



M.P. POWER MANAGEMENT CO. LTD.

CIN – U40109MP2006SGC018637 (A Govt. of M.P. Undertaking)

Regd. Office : Shakti Bhawan, Rampur, Jabalpur, M.P. INDIA - 482008
Tel : 0761-2661111, 2660500, Fax : 0761-2661696, Website : www.mppmcl.com, email md@mppmcl.com

No. GM(IAD)/PMC/NIT/2016-17/224

Jabalpur, Dated 03/05/2017

Notification of the RFP/NIT Document for the appointment/empanelment of Chartered Accountant Firm/Cost Accountant Firm as Internal Auditor for audit of Financial Statement for FY 2016-17.

M.P. Power Management Company Limited, with its Head office at Shakti Bhawan, Jabalpur, is a Government of Madhya Pradesh Undertaking, incorporated under the provisions of the Companies Act, 1956. The company desires to engage a reputed Chartered Accountant/ Cost Accountant firm having its Head Office/ Branch Office located in Madhya Pradesh, as Internal Auditors for internal audit of financial bookkeeping of the company for FY 2016-17. The Firm intending to apply for the above mentioned works should fulfill the following criteria:

- a) The Firm must be in operation for at least ten (10) years, with its Head Quarter or Branch office located in Madhya Pradesh.
- b) In case of Chartered Accountant Firm, the Firm must be empanelled with CAG and at least one (1) DISA/CISA qualified Chartered Accountant.
- c) The firm must have at least three (3) Partners of whom at least one partner should be FCA/FCMA & at least one partner should have knowledge of Ind AS.
- d) The firm must undertake to deploy at least one (1) CA/CMA having experience of audit of at least 5 years and having knowledge of Ind AS and two (2) experienced staff (each with minimum 2 years' experience of audit).
- e) The firm must have experience in Auditing of Accounts of Public Sector Undertaking (state or central) for a period of 5 years. A certificate duly supported with relevant documents such as copies of appointment order shall also be furnished.
- f) The Firm should at least have earning of not less than Rs. 30 Lakhs as annual fees from audit services in FY 2015-16.
- g) There should not be any legal suit / Criminal case pending or contemplated against the Firm on the grounds of turpitude or for violation of any of the law in force.
- h) To be qualified for appointment the bidder's shall provide evidence, satisfactory to MPPMCL of their capacity and adequacy of resources to carry out the contract effectively. Bids shall include the following information:
 - Copies of the original documents defining the constitution or the legal status, place of registration and principal place of business, written power of attorney of the signatory of the Bid to commit the Bidder.
 - Description of the resources available to carry out the proposed job.

General Manager(IAD): Block No.14, Shakti Bhawan, Rampur, Jabalpur (M.P.) 482008
Tel : 0761-2661884 Fax:0761-2661884

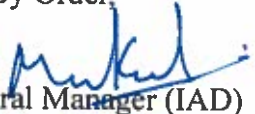
- Qualification and experience of all the personnel proposed for carrying out the work.
- i) The audit firm must have adequate staff for carrying out the work on concurrent basis. The bidders shall have to submit an undertaking on non-judicial stamp paper of requisite value, as per Annexure-VII, to the effect that the audit firm shall deploy sufficient strength of the staff to carry out the audit on concurrent basis in case work is allotted to them.
 - j) The firm should not have been debarred / blacklisted by any department of the State or Union Government or any Government Company or its wholly owned subsidiary. An undertaking to this effect as per Annexure VI shall have to be furnished.

The interested Firms of Chartered Accountants & Cost Accountants meeting the above qualification criteria, may download the RFP document from the website www.mppmcl.com. The Bidders who download the tender document shall have to pay the tender document fees of Rs. 1,050/- by way of a Demand Draft/Bankers Cheque, payable to M.P. Power Management Co. Ltd., Jabalpur, at the time of submission of the bid. The bids will be accepted up to 3.00 PM on 18/05/2017. and opened on same day i.e. on 18/05/2017 at 3.30 PM. A Pre-bid meeting shall be held on 11/05/2017 at 3.30 PM. The venue for pre bid meeting and bid opening shall be at O/o GM (IAD), MPPMCL, Block No. 14, Shakti Bhawan, Rampur, Jabalpur.

The appointment of Chartered Accountants Firm/Cost Accountant Firm shall be based on the evaluation of the Financial Bids of the pre-qualified firms on the basis of their Technical/Qualification Bids and the firm offering the lowest quote for the assigned work shall be considered as a Qualified/Successful Bidder and will be assigned the work mentioned above.

For detailed information please refer to the RFP/NIT document.

By Order,


General Manager (IAD)
MPPMCL, Jabalpur

M.P. POWER MANAGEMENT COMPANY LIMITED

**REQUEST FOR PROPOSAL (RFP) / NOTICE INVITING
TENDER (NIT) DOCUMENT FOR
APPOINTMENT OF CHARTERED ACCOUNTANT FIRM/
COST ACCOUNTANT FIRM AS INTERNAL AUDITORS FOR
AUDIT OF FINANCIAL STATEMENTS
(FY 2016-17)**

(Bid No. GM (IAD)/PMC/NIT/2016-17)/224 dt.03/05/2017

DISCLAIMER

1. This Request for Proposal (RFP) document is not an agreement or offer by the M.P. Power Management Company Limited (MPPMCL) to the prospective Bidders or any other party. The purpose of this RFP is to provide interested parties with information to assist the formulation of their Bid. This RFP is based on material and information available in public domain.
2. This RFP, along with its formats, is not transferable. The RFP and the information contained therein are to be used only by the person to whom it is issued. Save and except as provided in this RFP, it shall not be copied or distributed by the recipient to third parties. In the event that the recipient does not continue with its involvement in the bidding process in accordance with this RFP, this RFP must be kept confidential.
3. While this RFP has been prepared in good faith, neither MPPMCL nor its employees or advisors/consultants make any representation or warranty express or implied as to the accuracy, reliability or completeness of the information contained in this RFP.
4. Neither MPPMCL nor its employees or advisors/consultants will have any liability to any Bidder or any other person under the law of contract, tort, the principles of restitution or unjust enrichment or otherwise for any loss, expense or damage which may arise from or be incurred or suffered in connection with anything contained in this RFP, any matter deemed to form part of this RFP, the award for services, the information supplied by or on behalf of MPPMCL or its employees, any advisors/consultants or otherwise arising in any way from the selection process for the said services.

MPPMCL reserves the right to close the selection process or reject the bid at any stage of selection process.

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1. INTRODUCTION & BACKGROUND

Madhya Pradesh Power Management Company Limited (MPPMCL) is the holding company for the three electricity distribution companies in the state of MP viz Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited (MPMKVVCL) at Bhopal, Madhya Pradesh Poorva Kshetra Vidyut Vitran Company Limited (MPPKVVCL) at Jabalpur and Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Limited (MPPKVVCL) at Indore. The Company is incorporated under the Companies Act, 1956 and has its registered office at Shakti Bhawan, Rampur, Jabalpur (M.P.) 482008 and regional office at E-4, Arera Colony, Opposite Bhojpur Club, Bhopal- 462023. The Company has been vested with the function of power procurement for the three distribution companies. The scope of work of M.P. Power Management Company Limited (hereinafter referred to as “MPPMCL” or “the Company”) includes:

- a) Purchase of electricity from Central / State Sector and other sources as per policies and directive of the Govt of M.P.
- b) Sale of electricity to Distribution Companies of M P and Others;
- c) Compliance of various provisions, regulations, notifications, clarification, etc. notified or issued by Ministry of Power (MoP)/ Madhya Pradesh Electricity Regulatory Commission (MPERC)/ Central Electricity Regulatory Commission CERC etc.
- d) Maintain cash flow mechanism between MPPMCL and all the three DISCOM as per GoMP notification.

The company desires to engage a reputed Chartered Accountant firm or Cost Accountant Firm (hereinafter also referred to as “the Firm”) as Internal Auditor for scrutiny, assistance and advise on financial book keeping, preparation of financial statements, compliance of statutory provisions with regard to Ind (AS) and all applicable law relating to taxation & accounting etc.

2. SCOPE OF THE BID

- a) MPPMCL intends to appoint well established reputed and experienced firm of Chartered Accountants or Cost Accountants for carrying out the internal audit of financial statements as per scope of audit, is available at Annexure-I.
- b) The audit shall be carried out in respect of financial book keeping, preparation of financial statements, and compliance of statutory provisions in accordance with Ind (AS) and all applicable law relating to taxation & accounting etc. for the period 01st April 2016 to 31st March 2017 as per the scope laid out in Annexure-I.

3. OBJECTIVE OF THE BID

The objective of this assignment shall be to:

- a) Focus on regular internal audit of the office(s) to assess, review, recommend and comment in respect of effectiveness and efficiency of accounting, financing, operations procedural compliance of the Statutory Provisions in all the offices of the Company as described elsewhere in this document will also be one of objects.
- b) Protect the MPPMCL by detecting irregularities, mistake and frauds through post audit checking of accounting records.
- c) Analyze the reason for the defects if any and not only suggest remedial measures for the immediate problems but also think of long term measures for improving the working of the organization.

4. ELIGIBILITY CRITERIA:

- a) The Firm must be in operation for at least ten (10) years, with its Head Quarter or Branch office located in Madhya Pradesh.
- b) In case of Chartered Accountant Firm, the Firm must be empanelled with CAG and have at least one (1) DISA/CISA qualified Chartered Accountant.
- c) The firm must have at least three (3) Partners of whom at least one partner should be FCA/FCMA & at least one partner should have knowledge of Ind (AS).
- d) The firm must undertake to deploy at least one (1) CA/CMA having experience of audit of at least 5 years and having knowledge of Ind (AS) and two (2) experienced staff (each with minimum 2 years' experience of audit).
- e) The firm must have experience in Audit of Accounts of Public Sector Undertaking (state or central) for a period of 5 years. A certificate duly supported with relevant documents such as copies of appointment order shall also be furnished.
- f) The Firm should at least have earning of not less than Rs. 30 Lakhs as annual fees from audit services in FY 2015-16.
- g) There should not be any legal suit / Criminal case pending or contemplated against the Firm on the grounds of turpitude or for violation of any of the law in force.
- h) To be qualified for appointment the bidder's shall provide evidence, satisfactory to MPPMCL of their capacity and adequacy of resources to carry out the contract effectively. Bids shall include the following information:
 - Copies of the original documents defining the constitution or the legal status, place of registration and principal place of business, written power of attorney of the signatory of the Bid to commit the Bidder.
 - Description of the resources available to carry out the proposed job.
 - Qualification and experience of all the personnel proposed for carrying out the work.
- i) The audit firm must have adequate staff for carrying out the work on concurrent basis. The bidders shall have to submit an undertaking on non-judicial stamp paper of requisite value, as per Annexure-VII, to the effect that the audit firm shall deploy sufficient strength of the staff to carry out the audit on concurrent basis in case work is allotted to them.
- j) The firm should not have been debarred / blacklisted by any department of the State or Union Government or any Government Company or its wholly owned subsidiary. An undertaking to this effect as per Annexure VI shall have to be furnished.

Note: It should be noted that the bid document which contain the supporting documents related to experience of Audit of Accounts of Public Sector Undertaking (state or central) should be arranged which would contain the name of company. It should also be noted all the bid document should be numbered and should contain pointwise index for the same

5. ESSENTIAL REQUIREMENT

- a) CA/CMA who will be deployed as leader should be present at the time of audit for minimum of three working days in a week and minimum two experienced staff who will execute the work of audit should be present full time at audit place.
- b) If leader will not be present as specified in above point then deduction will be made from the fees payable on prorata basis.
- c) The attendance for confirming presence shall have to be given by the leader & executioner on daily basis.

6. CLARIFICATION ON BID DOCUMENT

- a) The prospective bidding Firm may obtain any clarification as per the format specified in Annexure-VIII regarding the bid document by writing:
GM (IAD)
MPPMCL, Block No. 14,
Shakti Bhaan, Rampur, Jabalpur, 482008
Phone No.: (0761) 2702950
Email – (i) mukul.mehrotra@mppmcl.com
- b) The bidding firm is advised in its own interest to examine the bid documents, instructions, forms, terms & general information carefully before submission of bid. Failure to provide information, which is essential to evaluate the bid or to provide the timely clarification or substantiation of the information supplied or submission of bid not substantially responsive to the bid document may be disqualified.

7. AMENDMENT TO BID DOCUMENT

At any time prior to opening of bids, MPPMCL may for any reason, whether of its own or by way of clarification given at the request of prospective bidder, modify the bid document by issue of amendment (s) which shall form part of it. The amendments shall be hosted/published on MPPMCL website

8. DEVIATION FROM BID DOCUMENT

The bid offer must include a separate statement indicating all deviation from the bid documents as per format enclosed at Annexure-‘X’. All such deviations shall be clearly mentioned in deviation sheet. Unless the deviations from the bid documents are specifically mentioned, it will be understood and agreed that the proposal is in strict conformity to MPPMCL specifications in all respect and it will be assumed that all terms & conditions are acceptable to the bidder. These deviations may or may not be accepted by MPPMCL and in case the deviations as proposed by the bidder are not accepted by MPPMCL, the bidder will have the option either to withdraw the deviation or to withdraw the offer. In case the deviation proposed are not accepted by MPPMCL and the same not withdrawn by the bidder, the bidder shall be considered as ‘Not qualified’ for the bid and price bid shall not be opened.

9. FILING OF BID

- a) Bid shall be submitted in the forms attached hereto and all blanks in all Annexures shall be duly filled in. The complete Form & Annexures shall be considered as part of contract documents in the case of successful bidder.
- b) No alteration should be made to Form of the Tender Specification and Annexures. The bid must comply entirely with the specification and alternative proposals, if any, shall be clearly stated in the covering letter.
- c) The bid and all accompanying documents shall be submitted in English language and shall be signed by a responsible and authorized person. The name, designation and authority of signatory shall be stated in the bid.

- d) Bids should be typed or shall be a computerized print out. No bid filled in by pencil or otherwise shall be considered.
- e) All additions, alterations and over writings in the bid must be clearly initialed by the signatory to the bid.
- f) The bidder should quote the prices strictly in the manner as indicated herein, failing which bid is liable for rejection. The rates / prices shall be in words as well as figures. This must not contain any addition, alternation, overwriting, cutting over correction and any other marking, which leave any room for doubt.
- g) The contract awarding authority will not be responsible to accept any cost involved in the preparation and submission of the bids.

10. DOCUMENTS COMPRISING THE BID

The bidder shall submit the following document/information with the bid.

- Covering letter as per Annexure-II
- Power of Attorney as per format Annexure-III
- Earnest Money of Rs 10,000
- Financial Bid in Annexure -IV.
- Information for verification of qualification as per Annexure-V with supporting documents & other details as called for in the bid documents or which the bidder may like to highlight.
- Undertaking as per annexures VI & VII

11. FORMAT AND SIGNING OF BID

- a) The bidder shall submit ORIGINAL copy of the bid, complete in all respect with enclosures. The bid shall be signed on each page.
- b) The person or persons signing the bid shall initial all pages of the bid, including where entries or amendments have been made.

12. SUBMISSION OF THE BIDS

- a) The interested bidder may submit their proposal on or before 3.00 PM of 18/05/2017, at the following address:

GM (IAD)

MPPMCL, Block No. 14,

Shakti Bhawan, Rampur,

Jabalpur, 482008

Phone No.: (0761) 2702936, 2702918

Email – (i) mukul.mehrotra@mppmcl.com

- b) The bid shall be submitted in a single large size envelope, super scribed as “Bid offer against Bid No. GM(IAD)/PMC/NIT/--/2016-17”, will have three sealed envelopes inside, marked as Envelope No.1, Envelope No.2, Envelop No.3 respectively and contain the documents as mentioned below:
- i. **Envelope No.1** (One small size envelope): This sealed envelope shall be super scribed “Earnest Money against Bid No. GM(IAD)/PMC/NIT/--/2016-17” and shall contain covering letter as per Annexure-II, duly signed, along with Bank Demand Draft/Banker’s Cheque towards Earnest Money Deposit (EMD) and cost of RFP document (RFP document is to be downloaded from Company’s web-site “www.mppmcl.com”).
 - ii. **Envelope No. 2:** This sealed envelope shall be super scribed “Qualification Bid against Bid No. GM(IAD)/PMC/NIT/--/2016-17” and shall include submission of Power of Attorney as per Annexure-III, information for verification of bidder’s qualification as per Annexure-V and all enclosures, Undertakings as per Annexure-VI & VII, Deviation proposed as per Annexure-X, and any other document the bidder may want to attach to support the qualifications.
 - iii. **Envelop No.3:** This sealed envelope shall be super scribed “Financial Bid against Bid No. GM(IAD)/PMC/NIT/224/2016-17” date 03/05/2017 and shall contain Financial bid as per Annexure-IV.

Note: The bid document, duly stamped and signed on each page by the authorized signatory, shall also be placed in this envelope.

13. PERIOD OF VALIDITY OF THE BID

- a) The Bid shall remain valid for a period three (3) months from the date of opening of Bid.
- b) MPPMCL reserves the right to request extension of the bid validity for an additional period of three (3) months, if necessary.

14. CONTRACT PERIOD

- a) The Internal Auditor of the Company would be appointed for audit of financial statements for F.Y. 2016-17 and can be extendable by 1 (one) year i.e. for audit of financial statements for F.Y. 2017-18 in case of good performance.
- b) However, in case of unsatisfactory performance, MPPMCL, reserves the right to terminate the contract, at any time before the expiry of the Contract Period, by giving a notice of 15 days. In such a case, the security deposit of the firm whose contract is terminated will be forfeited.
- c) It is to clarify that, the presence of internal auditors would be essential, in the meetings of Audit Committee of MPPMCL, if so desired, by the Audit Committee; as wells as, during conduct of Statutory Audit and Supplementary Audit by C&AG for any clarification. The final payment will be released only after satisfaction of this condition

15. EARNEST MONEY & SECURITY DEPOSIT

- a) **Earnest Money Deposit:** The bidder shall deposit with the **MPPMCL, Jabalpur**, an amount of **Rs 10,000** as Earnest Money by crossed Bank Demand Draft/Banker's Cheque payable at Jabalpur in favour of **MPPMCL, Jabalpur**. The DD/ Banker's Cheque shall be placed in the envelope as specified in para 12 (b) above. No other mode of deposit shall be accepted. Any offer not accompanied by crossed Bank Demand Draft/ Banker's Cheque shall be rejected and the bid will not be opened. In case of unsuccessful bidders, the Earnest Money will be refundable within a period of two months after finalization of the tender. In case of successful bidder, if requested the Earnest Money will be converted into the Security Deposit (SD). In case of amount falling short of requisite amount of SD, the differential amount shall be deposited by the successful bidder in form of crossed DD/ Banker's Cheque within time indicated in the LOA. Request for adjustments/proposals for acceptance of Earnest Money deposits, if any, already lying with MPPMCL in connection with some other tenders/orders shall not be entertained. No interest shall be payable on the amount of Earnest Money deposited with MPPMCL. MPPMCL reserves the right to forfeit Earnest Money Deposit in full or a part thereof, if the bidder fails to execute the contract agreement within the time specified in the Letter of Award (LOA), or any other circumstances which indicate that the bidder is not interested in accepting/executing the order placed.
- b) **Security Deposit:** An amount equivalent to 10% of the initial value of the assignment is to be deposited towards Security Deposit, by the successful bidder, to whom the work is awarded for execution, in the form of a Bank Demand Draft/Banker's Cheque drawn on a scheduled bank in favour of MPPMCL, payable at Jabalpur, within seven (7) days from the date of acceptance of the LoA by the Successful Bidder. Failure to commence the audit within one (1) month from the date of acceptance of the LoA shall entail the forfeiture of security deposit and cancellation of the LoA. The Security Deposit shall be returned within two months after successful completion of the assignment subject to submission of necessary certificate obtained by the Firm from the authorized officer of MPPMCL. This amount is payable in addition to the EMD

16. COST OF RFP DOCUMENT

Purchase of RFP document is essential for participation. The cost of RFP document is Rs. 1050/- (Rupees One Thousand Fifty) only, inclusive of VAT. The RFP Documents containing terms & conditions and other information can be downloaded from the website of the Company "www.mppmcl.com" and the cost thereof can be paid in the form of crossed Bank Demand Draft/Bankers Cheque payable at Jabalpur in favour of **MPPMCL, Jabalpur**.

17. LATE BIDS

Any bid received after the dead line for submission shall be liable for rejection.

18. PRE-BID MEETING

The pre bid meeting shall be held on 11/05/2017 at O/o GM (IAD), Block No. 14, Shakti Bhawan, Rampur, Jabalpur at 3.00 pm.

19. DUE DATE OF OPENING OF THE BID

MPPMCL will open the "Qualification Bid/Technical Bid/Financial bid" in the office of GM (IAD), Block No. 14, Shakti Bhawan, Rampur, Jabalpur at 3.30 pm on 18/05/2017, in the presence of bidders or their authorized representatives, who choose to be present. If the opening date happens to be a holiday, the bids will be opened on the next working day at the same place and time, unless notified otherwise.

20. BID OPENING & ACCEPTANCE PROCEDURE

- a) First the EMD will be checked, if it is found adequate, the technical bid will be opened. The bid found eligible after evaluation of the qualification/technical bid, will be shortlisted and financial bid of only such eligible bidders shall be opened.
- b) The Financial Bids shall be ranked from the lowest to highest and the Bidder quoting the lowest fees (hereinafter known as L1 quote) shall be selected for award of the contract.
- c) The selected bidder shall be issued a Letter of Award (LoA) by MPPMCL, Jabalpur and, upon acceptance of the LoA by such successful bidder, will be appointed as an Internal Auditor of the Company's Financial Statements.
- d) The selected bidder shall accept the Letter of Award unconditionally, within time limit specified in LOA.
- e) The selected bidder shall not sublet the work of Internal Audit to any other party. Any violation of this provision would make the contract liable for termination.

21. REJECTION OF BID

MPPMCL reserves the right to reject or accept any Bid without assigning any reason thereof. However, the bid as under shall not be accepted and such bids shall be rejected, if received: -

- a. Bid submitted by the Partnership firms/LLP's, who have been black listed or with whom business dealing have been suspended by any state Govt., Union of India or any Public sector undertaking under them. The bidder shall have to submit an undertaking in this regard as per Annexure VI.
- b. The bid submitted by a person who is directly or indirectly connected with the service under Government/ Local Authority/MPPMCL.
- c. The bid not accompanied by the specified amount of Earnest Money and cost of Tender Document.
- d. The bid received after due date and time fixed for receiving the bid.

22. CLARIFICATION OR MODIFICATION OF BIDS:

To assist in examination, evaluation and comparison of bids, MPPMCL may ask the Bidder's individually for clarification in writing as per Annexure IX. No change in the substances of the bid shall be permitted except as required to confirm the correction of any typographical error.

23. ROLES AND RESPONSIBILITIES OF THE FIRM AFTER AWARD OF CONTRACT

- a) The CA/CMA deployed, referred to as Leader (Internal Audit) hereafter, should be prepare/examine/scrutinize financial bookkeeping of the company in accordance with the Ind (AS) requirements and shall be responsible for the overall coordination of the Internal Audit;
- b) Executioner (Internal Audit) [2 experienced staff deployed] shall be responsible for:
 - i. Preparation of the Internal Audit schedule / program for conducting audit in consultation with authorized officer of the company.
 - ii. Carrying out the Internal Audit of all the offices of the Company.
- c) The Internal Auditors (Leader/ Executioner) deployed by the Firm will be authorized to review all areas of the Company shall have full and free access to all activities, records, property and personnel of the Company, excluding scrutiny of the power purchase bills also for which a separate agency/firm would be appointed by MPPMCL but they have to check bills which are issued to Discoms and other parties against sale of power.
- d) The Internal Auditors shall be responsible for periodically evaluating the adequacy and effectiveness of the system of internal control and the quality of performance in carrying out assigned responsibilities throughout the Company.
- e) The Firm shall be obliged to maintain complete secrecy and not to disclose any matter which comes to their knowledge during the course of Internal Audit, to any third party, which may affect the interest of the Company adversely.
- f) The Firm shall not sublet the work of Internal Audit to any other party.

24. INTERNAL AUDIT - AUDIT OPINION AND REPORTING

Audit Report

- Certificate for Monthly balances of Cash and Bank of all the banks account of Company;
- Scrutiny of Ledgers and vouchers
- Any other critical observation which might have significant impact due to non-attention.
- The Internal Auditor should ensure the applications of Ind (AS) while performing the function of Internal Audit.

- The internal auditors are required to include following format in their report:
- (a) The following records could not be referred by the Auditors (List of records with the reason e.g. non production / non availability)

- -----
- -----
- -----

(b) Irregularities noticed in all the departments

(Point wise irregularities may be furnished under following broad category)

(i) Financial Irregularities:

- (a).....
- (b).....

(ii) Regulatory irregularities:

- (a).....
- (b).....

(iii) Persistent irregularities:

- (a).....
- (b).....

(iv) Procedural Irregularities:

- (a).....
- (b).....

In addition to the Audit reports, the Internal Auditor shall prepare the Management Letter, in which the following shall be included:

- a) Comments and observations on the accounting records, financial systems and internal controls that were examined during the course of the audit.
- b) Comments on the deficiencies in the internal controls, procedural compliance in the various offices of the Company.
- c) Specific deficiencies and areas of weakness in systems and internal controls at all levels in the Company and make recommendations for their improvement.
- d) Report on the degree of compliance with standards of ethics, plans, policies and procedures of reporting, laws and regulations and give comments, if any, on internal and external matters affecting such compliance.
- e) Matters that might have significant impact on the functioning in the company and which are for risk mitigation and strengthening the internal controls.
- f) Give recommendations if any for further improvement.

Each deliverable shall be provided in printed format in triplicate to MPPMCL, Jabalpur along with the soft copy. Further, a summary of each audit report will be submitted to the authorized officer of the company. Executive summary for the top management will be prepared and submitted separately.

The Internal Auditors shall work for the achievement of the objectives of Internal Audit and as per the Standards of Internal Audit prescribed.

However, if the performance of the Internal Auditor is found to be unsatisfactory or not to the standards as expected by MPPMCL, the contract can be terminated even before the expiry of the period of agreement. Indicative performance parameters are listed in Annexure IX can be used as the medium for reviewing the performance of the Internal Auditor.

25. EXTENSION OF CONTRACT

In case of satisfactory execution of the work for F.Y. 2016-17 the contract may be extended for the work of F.Y. 2017-18 at sole discretion of company.

26. OFFICE SPACE

MPPMCL shall provide sitting arrangement to the Firm's staff free of cost for bona-fide use only.

27. TRAVELLING EXPENSES

The expenses incurred on travelling of the staff of the Internal Auditor deployed for the purpose of the Audit, while travelling between different locations of the company shall be reimbursed limited to AC.II fare for CA/CMA and AC III for others, provided the same is with the consent of the Head of Internal Audit of MPPMCL. No Boarding and Lodging will be payable by MPPMCL to the Firm.

28. PAYMENT TERMS

The Bidder shall quote the lump-sum price, inclusive of all taxes, duties etc., for carrying out internal audit of MPPMCL as per scope of work and the terms and conditions given in the tender document. The final report will be issued by Internal Auditor after discussions with the authorized officer of MPPMCL with the team leader of auditing firm. Payment will be released within 30 days of the acceptance of the report with executive summary.

29. DUTIES OF MPPMCL

MPPMCL shall make available suitable accommodation with furniture and electrical fittings to the audit team during the period of engagement. All other requirements including laptops shall be arranged by the audit team.

30. TIME LIMIT OF COMPLETION OF AUDIT:

Time is the essence of work. The internal audit shall be completed within (3) three months from the end of financial year 2016-17 or award of the work whichever is later. If the work would not be completed within the time limit then penalty of 2% of the fees payable for every week's delay. However, the cumulative penalty shall not exceed 5% of the total value for this assignment.

31. FAILURE TO FULFILL THE TERMS OF RFP/NIT:

In any case, in which the successful bidder commits a breach of any terms of this RFP/NIT or fails to carry out the work of internal audit, the MPPMCL shall have power to allot the work to the any other agency/firm at the risk & cost of successful bidder.

Annexures to RFP

Broad Scope of Internal Audit of the Company	Annexure I
Covering Letter	Annexure II
Power Of Attorney	Annexure III
Financial bid	Annexure IV
Submission of Information for Verification of Qualification	Annexure V
Undertaking by the Bidders	Annexure VI & VII
Format For Clarifications In The Tender Document	Annexure VIII
Indicative Performance Parameters	Annexure IX
Description of deviation from Bid document	Annexure X

Broad Scope of Internal Audit of the Company

The Internal Audit firm shall be responsible to carry out internal audit for F.Y. 2016-17, and submit reports as per the prescribed standards on auditing.

The scope of work includes scrutiny, assistance and advice on financial book keeping for preparing the financial statements compliant in accordance with Ind (AS) requirements because as per MCA Notification 16.02.2015 Companies having a net worth of Rs. 500 crores or more (as per the standalone financial statements as on 31st March, 2014) are required to comply with Ind AS in the preparation of their financial statements for accounting periods beginning on or after 1st April, 2016, with the comparatives for the periods ending 31st March, 2016. It also includes compliance of statutory provisions with regard to all applicable laws related to taxation and accounts for FY 2016-17 for standalone financial statements as well as consolidated financial statements incorporating the financial statements of its five subsidiaries. All financial as well as non-financial matters whether it affect financial statement or not would be included in broad areas of coverage., **but exclude** the scrutiny/audit of the power purchase bills for which a separate agency would be appointed by MPPMCL.

In course of conducting internal audit, Internal Auditor may be required to visit any/all of the departments/sections/offices in consultation with the authorized officer of MPPMCL to fulfill the purpose of internal audit according to rules & regulation of statute in respect of financial bookkeeping and preparation of financial statements. List of various offices of MPPMCL is given as under:

Offices located at Jabalpur H.Q.:-

1. HR&A
2. CFO
3. IAD
4. Power Management
5. Commercial
6. Regulatory
7. Revenue Management
8. I P C
9. GM(F&A)
10. DGM(Accounts)
11. AGM (Admin)
12. B&CM
13. Hospital
14. Vehicle Section
15. S E (Civil) H.Q., Civil Dn./Admin Complex
16. Sr.PRO
17. Head(Enforcement)
18. DGM(IT)

Office Located Outside Jabalpur H.Q:-

1. Regional Office, Bhopal
2. Resident Engineer, New Delhi

For the purpose of giving a feel of work required an indicative list is given below. It is however emphasized that coverage in the scope of services as mentioned in this list is indicative only and not exhaustive:-

- i. Ensuring maintenance of books as per requirements of CAG or any other standards/statue.
- ii. Checking maintenance and up keeping of fixed asset registers including physical verification, identification and proper passing of corresponding accounting entries.
- iii. Checking of bank reconciliation and historical analysis of it.
- iv. Checking of loan repayment and interest repayment.
- v. Checking of financial transaction, checking of corresponding financial approvals for the cases.
- vi. To verify the progress of contracts awarded and to ensure that the same comply with the contract condition.
- vii. Scrutiny of Trial Balances and reporting the observations on the same.
- viii. Scrutiny and assistance in preparation of standalone financial statement of MPPMCL as well as consolidated financial statements.
- ix. Reconciliation of transactions held between holding company (MPPMCL) and its subsidiaries (DISCOMS) and with third parties also.
- x. Scrutiny of Ledger Account -
 - a. To ensure that in case of expenses the distinction between Capital and Revenue expenditure is properly made.
 - b. To ensure that proper account head has been used to debit the expenses.
- xi. The Internal Auditor may have to review of the status of the old & pending audit paras. Follow up of the pending paras of audit, half margins etc, including PUC paras and report the status of the same.

The auditor will be required to indicate discrepancies/ inadequacies in the system or procedures so as to initiate steps for improving the system and making it more efficient. The audit team will also be required to educate the dealing staff so as to avoid repetition of routine procedural / technical errors.

The Audit program will be finalized in consultation with the authorized officer of the company ensuring timely submission of Internal Audit Reports.

COVERING LETTER

Covering Letter for submission of Bid

(The covering letter is to be submitted by the Bidder on its Letterhead)

(To be kept in envelope 1)

Date...

To,

General Manager (IAD)
MPPMCL, Block No. 14,
Shakti Bhawan, Rampur, Jabalpur, 482008
Phone No.: (0761) 2702950
Email – (i) mukul.mehrotra@mppmcl.com

Dear Sir,

Sub: Bid for Appointment of Chartered Accountant Firm/Cost Accountant Firm for internal audit of financial statement of FY 16-17 (Bid No GM (IAD)/PMC/NIT/--/2016-17)

In response to the Notice Inviting Tender, dated issued by MPPMCL, we offer proposal to participate in the bidding process for selection of the Chartered Accountant Firm/Cost Accountant Firm for “Internal Audit of Financial Statement” of FY 2016-17.

We are submitting this proposal on our own. If selected, we understand that it would be on the basis of the organizational, technical, financial capabilities and experience as specified in the RFP document.

We understand that the basis for our qualification will be our proposal, and that any circumstance affecting our continued eligibility under the RFP document, or any circumstance which would lead or have led to our disqualification under the RFP document, shall result in our disqualification under this process.

We hereby enclose Earnest Money Deposit (EMD) of Rs 10,000 in form of Demand Draft/Bankers Cheque No ----- dated-----drawn in favor of MPPMCL Payable at Jabalpur.

We understand that MPPMCL is not bound to accept any or all our proposals received by it.

We declare that we have not entered into any sub-contracting arrangement with any other person or firm including the other Bidders for the assignment, in connection with the preparation and/or submission of our proposal for the assignment, or preparation of the bidding documents.

We submit herewith, authenticated copies of the firm’s latest Partnership Deed.

We declare that we have disclosed all material information, facts and circumstances to the MPPMCL, which would be relevant to and have a bearing on the evaluation of our proposal and selection.

We acknowledge and understand that in the event that MPPMCL discovers anything contrary to our above declarations; it is empowered to forthwith disqualify us and our proposal from further participation in the process.

For information/ clarification Mr. (Name of the Partner, address, email id, telephone number) may be contacted.

We hereby state that we have read and understood the terms and conditions of the RFP document and agree to abide by the same. We further agree to undertake the said assignment to the satisfaction of MPPMCL, and as per the terms and conditions of the RFP document.

Yours faithfully,

Partner of the Bidder Firm

Name & Seal of Signatory

Address:

Note: Authorized partner of the Partnership Firm will sign the letter.

POWER OF ATTORNEY

Know all men by these presents, We.....(name and address of the firm & its registered office) do hereby constitute, appoint and authorize Mr. / Ms.....(name and residential address) as our true and lawful attorney, to do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to submission of our proposal/bid for the envisaged assignment of "Internal Audit of Financial Statement" of FY 2016-17., including signing and submission of the Bid and all documents specified in the RFP Document, including, undertakings, letters, certificates, acceptances, clarifications, guarantees, etc., making representations to the authorized officer of MPPMCL and providing information / responses to the authorized officer of MPPMCL, representing us in all matters before the authorized officer of MPPMCL, and generally dealing with the authorized officer of MPPMCL, in all matters in connection with our Bid for the said assignment.

We hereby agree to ratify all acts, deeds and things lawfully done by our said attorney pursuant to this power of attorney and that all acts, deeds and things done by our aforesaid attorney shall and shall always be deemed to have been done by us.

All the terms used herein but not defined shall have the meaning ascribed to such terms under the RFP document.

Signed by the within named _____ [Insert the name of the EXECUTANT(s)]
THROUGH THE HAND OF MR. _____ DULY AUTHORIZED SIGNATORY

DATED THIS ___ DAY OF 2016

BEFORE ME,

NOTARY

ACCEPTED

.....

(SIGNATURE)

(Name, Title and Address OF THE ATTORNEY)

NOTE:

The mode of execution of the POWER OF ATTORNEY should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executants and when it is so required the same should be under common seal affixed in accordance with the required procedure.

Annexure-IV

FINANCIAL BID

FORMAT FOR THE FINANCIAL BID

The following shall be used as a format for the "Financial Bid" to be submitted in Envelope-3 of the Bid.

Quoted Price for the Internal Audit Function

Details	Amount in Rs.
Lump sum price inclusive of all taxes, duties etc. for carrying out internal audit of MPPMCL as per scope of work and the terms and conditions given in the tender document/RFP	Rs. only. In words.....

Note:

- i. Any overwriting or erasing in the quotation shall render the same invalid.
- ii. Where there is any discrepancy between the rates in figures and words, words will govern.
- iii. Any difference between the original and duplicate copy of the bid, the Original Bid shall govern.

Yours faithfully,

Partner of the Bidder Firm

Name & Seal of Signatory

Address:

Submission of Information for the Qualification Verification

- a) All information submitted shall be sealed and signed by the authorized representative of the firm.
- b) A brief "Profile" of the Firm's Practice and experience giving the following details clearly:-

1.	Name of the Firm
2.	Registration No. from the respective Institutes of the Firms
3.	CAG Empanelment No. in case of CA firms
4.	Service Tax Registration No
5.	PAN No.
6.	Strength of manpower
7.	Audit and Certification work done in past 3 years (along with details as Name of the client and the fees charged)
8.	Experience of PSU's other than Bank and Insurance Sector

Along with the Profile above, the firm must submit documentary evidences in support of the above mentioned details, as given in the table below:-

1.	Photocopy of the certificate of registration of the partnership with Institute
2.	Photocopy of the latest certificate of Constitution of firm issued by Institute.
3.	Documentary evidence for the CAG Empanelment No. in case of CA Firms
4.	Photocopy of PAN Card
5.	Photocopy of Service Tax Registration Certificate / Copy of Service Tax Challan etc clearly specifying the Name and Registration No. of the firm
6.	DISA/CISA certificates of the DISA/CISA qualified CA
7	Audited copies of P & L A/c, Balance Sheet, and Income Tax Return for last three years of the audit firm
8	Breakup of the Professional Fees of FY 2015-16, clearly segregating the fees from Audit services during the year (if not already available in the audited accounts), duly attested by its auditor.

c) Qualification of the staff :-

Sl. No.	Qualification	No. of staff on roll
1.	No. of CAs/CMAs	
2.	No. of DISA/CISA qualified CA in case of CA Firm	
3.	Postgraduate in Commerce	
4.	Graduates in Commerce	

d) Details of list of major five clients with data for FY 2015-16 giving the following details clearly:

1.	Name of organization
2.	Form of organization(Partnership/ Proprietary/Company)
3.	Turnover
4.	Fee charged.
5.	Experience/Completion certificates of Statutory / Internal Audit from at least three clients out of the Clients as mentioned above.
6.	Audited Financial Statements of the Year 2015-16 of the clients mentioned above.

- e) Documentary evidence in support of the internal audits undertaken for zonal / regional/ corporate office(s) of a PSU (state or central) including Power Sector but not including Bank and Insurance Sector (Appointment letter for the appointment as Internal Auditor of the zonal / regional/ corporate office(s) of PSU (state or central).
- f) The bidder's need to submit necessary documentary evidences to support the qualification criteria.

UNDERTAKING A

(To be submitted in envelope-2, along with the Qualification Bid on a non-judicial stamp paper of requisite value duly notarized)

To,
The General Manager (Internal Audit Department),
MPPMCL, Shakti Bhawan, Jabalpur.

Dear Sir,

Sub: Bid for Appointment of Internal Auditors of the MPPMCL, Jabalpur (Tender Specification No. GM (IAD)/PMC/NIT/.../16-17 Jabalpur, Dated.....)

This undertaking is submitted in respect of the appointment of Internal Auditors for the MPPMCL, Jabalpur, in response to the tender document dated issued by MPPMCL, Jabalpur and subsequent amendment thereof.

We hereby confirm that:

1. We have never been blacklisted by any Government Department or Public Sector Undertaking of any State Government in India or the Government of India for practicing in India.
2. We have no pending or contemplated legal suit or criminal cases on grounds of turpitude or for violation of any other law in force.

We understand and agree that if the information mentioned above is found to be incorrect at any stage of this Bidding Process, our Bid shall be considered as non-responsive and rejected accordingly. If this undertaking is found to be incorrect post the issue of Letter of Award (LoA), then such LoA issued shall automatically stand cancelled and the contract terminated, without any liability to either Party. Under such circumstances, however, we acknowledge and accept the right of MPPMCL to encash our EMD.

We further understand and agree that if the Audit is awarded to us and this undertaking is found to be incorrect after execution of the work, the order of appointments stands terminated, without any liability to either Party. Under such circumstances, however, we acknowledge and accept the right of MPPMCL to encash our security deposit.

.....

(Signature of authorized signatory of the firm issued along with firm seal)

Name:
Designation:
Date:
Place:

Annexure-VII

UNDERTAKING B

(To be submitted in envelope-2, along with the Qualification Bid on a non-judicial stamp paper of requisite value duly notarized)

To,
The General Manager (Internal Audit Department),
M.P. Power Management Co. Ltd.,
Shakti Bhawan, Jabalpur.

Dear Sir,

**Sub: Bid for Appointment of Internal Auditors of the MPPMCL, Jabalpur
(Tender Specification No. GM (IAD)/PMC/NIT/.../16-17 Jabalpur, Dated.....)**

This undertaking is submitted in respect of the appointment as Internal Auditors in response to the RFP/NIT document dated issued by MPPMCL and subsequent amendment thereof.

We hereby agree that:

- 1) We shall deploy at least 1 FCA/FCMA, having experience of audit of at least 5 years & also knowledge in Ind (AS) on the assignment, who shall be the Leader of the team and responsible for the overall coordination of the audit team. The Leader shall mandatorily spend 3 working day in a week on the assignment, at the place/office indicated by the authorized officer of MPPMCL for audit purpose.
- 2) We shall deploy at least 2 full time experienced staff of the firm who shall be responsible for internal audit.
- 3) The experienced staffs deployed on the assignment shall not be the articled assistants of the firm.
- 4) The staff will maintain complete secrecy of the records and will not disclose any matter which comes to their knowledge during the conduct of internal audit, to the third party, which may adversely affect the interest of the Company.

(Signature of authorized signatory of the firm issued along with firm's seal)

Name:

Designation:

Date:

Place:

Annexure-VIII

FORMAT FOR CLARIFICATIONS IN THE RFP/ NIT

Sl. No.	Clause no. and existing provisions	Clarification required	Rationale for the clarification

Annexure IX

INDICATIVE PERFORMANCE PARAMETERS

The performance of the Auditor shall be determined based on the following parameters:

- Feedback from the concerned officers of MPPMCL;
- Elapsed time for issue of reports – completion of audit work to draft report;
- Elapsed time for issue of reports – draft to final report;
- % of unsatisfactory audit opinions (not more than 10%);
- % of recommendations accepted (not less than 50% - 70%);
- Number of repeat audit findings;
- Amount of direct savings potential as a result of audits;
- Amount of measurable savings achieved as a direct result of audits;
- Number of major process improvements implemented as a result of audits;
- Extent of advice given; and
- Number of best practice ideas shared
- Advice/ suggestion for improvement in respect of IABS system implemented by L&T

In addition to the above list, the Auditor is also expected to follow and meet the minimum standards as prescribed from time to time by the governing body.

The description of deviations from the bid document (if any):-

DEVIATION PROPOSED

Sr. No.	Section no. of the RFP/ NIT document	Reference of clause no.	Deviation Proposed

Yours faithfully,

Partner of the Bidder Firm

Name & Seal of Signatory

Address:

Note-

1. In case the bidder does not propose any deviations then this annexure shall be marked as *"No Deviation"* in the table above