### **H. KHANIJA BHAVAN & ITBT PARK:**

- i) All expenditure and fund flows relating to Khanija Bhavan, ITBT.
- ii) To review the Premises & Facilities Management (P&FM) Services provided by the Service Provider at Khanija Bhavan and ITBT Park.
- ii) Carryout surprise inspection to review deployment of security guards as per the tender document at both Khanija Bhavan and ITBT Park.
- iii) Verification of receipt of rent periodically as per invoice raised and as per lease agreements signed with the occupants.
- iv) Verification of enhancement of rent including rationalisation of rents, if any, upon renewal of lease agreements.
- v) Payment of P&FM monthly bills, AMC payments and all other major payments.
- vi) Other issues emerging from time to time, if any.

#### **I. INFRASTRUCTURE PROJECT DEVELOPMENT DEPARTMENT (IPD):**

- i) Verify the Running Accounts bills related to the contractors payments, discharge of royalty, and the O&M expenditure related to all the projects of KSIIDC.
- ii) Verify and ensure the prior approval of the bills from the competent authority.
- iii) Verify the and suggest the applicable statutory deductions for payment of bills.
- iv) Verify the expenditure/ bills and any other payments released related to salary, TA/DA & other staff payments, Maintenance /Services bills
- v) Review project budgets for accuracy and completeness. Analyze budget variances and take corrective actions as necessary. Assess the allocation of resources across projects for efficiency. Verify the existence of contingency funds for unexpected costs.
- vi) Verify the accuracy of invoicing and payment tracking systems.
- vii) Analyze project cost sheets for completeness and accuracy.

**J. CORPORATE SOCIAL RESPONSIBILITY (CSR) :**

Pre-audit of the CSR activities and expenses made thereon as per CSR Policy approved by the Board of Directors of KSIIDC.

**GENERAL**

- a) Review procedures adopted in taking necessary approvals on undertaking visits abroad and are in line with the existing rules of the State Government guidelines etc.,
- b) Performance of schemes introduced by the Corporation in the areas of, recoveries, one-time settlements, sale of equities etc.,
- c) Review periodically the Business plans of the company and its achievements with respect to targets and goals.
- d) Review of quarterly performance of the Corporation.
- e) Any other specific work relating to day-to-day operations not specifically covered above.
- f) Adequacy of the existing system in reporting and control and suggesting improvements under internal financial controls of the corporation. Adequacy of systems in meeting the statutory compliance in filing returns especially in the electronic forms.

KSIIDC may, from time to time reorganize its operations and departments depending on the need, the scope of audit would encompass all the operations even after reorganization / reconsolidation of various departments. The work content indicated for the various departments as above is only indicative and the audit would encompass all the existing and future reorganised operations.

**K. AUDIT PROCESS:**

**a. Concurrent Audit:**

- i. The audit report in respect of all the files that are taken up for concurrent audit should be sent within two days after completing the audit to the concerned departmental heads / who shall comply with the observations of the auditor immediately.
- ii. A summary of the observations of the compliance of the concurrent audit shall

be submitted to AGM (IA) by the departmental heads / once in three months who shall place the same before the Audit Committee of the Board for information and instructions, if any.

**b. Routine Audit:**

- i. The routine audit of each department / section shall be completed within first fifteen days of the month to ensure Financial Proprietary and a detailed report to be submitted to AGM (IA).
- ii. The AGM (IA) will be nodal officer to coordinate the work of the Internal Auditor. All the reports / paras / observations of the Internal Auditor shall be furnished to AGM (IA) as per the time schedule indicated above. The required number of Audit personnel shall be decided in consultation with KSIIDC.

#### **04. CRITERIA FOR PRE-QUALIFICATION AND FINANCIAL BIDS**

- i. Mere submission of bid documents does not qualify a Chartered Accountant (CA) / Cost Management (CMA) firm for appointment.
- ii. The bid of the CA / CMA firm which does not comply / satisfy the eligibility criteria mentioned hereunder is liable to be rejected.
  - a) The CA / CMA firm shall submit self-attested copy of PAN card and GST Registration and Income Tax Returns for past 3 financial years. – (As mentioned in Form 2 - Standard Formats in Annexure 1).
  - b) The CA / CMA firm shall hold a valid Certificate of Practise issued by Institute of Chartered Accountants of India / Institute of Cost Accountants of India, a copy of which shall be furnished. Also, a self-declaration that the firm is in operation for the last ten (10) years should be furnished (As mentioned in Form 2 - Standard Formats in Annexure 1).
  - c) The firm should have a minimum of 5 Chartered Accountants / Cost & Management Accountants out of which at least 3 should be fellow members (including partners). – (As mentioned in Form 2 - Standard Formats in Annexure 1).
  - d) The firm should have a minimum of 5 years' experience in carrying out internal audit / concurrent audit for banks and/or financial institutions and shall provide the reference details as per the format provided in this RFP– (As mentioned in Form 2 - Standard Formats in Annexure 1).
  - e) The firm should have worked as Statutory Auditors for banks and/or financial institutions for a minimum period of 7 years and shall provide the reference details as per the format provided in this RFP– (As mentioned in Form 5 - Standard Formats in Annexure 1).
  - f) The CA / CMA firm shall furnish an undertaking separately on its letterhead as an enclosure to deploy adequate compliment of audit team commensurate with the scope of services to be rendered to the satisfaction of KSIIDC. A brief write up on the audit team proposed to be deployed may be furnished– (As mentioned in Form 4 - Standard Formats in Annexure 1).
  - g) The audit firm should deploy the staff with knowledge of Kannada (reading and writing) & submit an undertaking for the same– (As mentioned in Form 2 - Standard Formats in Annexure 1).
  - h) The applicant has to submit the curriculum vitae (CV) of proposed key personnel to be deployed as per the scope of services mentioned in the RFP - (As mentioned in Form 3 - Standard Formats in Annexure 1).

- iii. KSIIDC at its sole discretion reserves the right to reject the bids of any CA / CMA firm who fails to qualify the prequalification criteria.
- iv. KSIIDC shall disqualify the CA / CMA firm at any stage, as soon as it comes to the notice of KSIIDC at a later date that any information(s) / certificate(s) furnished/produced were factually incorrect / false.
- v. KSIIDC will open the pre-qualification bids first. The financial bids of the qualified CA / CMA firm will only be opened thereafter.
- vi. KSIIDC reserves the right to negotiate the bids as well as other terms and conditions with the selected CA / CMA firm.
- vii. KSIIDC shall have the right to reject all or any of the offers of the selected CA / CMA firm without assigning any reason.
- viii. The application form for the pre-qualification bid is given in Annexure-I(Form 1 to Form 5 and the various documents sought in these forms shall be uploaded in the e-procurement portal for evaluation).
- ix. The selection of the successful bidder will be based on the lowest cost (L1) to KSIIDC.
- x. In matters of dispute, the decision of the Managing Director, KSIIDC, Bengaluru, shall be final and binding on both the parties.
- xi.** The technical bid and financial quote (Annual fees) including GST shall be submitted by the Applicant through the e-procurement portal only. The Applicant shall provide the Form 1- Financial Proposal in Appendix II and the breakup of financial bid given in Form 2 (Break up of Financial Bid) of Appendix II to KSIIDC as hard copy at the time of financial bid opening.
- xii. The amount of Earnest Money Deposit (EMD) of Rs. 8,750/- (Rupees Eight Thousand Seven Hundred Fifty Only) shall be paid by the Applicants before the scheduled time of e-tender submission through ONLINE PAYMENT GATEWAY provided at e-procurement portal itself.
  - a. The EMD shall be deposited through the e-procurement portal itself. No other mode of payment shall be acceptable.
  - b. In case a party has deposited EMD and Tender Fee but does not participate in the tender process i.e. the party has not submitted his bid on e-procurement portal and his name is not appearing in the bids submitted list, then, on request of such party, amount paid towards EMD by the party may be refunded after deduction of 10% of EMD amount. However, the Tender Fee shall not be refunded in this case.

- xiii. KSIIDC reserves to itself the right to reject any or all the E-tender without assigning any reason thereof and to call for any other detail or information from any of the tenderer(s).

## 05. TERMS OF APPOINTMENT

- (i) The assignment shall be for a period of three (3) years subject to annual review of performance of the Audit firm.
- (ii) Nominate one of its partners as a nodal person to interact with the Co-ordinator of the KSIIDC (AGM –IA) in all matters related to internal audit. He/she will be required to attend all the meetings and address all the issues. He/she shall be the single point of contact with the firm.
- (iii) Minimum one number of audit personnel shall visit the office every day to do the audit and verify all the files / vouching and also additional number of personnel may be deployed on the basis movement of number of files.
- (iv) Ensure that at least one qualified Chartered Accountant is available all time during the year for discussions and clarifications.
- (v) The CA / CMA firm shall carry out the internal audit & concurrent audit on month-to-month basis and the concurrent audit on day-to-day basis.
- (vi) The CA / CMA firm shall discuss with Head of Departments and Senior Executives before finalizing the report.
- (vii) The audit report shall be furnished to the Managing Director on quarterly basis (both Kannada and English). However, any major lapses or lacuna in the system need immediate corrective steps shall be reported immediately.
- (viii) It will be responsibility of the internal auditor to:
  - Comment on the accounting records, system and controls that were examined during the course of internal audit identify deficiencies and weakness in the system and to make recommendations to improve them as also suggest new systems wherever required.
  - Highlight the mistakes that are material and have significant impact on the performance of the company.
  - To help the management in other areas dealing with finance and accounts matters and operating system when required for.
  - To undertake any other work which is related & involved with the present assignment without claiming additional fee/remuneration.
  - To audit any other matter as may be deemed fit by the Auditors in the interest of the Company.

- Action taken on the findings of previous report(s) shall form part of each report.
  - The internal Auditor shall be required to revise the report if required.
  - Act as a warning system and report any issues and suggest necessary actions. If any issues required remedial actions, it needs to be suggested immediately.
- (ix) The internal Auditor should submit quarterly report within 15 days from the date of closure of each quarter.
- (x) Penalty in the form of a cut at 1% of the fees agreed for the relevant period would be levied for each week's delay in submission of internal audit report. Any delay beyond four weeks shall not be acceptable.
- (xi) The annual fees payable to the CA / CMA firm shall be paid in four equal quarterly instalments at the end of each quarter against the submission of quarterly audit report.
- (xii) Workspace for conducting audit will be provided by KSIIDC.
- (xiii) If CA / CMA firm shall comply with the terms of Appointment and Scope of Audit set out in this document. CA / CMA firm shall communicate the acceptance in writing within five working days from the date of receipt of letter of award.
- (xiv) KSIIDC reserves right to terminate the services of the CA/CMA firm under the circumstances like failure to meet the performance expectations by CA/CMA firm, material breach, change in circumstances, insolvency, and mutual agreement.

## 06. PROCEDURES

- i. The CA/CMA firms shall upload the Technical, financial proposal along with scanned copies of the supportive documents as per the tender document through e-procurement portal.
- ii. Technical bid (As per Form 1 in Annexure I) and financial bid (As per Form 1 in Annexure II) have to be submitted in the format given in Annexure-1&II, respectively.
  - iii. Each page of the document has to be signed and seal affixed by the authorized Official of the CA / CMA firm.

The completed Technical and financial bids along with scanned copies of the supportive documents must be uploaded online only on or before the time and date stated in the Schedule of Events.
- iv. After the deadline for submission of proposals, the Technical proposal shall be opened as per the schedule of events. The financial Proposal shall remain unopened until all process of technical evaluation is completed and decision is taken to open the same.
- v. Once the bid is submitted to KSIIDC neither further / additional information / correspondence will be entertained nor KSIIDC is bound to call for any clarification.
- vi. The Bidders are required to furnish Earnest Money Deposit (EMD) of Rs. 8,750/- (Rupees Eight Thousand Seven Hundred Fifty Only). The EMD shall be deposited through the e-procurement portal itself. No other mode of payment shall be acceptable.
- vii. KSIIDC reserves the right to accept or reject any application without assigning any reason thereof.
- viii. KSIIDC reserves the right to negotiate other terms and conditions with the selected CA / CMA firm and decide upon the following:
  - a. Changes in the Scope of Work
  - b. Any other terms and conditions.
- ix. Conditional bids will be rejected forthright.
- x. All communications related to this RFP should be addressed to:

**Managing Director, KSIIDC**  
**Address:** Karnataka State Industrial & Infrastructure Development Corporation Limited (KSIIDC)  
Khanija Bhavan, 4th Floor, East Wing, No 49, Racecourse Road, Bangalore – 560001  
**Email:** [ed@ksiidc.com](mailto:ed@ksiidc.com), [madhavi.ksiidc@gmail.com](mailto:madhavi.ksiidc@gmail.com), [ipd2@ksiidc.com](mailto:ipd2@ksiidc.com)

### **07. SCHEDULE OF EVENTS**

1	Date of upload of Request for Proposal (RFP) on to the E-procurement portal	<b>27<sup>th</sup>Feb 2024</b>
2	Last date/time for submission of tender documents (Technical/Qualification & Financial)	<b>5<sup>th</sup>March 2024, 5.30PM</b>
3	Date/time for opening Technical bid	<b>6<sup>th</sup> March 2024, 11.30AM</b>
4	Date/time for opening Financial bid	<b>To be notified</b>
5	Issue of Letter of Award (LOA)	<b>To be notified</b>

**08. Technical Proposal – Standard Formats – Annexure-I**

**FORM 1-TECHNICAL PROPOSAL SUBMISSION FORM ON THE LETTER HEAD OF THE  
CA FIRM/CMA FIRM**

To:

The Executive Director  
KSIIDC Limited  
'Khanija Bhavan'  
No.49, RC Road  
BENGALURU-560001

Sir,

**Sub: Internal & Concurrent Audit Services to KSIIDC-Technical Proposal**

We, the undersigned offer to provide the Internal & Concurrent Audit services for the above in accordance with your Request for Proposal dated \_\_\_\_\_. We are hereby submitting our Proposal which includes this Technical Proposal and Financial Proposal through e-Procurement portal.

If negotiations are held during the period of validity of the Proposal, i.e., before (Date) we undertake to negotiate. Our Proposal is binding upon us and subject to the modifications resulting from contract negotiations.

We understand you are not bound to accept any Proposal you receive.

Thanking you,

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of CA/CMA Firms:

Address:

**FORM 2 - APPLICATION FOR PREQUALIFICATION BID ON THE LETTER HEAD OF  
THE CA/CMA FIRM**

<b>Sl.No</b>	<b>Details from the Applicant</b>	<b>Submissions</b>
1.	Name and address of the Chartered Accountant's /Cost & Management Accountant's Firm	
2.	Date of Registration (Enclose copy of the Certificate)	Yes/No
3.	Currency of the Certificate: (Enclosed Self attested Certificate)	Yes/No
4.	The CA / CMA firm shall hold a valid Certificate of Practise issued by Institute of Chartered Accountants of India / Institute of Cost Accountants of India, a copy of which shall be furnished. Also, a self-declaration that the firm is in operation for the last ten years should be furnished. (On Firms Letterhead)	Yes/No
5.	The CA / CMA firm shall submit self-attested copy of PAN card.	(PAN No.)
6.	The CA / CMA firm shall submit self-attested copy of GST Registration.	(GST No.)
7.	Income Tax Returns for past 3 financial years	Yes/No
8.	The firm shall furnish a self-declaration for having met the requirements stipulated in (A) (B) and (C) below by indicating the names of CAs / CMAs, names of banks and financial institutions who have availed its services in the past.(On Firms Letterhead)	
A	The firm should have a minimum of 5 Chartered Accountants / Cost & Management Accountants and of which at least 3 should be fellow members (including partners).(Self-attested Certificate shall be submitted)(On Firms Letterhead)	No. of CA/CMA, the firm has including Fellow Members (Self attested Certificate enclosed)
B	The firm should have a minimum of 5 years' experience in carrying out internal audit / concurrent audit for banksand/or financial institutions.(Self-attested Certificate enclosed)	Yes/No

C	The firm should have worked as Statutory Auditors for banks and/or financial institutions for a minimum period of 7 years. (Self-attested Certificate enclosed)	Yes/No
9.	The CA / CMA firm shall furnish an undertaking separately on its letterhead as an enclosure to deploy adequate compliment of audit team commensurate with the scope of services to be rendered to the satisfaction of KSIIDC. (On Firms Letterhead)	Yes/No
10.	A brief write up on the audit team proposed to be deployed shall be furnished. (On Firms Letterhead)	Yes/No
11.	Undertaking to deploy staff with the knowledge of Kannada. (On Firms Letterhead)	Yes/No
12.	Name, address and telephone number, fax, Email of the contact person (s) at Bengaluru(On Firms Letterhead)	
13.	Curriculum vitae (CV) for proposed Key personnel to be deployed.	Yes/No

**Note:** All the documents mentioned above (in Form 2) shall be uploaded in the e-procurement portal only.

**FORM 3- FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED  
KEY PROFESSIONAL STAFF ON THE LETTER HEAD OF THE CA/CMA FIRM**

Proposed Position	
Name of Internal Audit Firm	
Name of Staff	
Profession	
Date of Birth	
Nationality	
Years with Firm/Entity	
Membership in Professional Societies	
Detailed Tasks Assigned	
<p><b>Key Qualifications:</b> [Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations.]</p>	
<p><b>Education:</b> [Summarize college/university and other specialized education of staff member, giving names of schools, dates attended, and degrees obtained.]</p>	
<p><b>Employment Record</b> [Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years, also give types of activities performed]</p>	
<p><b>Languages:</b> [For each language indicate proficiency: Excellent, good, fair, or poor; in speaking, reading and writing]</p>	

**Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

Date:

Place: (Signature of Staff member and authorized representative of the CA/ ICMA Firms)

Full name of staff member: \_\_\_\_\_

Full name of authorized representative: \_\_\_\_\_

**FORM 4-TEAM COMPOSITION AND TASK ASSIGNMENT ON THE LETTER HEAD OF  
THE CA/CMA FIRM**

**1. Professional Staff**

<b>Sl. No.</b>	<b>Name</b>	<b>Position</b>	<b>Task</b>	<b>Knowledge of Kannada Yes/No</b>
1.				
2.				
3.				
4.				
5.				
6.				

**b. Support Staff**

<b>Sl. No.</b>	<b>Name</b>	<b>Position</b>	<b>Task</b>	<b>Knowledge of Kannada Yes/No</b>
1.				
2.				
3.				
4.				
5.				
6.				

**FORM 5- INTERNAL AUDIT FIRM'S REFERENCES ON THE LETTER HEAD OF THE  
CA/CMA FIRM**

**Relevant Services Carried out in the Last Five Years That Best Illustrate Qualifications**

Using the below, provide information on each reference assignment for which your firm/entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted.

Assignment Name:		Place:
Location within country		Key Professional staff Provided by your Firm/entity(Profiles)
Name		No. of Staff
Address:		No. of Staff-Months: duration of assignment
Start Date (Month/year)	Completion Date (Month/year)	Approx.Value of Services
Name of Associates CA/CMA firms, if any:		
Name of Senior staff (co-coordinator, Team Leader) involved, and functions performed.		
Narrative Description of Project		
Description of Actual Services Provided by your Staff:		

**09. FINANCIAL PROPOSAL – STANDARD FORMATS – ANNEXURE – II**

**FORM 1- FINANCIAL PROPOSAL SUBMISSION FORM ON THE LETTER HEAD OF THE  
CA/CMA FIRM**

**To:**

The Executive Director  
KSIIDC Limited  
'Khanija Bhavan'  
No.49, RC Road  
BENGALURU-560001

Sir,

**Subject: Internal & Concurrent Audit Services to KSIIDC – Financial Proposal**

We, the undersigned, offer to provide the internal & Concurrent Audit services for the above in accordance with your Request for Proposal dated [date], and our Proposal (technical and Financial Proposals). Our attached financial proposal (annually) is for the sum of Rs. \_\_\_\_\_ [Amount in words] including GST.

Our financial proposal shall be binding upon us subject to the modifications resulting from contract negotiations, up to expiration of the validity period of the proposal, i.e., [Date].

We undertake that, in competing for (and, if the awards are made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India namely "Prevention of Corruption Act 1988".

We understand you are not bound to accept any proposal you receive.

Thanking you,

Yours Sincerely,

**Authorized Signature:**

Name and Title of Signatory:

Name of CA/ CMA Firm's:

Address:

**FORM 2- FINANCIAL PROPOSAL BREAK UP ON THE LETTER HEAD OF THE CA/CMA  
FIRM**

**Note: The financial proposal breakups (Hard Copy) shall be submitted by the firm to KSIIDC on financial proposal opening date.**

**SUMMARY OF COSTS**

<b>Sl. No.</b>	<b>Description</b>	<b>Annual Amount (in Rs.)</b>
I	Remuneration for Key professional staff	
II	Supporting Staff	
	<b>TOTAL COST</b>	
	<b>GST</b>	
	<b>GRAND TOTAL COST</b>	

**Authorized Signatory**

It may be noted that no local conveyance and out of pocket expenses at Head Office, Bangalore will be reimbursed / paid. However, if the Audit team needs to travel outside Bengaluru on audit work, TA/DA and out of pocket expenses will be reimbursed as per KSIIDC norms.