



REQUEST FOR QUOTATION

Appointment of Firm of Chartered/Cost Accountants for Internal Audit (IA) for Financial Year 2019-2020 Pune Smart City Development Corporation Limited (PSCDCL)

Quotation Notification No.: 140-SC001 /2019-20

Dated: 13th January, 2020

Issued By

Pune Smart City Development Corporation Limited (PSCDCL)

Quotation Invitation

Pune Smart City Development Corporation Ltd (PSCDCL) invites offers from reputed firms of Chartered/Cost Accountants having relevant experience for appointment as Internal Auditors for its financial year 2019-20.

Interested parties must submit their quotes through speed post/registered post/ courier/by hand in the prescribed formats along with all necessary documents and information requested herein.

Last date for receiving the offers is 20th Jan 2020 (3:00 PM)

Quotation Data Sheet

Quotation Ref. No and Date	140-SC001/2019, 13 th January 2020						
Title of the Assignment	Appointment of Firm of Chartered/Cost Accountants for Internal Audit (IA) for Financial Year 2019-2020						
Contact Person and Email id	The Chief Executive Officer, PSCDCL Email Id – ceo@punsmartcity.in & cfo@punsmart.in						
Last Date & Time of Submission of Quotes	20 th Jan 2020; 3:00 PM						
Place, Time and Date of opening of Technical proposals received in response to the RFQ notice	20 th Jan 2020 at, 3.30 PM Address: Office of CEO, PSCDCL						
Quotes to be submitted	Online						
Quotation Process	Single Stage; 2 parts (Technical and Financial)						
Validity of Quotation	120 days (One Hundred Twenty days)						
Reporting Phases	<table><tr><td>Phase</td><td>Period</td><td>Reports to be</td></tr><tr><td>Phase I</td><td>1st April to 31st Mar.</td><td>30th May</td></tr></table>	Phase	Period	Reports to be	Phase I	1 st April to 31 st Mar.	30 th May
Phase	Period	Reports to be					
Phase I	1 st April to 31 st Mar.	30 th May					

Schedule of Events

Quotation Ref. No and Date	140-SC001 and 13 th Jan 2020
Date of Submission	20 th Jan 2020
Submission of Offline Quotation	The Chief Executive Officer, Pune Smart City Development Corporation Limited (PSCDCL)
Place, Time and Date of opening of Technical proposals received in response to the RFQ notice	Manthan Building, 20 th Jan 2020 at, 3.30 PM Address: Office of CEO, PSCDCL
Opening of Financial Quotes	To be informed to the Technical qualified
Letter of Award (LoA)	In due Course
Signing of Agreement	In due Course

Note: In case any of the days mentioned above happens to be declared a holiday, the said event shall be held on the next following working day at the same time and venue.

Invitation to Quotation

Appointment of Firm of Chartered/Cost Accountants for Internal Audit (IA) for Financial Year 2019-2020

Quotation No.: 140-SC001

Date 13th Jan, 2020

PSCDCL invites quotes from reputed firms of Chartered/Cost Accountants having relevant experience for Appointment of Firm of Chartered/Cost Accountants for Internal Audit (IA) for Financial Year 2019-2020. The last date for receipt of offers is 25th November 2019 (at 3:00 PM). Date of opening of financial quotes will be separately communicated to technically qualified Firm.

Firms of Chartered/Cost Accountants interested in responding to this announcement must submit their quotes through online portal <https://mahatenders.gov.in> on or before 3:00 PM on 20.01.2020. in their prescribed formats along with all necessary documents and information requested herein.

Note: PSCDCL shall not be responsible for non-receipt/non-delivery of the quotation documents due to any reason whatsoever.

Introduction and Background

About Pune

Pune is the seventh-most populous city in India and the second largest in the state of Maharashtra. It is situated 560 meters (1,837 feet) above sea level on the Deccan plateau, on the right bank of the Mutha River. Pune city is the administrative headquarters of Pune district and was once the center of power of the Maratha Empire.

The city is known for manufacturing and automobiles, as well as government and private sector research institutes for information technology (IT) education, management and training that attract migrants, students, and professionals from India, South East Asia, the Middle East, and Africa.

Pune is considered as the cultural capital of Maharashtra and is also popularly known as 'Queen of the Deccan'. The city has been marked by various forts and historical places. Pune is also known as 'Oxford of the East' and has one of the oldest universities and colleges in India such as, University of Pune, College of Engineering Pune and Fergusson College.

As per 2011 census, Pune has a population of more than 9.4 mn and population density of 603 people per sq. km. The decadal population growth rate from 2001 to 2011 was reported at 30.34%.

About Pune Municipal Corporation

The Pune Municipal Corporation (PMC) was established on 15 February 1950. The PMC is in charge of the civic needs and infrastructure of the metropolis. Pune is divided into 15 municipal wards and about 76 electoral wards/ prabhags.

Since 1950, the Pune Municipal Corporation is administering the city and serving citizens. Pune Municipal Corporation has taken an initiative for implementing e-Governance. Success of e-governance depends on use of Information Technology in mobilization of Government resources and utilization of these scarce resources with an aim of providing a better service.

Pune Municipal Corporation stood second in the Smart Cities Challenge launched by Ministry of Urban Development, Govt. of India. Under Smart City Initiative, PMC is committed for making governance citizen-friendly and cost effective by delivering services electronically to ensure accountability and transparency, especially using mobiles to reduce cost of services and providing services to its stakeholders without having to go to municipal offices; and by facilitating e-groups to listen to citizens and obtain feedback and use online monitoring of programs and activities with the aid of cyber tour of worksites.

About Pune Smart City Development Corporation Limited (PSCDCL)

The Pune Smart City proposal was selected for priority financing under Smart City Mission by Ministry of Urban Development (MoUD), Government of India. Thereafter, the Pune

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Municipal Corporation (PMC) has incorporated a Special Purpose Vehicle (SPV) company called PUNE Smart City Development Corporation Limited (PSCDCL), under the Companies Act 2013, solely for the purpose of implementing the Smart City proposal. PSCDCL will be fully owned by the Government with equal shareholding from the Government of Maharashtra and the Pune Municipal Corporation (PMC).

The Board of PSCDCL will be chaired by the Chairman, PSCDCL and will have 15 members including elected representatives of PMC, representatives of the state and central government as well as independent directors.

PSCDCL will receive funding from Government of India and PMC/ the State Government for implementing the smart city projects. Given the wide range of technical and sector specific expertise required to implement the smart city projects, PSCDCL shall be supported by a team of consultants for strategic, technical and project management support.

PUNE SMART CITY DEVELOPMENT CORPORATION LIMITED (PSCDCL) intends to apply a portion of the Smart City Mission Fund (using the Administrative & Operative Expenses component) to engage a firm of Chartered Accountants to evaluate the adequacy and effectiveness of the internal financial controls of PSCDCL and implement controls as necessary.

Objectives of this RFQ :

Pune Smart City Development Corporation Ltd proposes for Appointment of Internal Auditors to carry out Internal Audit for the FY 2019-20. Internal Audit is a regular process to be carried out throughout the year at the Registered Office of PSCDCL on an ongoing basis.

Internal Audit is an independent assessment, objective assurance and advisory activity designed undertaken to add value and improve the Organization's operational effectiveness. It is a systematic examination of financial transactions on a regular basis aiming to accomplish its objectives by bringing in a systematic and, disciplined approach thereby ensuring accuracy, authenticity, compliance of internal systems, procedure and guidelines as laid down by the Organization and to evaluate and improve the effectiveness of control and governance processes.

The emphasis under Internal Audit is not on test checking but on substantial entity to determine whether the financial management arrangements (including internal control mechanisms) are effective and robust to identify areas of weakness and deficiency and with a view to energizing the process of rectification, system improvement to enhance efficiency.

As a part of the continued effort in improving the standards of financial controls and reporting, Independent Chartered Accountant firms shall be appointed as Internal Auditors at PSCDCL Registered Office to undertake periodic audits and report on key strategic and financial themes which would reflect the true position of sustainability for the Organization.

The key objectives of the Internal Audit include:

1. To ensure voucher/evidence based payments to improve transparency.
2. To ensure accuracy and timeliness in maintenance of books of accounts and financial reporting.
3. To ensure adequacy and accuracy of periodical financial statements.
4. To ensure compliance with laid down systems, procedures and policies.
5. To assess, establish & improve efficiency of operations and overall internal control systems for prevention of frauds.
6. To confirm on the reliability and integrity of financial and operational information
7. To shorten the interval between transaction and its examination by an independent person not involved in its documentation.
8. To perform substantive checking in key areas and on the spot rectification of deficiencies to prevent the incidence of serious errors and fraudulent manipulations.
9. To supplement the efforts of the organization in carrying out simultaneous internal checks of the transactions and compliance with the laid down systems and procedures of the organization.
10. To confirm on the safeguarding of assets and overall gross block.
11. To confirm on management's compliance with laws, regulations and contracts
12. Additions if any, as would be deemed fit by the management.

Section I Internal Audit (Timeline, Reporting Format and Scope)**General Scope of Work:**

The purpose of Auditors' presence is to provide a second look on the operations. The Internal Auditors will have to essentially see whether the transactions or decisions are within the policy parameters of the Organization and that they are within the delegated authority and in compliance with the terms and conditions for exercise of such an authority. The Internal Auditors have also to see in case of sanctions received from higher authorities, terms and conditions of such sanctions are duly complied with.

A. Time line for submission of Audit Report:

Calendar for projects, where Internal Audit is to be done on Annual basis:

Period Covering	Reports to be submitted by
1 Apr 2019 to 31 Mar 2020	30 May 2020

B. Reporting Format

Internal Audit Reports should be prepared in twelve separate parts, namely:

- ☐ Part-I: Introduction of Project including details of nature of work, important timelines, client, major sub contactors, value, man power, present status and performance.
- ☐ Part-II: Audit Planning and Methodology
- ☐ Part-III: Confirmation as to Audit Documentation- The firm/LLP, as the case may be, should maintain proper documentation as audit evidence, PSCDCL reserve the right to

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call for its review.

☐ Part-IV: Executive Summary of significant observations with the following Summarized highlights:

Key to Summary

Critical	Addresses a fundamental control weakness or significant operational issue that should be resolved by management as a priority.
Important	Addresses a control weakness or operational issue that should be resolved by management within a reasonable period of time.
Good Practice	Addresses a potential improvement opportunity in operational efficiency/effectiveness.

☐ Part-V: Persisting Irregularities with respective ageing and Action taken by the unit on previous Internal Audit Report.

Part-VI: Important items which, in the opinion of the Auditor, should be brought to the notice of the Audit Committee.

☐ Part-VII: Irregularities noticed and rectified on spot and those not rectified with reasons

☐ Part-VIII: Suggestions for systems improvement.

☐ Part-IX: Comments on the Internal control framework in PSCDCL, its robustness and weaknesses.

☐ Part-X: Comments on the unusual entries/transactions, if any

☐ Part-XI: Comments on the implementation whistle blowers policy at project level

☐ Part-XII: Comments on the implementation of CSR Policy undertaken / involvement by the project.

- Documentation:

- The reference of documents checked must be part of the Audit Report.
- The Auditor must deliver one copy of the report to the unit head for necessary compliance and send a copy of the full report (in soft and hard both) to the head of PSCDCL.
- The Auditors are required to submit certificate duly signed to the effect that scope of Audit as defined has been duly adhered to and the issues raised or observations made by the auditors have been discussed.
- No para of Internal Audit Report can be taken as closed unless satisfactorily resolved. Outstanding paras will be carried forward to the next report and need to be properly addressed in Part-V of the Internal Auditor's Report.
- Internal Auditors are encouraged to suggest solutions to rectify the errors or deficiencies and not merely confine to making observations. Internal Auditors should also give suggestions for the system improvement and ensure compliance of the audit observations at the project site itself in their presence.

C. Detailed Scope of Internal Audit

Internal audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system. Internal audit, therefore, provides assurance that there is transparency in reporting, as a part of good governance.

Major areas to be covered during the course of Internal Audit

The Internal Audit shall be carried out in accordance with the Auditing Standards and Accounting Standards prescribed by the Institute of Chartered Accountants of India and will include such tests and controls, as the Auditor considers necessary under the circumstances. The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control with special emphasis on the following:

Financial Accounting & Financial Reporting Systems:

The overall Financial accounting & Financial reporting system to be checked thoroughly with the special stress on the below items:

- ☐ All Accounting is being done as per Indian Accounting Standards (IND-AS) and Accounting Policies of the PSCDCL
- ☐ Cash, bank, journal vouchers including rectification vouchers are prepared correctly and trial balance is prepared accordingly.
- ☐ Monitoring of physical and financial progress of work vis-a-vis targets
- ☐ Bank statements & monthly bank reconciliation statements.
- ☐ Balance confirmation with all Debtors & Creditors.
- ☐ Foreign currency transactions.
- ☐ TDS & Payment of other statutory dues in time.
- ☐ Prior period adjustments.
- ☐ Provisions and contingent liabilities.
- ☐ Bank Guarantees & FDRs.
- ☐ Timely recovery of advances and interest.

Tenders and allied matters**- Pre-tender Stage**

- ☐ The tenders should be floated as per Guidelines For Tendering (GFT), and approval of the competent authority as per the Schedule of Powers (SOP).
- ☐ Ensure that the basis of preparation of estimates for work/package is realistic and logical (based on LAR, schedule of rates etc.), and has the approval of the competent authority as per SOP.

- Tendering Process

- ☐ The Comparative Statement and the Briefing Notes should be vetted by Finance and their correctness should be checked based on random sampling method including

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compliance conditions on technical with immaculate compliance with submission of requisite documents to qualify.

☐ Tender Committee (TC) minutes should be verified to establish the reasonableness of rates (considering the special conditions, if any) and irregularities to be reported.

☐ In the contracts, where client procedures are to be followed, ensure proper documentation and compliance of the same.

- **Award of Work**

☐ Letter of Award (LOA) should be issued as per TC recommendations and only after finance vetting. An accepted copy of same should be verified to rule out any deviations /omissions.

☐ Earnest money provided should be kept in safe custody and to be checked for sufficiency and validity.

- **Contract Agreement**

☐ An agreement should be executed within the time stipulated by LOA and should be signed by competent authorized signatories.

☐ checking of contract conditions before paying or receiving mobilization or other advances by the project.

- **Project Execution**

- Monitoring of physical and financial progress of work vis-a-vis targets (reference can be taken from MIS .

- Comparative study of the actual costs vis-a-vis sanctioned estimates, and major deviations are to be reported.

- Reconciliation between total work done, work certified and uncertified, work billed and unbilled, payments received from the client, recoveries including taxes, retention money, performance guarantee, mobilization and plant advance, interest, etc., in terms of the contract.

- Analysis of work-in-progress in the context of work done and ageing of total outstanding. WIP to be further scrutinized with the following break-up – work done but not certified, work done, certified but not billed and work done, certified and billed but not paid.

- Analysis of variation orders executed, which is, work done not expressly provided in the contract, certified and billed, basis of rates billed, certified and approved and pending for approval.

- Scrutinize present status of work that is still to be executed, with respect to the contract for any changes in BOQ having material impact on the project, with acceptance from the client.

- Checking calculation of escalation bills based on monthly indices released by RBI.

- In cases, where extension of completion date of the contracts is required, the delay should be properly justified and validated by approval from competent authority. Further, Liquidated Damages (LD) should also be imposed, as per the provisions of the contract, wherever required.

- Any non-schedule item should be supported by proper approvals from competent authority.

- In case of departmental work, realistic estimates of the work should be prepared and approved by competent authority. Further, material procured and consumed should be properly reconciled at frequent intervals.

Procurement of materials, recording of Receipts and issues including client materials

- Details of tenders awarded on nomination and single tender basis, whether any splitting of procurement in order to circumvent tender policies is observed?
- Ensure classification of all materials into major materials, semi-finished materials, and other materials like equipment and machinery spares, general stores and consumables, safety items, construction aids, miscellaneous service items, etc.
- Verification of purchase procedure on the basis of indents, purchase orders, quotations, price comparative statements, authorized distributor list, etc.
- Checking of material receipts on the basis of purchase orders, delivery challans / invoices, weigh slips with the goods receipt notes.
- Compliance to quality control procedures.
- Checking issue of materials on the basis of issue slips authorized signatory list, etc.
- Proper allocation of material issues to respective work orders of subcontractors/piece rate workers in case of subcontracting cost centers in case of internal consumption.
- To check the correct recording of material receipts at the yearend cut-off dates.
- Checking records of scrap with physical stock, billing of scrap sold, GST and TCS, as applicable.
- Inventory valuation including transportation and other acquisition costs and proper allocation of other overheads based on appropriate valuation method.
- Physical verification of major items.
- Proper segregation between own materials and client materials

Client billing and receivable

- Checking the billing terms and conditions, which are either defined in the MOU signed between client and PSCDCL or as per the provisions of the contract.
- Ensure that the timely bills are being raised as per provisions of the billing terms and conditions. Major deviations are to be reported.
- Collections from the client with respect to the contractual collection period. Scrutiny of receipts in bank, otherwise than from cheques received from clients.
- The review of the receivables has been carried out as per Guidelines issued by Company from time to time.
- Receivables ageing and realization analysis
- In case of final bill, ensure that it should include variation in quantity, non-schedule items, price escalation etc, if any.

Profit and Loss Analysis

- Comparing the actual expenses incurred with the budget estimates and analyzing the variances. Obtaining comments from the management.

Establishment matters

- Checking of wages and salaries of different categories of employees including officers, contract staff, monthly and daily rated workers on the basis of their respective terms and conditions of employment.
- Test check a few individual files of personnel posted at site as well as Office.
- Comparison of actual manpower deployment with the monthly budgets.
- Ensure compliance of PF and ESIC laws in case of piece-rate workers employed by the project through sub-contractors.
- Surprise attendance verification of manpower deployment by pieceworkers, if terms of payment are dependent on actual attendance, particularly in case of security guards and helpers.
- Verify the records with special attention to LTC, Medical rules, Final Settlement, Travelling allowances, Staff Loans/Advances, Foreign Service Contribution (FSC) etc.

Statutory registrations, deductions and payments

- Identification of legal framework and statutes as applicable and compliance thereof.
- Check registrations/renewals with different statutory authorities like labour department, PF, ESIC, GST, Professional Tax, mining department, explosives license, pollution control, petroleum products, electricity and water supply authorities, etc.
- Ensure correct deductions and recoveries of taxes and statutory levies like TDS, TCS, GST, PF, ESIC, and Professional Tax, labor Cess etc.
- Ensure timely payment and deposit of taxes and other statutory levies.
- Adherence to time limits in filing prescribed returns.
- Verify system of availing input tax credit on supply of goods or services or both through a proper procedure of set-off.
- Reconciliation of royalty payments and deductions made by the client with actual liability on the basis of work done and ascertainment of year-end liability.
- Status of assessments before various tax authorities.
- Details of statutory disputes and cases pending before various authorities with financial implications for being treated as contingent liabilities.

Assets and Liabilities

- Ageing of advances and scrutinizing debit balances, including advances to staff, workers, suppliers, subcontractors, pieceworkers and other parties. Classification into recoverable and non-recoverable advances. Assessing the adequacy of provision of doubtful advances. Matching advances against corresponding liabilities.
- Assessing the proper estimation and adequacy of provisions made at the year-end and outstanding liabilities. Scrutinize all credit balances.
- Identifying pre-paid expenses.
- Maintenance of Fixed Assets register, Physical verification, calculation of depreciation and checking of location, situation & identification of fixed assets.
- Variations in quantity & price as per contract conditions & approval thereof.
- Claims management system and review of that.

Miscellaneous Matters

- For arbitration, court cases and contingent liabilities, proper provisions should be calculated and booked.
- Compliance made by the project upon comments made by the Statutory Auditors in its report under the provisions of companies act, 2013.
- Any material procured from Micro, Small and Medium Enterprises (MSME), provisions of MSME Act to be followed.
- Review of the deposit with Govt. Departments such as Electricity, Water, and telephone etc.
- Comment on risk assessment and risk mitigation mechanism in the project
- Detection of systemic flaws and suggestions for adopting corrective measures.
- Irregularities of serious nature noticed during audit are to be reported to the Head of Internal Audit Cell through a special report.

Special items for Corporate Office

- Since the type of work handled at C.O. is different than of projects, the scope for Internal Audit of C.O. is required to give additional attention to the below:
 - ☐ Taxation Issue including statutory compliances.
 - ☐ Treasury matters including management of Indian and foreign funds.
 - ☐ Payroll and leave record

Section II Eligibility Criteria (refer annexure -1)

A Pre-requisite:

The Proposer firm should possess the requisite experience, resources and capabilities in providing the services necessary to meet the requirements, as described in the tender document. The Proposer should also possess the technical know-how and the financial wherewithal that would be required to complete the scope of work. The Proposal must be complete in all respects and should cover the entire scope of work as stipulated in the document. Proposals not meeting the Eligibility Criteria will not be considered for further evaluation.

B Eligibility Criteria:

The invitation to proposal is open to all Proposers (firm) who qualify the Eligibility Criteria as given below. Failure to provide the desired information and documents may lead to disqualification of the Proposal.

1. The Proposer/firm should be a Chartered Accountants firm, on the panel of auditors maintained by RBI under Category – I.
2. The Proposer/firm should have into existence more than 15 years.
3. The Proposer/firm should have an experience in Management work such as Verification of Assets and stocks, cash & fund flow statement, recruitment services etc.
4. The Proposer/firm should have experience with professional excellence and measures to International standards.
5. The Proposer/firm or no partner thereof should have been subjected to any disciplinary proceedings initiated by the Institute of Chartered Accountants of India and no such proceedings should be pending as on the date of appointment.

6. The Proposer/ firm or its partner should not be disqualified under Section 226 of the Companies Act, 2013.
7. The Proposer/firm should have not been debarred and not involved in Statutory Audit of the Organization.
8. The Proposer/firm having DISA/CISA qualified partners/proprietors may be preferred.
9. The Company should be registered Co. under the Companies Act, 1956, in case of Ltd. Co.
10. The Proposer/firm should have minimum annual turnover of above Rs.2 crores and above and should have work experience for Companies/Government department Internal Audit (other than banks) with turnover minimum Rs.25 Lakhs
11. The proposer/firm should not be currently blacklisted by any Government / Government agency/ Bank / institution in India or abroad.
- 12 The Proposer/firm should provide reference of 2 clients for whom they have earlier/recently carried out such Internal/Concurrent Audit assignment. (Declaration to this effect [Annexure- 3] on their company's letterhead.
13. The Proposer/firm office should be Pune based with minimum 5 partners based in Pune.

Section III – Instruction to Proposers

A. The Proposing Document

1. RFQ:

1. RFQ shall mean Request for Quotation.
2. Proposal, Tender and Quotation are used to mean the same.

2. Content of Proposing Document:

- 2.1 The Proposal shall be in 2 separate soft copies of envelopes, Envelope A and B. as per online portal <https://mahatenders.gov.in>.

B Preparation of Proposal

3. Proposal Fees:

- 3.1 Minimum Assignment fees should be Rs.4,00,000/- and Fees should include all cost including all applicable taxes, etc. (No conveyance expenses and out of pocket expenses will be paid for audit conducted in local area)

4. Period of Validity of Proposals:

Proposals shall remain valid for a period of 8 days after the date of Proposal opening as mentioned in Section 1 or as may be extended from time to time. PSCDCL holds the right to reject a Proposal valid for a period shorter than 8 days as non-responsive, without any correspondence.

5. Format of Proposal:

- 5.1 The Proposer shall upload soft copies of the Proposal to online portal <https://mahatenders.gov.in>.
- 5.2 In case of any discrepancy between them, the original shall govern.

6. Signing of Proposal:

- 6.1 The Proposal shall be signed by a person or persons duly authorized to sign on behalf of the Proposer.

C Submission of Proposal

7. Envelope Proposing process:

7.1 The Proposal shall be prepared in 2 different envelopes, Envelope A and Envelope B as per online portal <https://mahatenders.gov.in>

8. Contents of the 2 Envelopes:

8.1 **Envelope A** Eligibility Criteria. The following documents shall be inserted inside Envelope A:

- a. Proposer's Information – Annexure 1
- b. Eligibility Criteria Matrix – Annexure 2
- c. Declaration regarding Clean Track Record -Annexure 3
- d. Scope of Work – Annexure 4

8.2 **Envelope B** Commercial Proposal:

Professional Fees Format with Commercial Proposal Form Annexure 5

9. Proposal Submission:

Proposals submit only in pdf format online portal <https://mahatenders.gov.in> in accordance with the instructions to the Proposer as mentioned in the Section 1.

9.1 The offers should be made strictly as per the formats enclosed.

10. Proposal Currency:

All prices shall be expressed in Indian Rupees only.

11. Proposal Language:

The Proposal shall be in English Language only

12. Deadlines for Submission:

The last date of submission of Proposals is given in Section 1, unless amended by PSCDCL through its email or written communication.

13. Extension of Deadline for submission of Proposal:

PSCDCL may, at its discretion, extend this deadline for submission of Proposals by amending the Proposing Documents which will be intimated through PSCDCL email or written communication, in which case all rights and obligations of PSCDCL and Proposer will thereafter be subject to the deadline as extended.

14. Late Proposal:

Proposals received after the scheduled time will not be accepted by PSCDCL under any circumstances. PSCDCL will not be responsible for any delay due to postal service or any other means.

15. Modifications and Withdrawal of Proposals:

15.1 Proposals once submitted will be treated as final and no further correspondence will be entertained on this.

15.2 No Proposal will be modified after the deadline for submission of Proposals

16. Right to Reject, Accept/Cancel the Proposal:

16.1 PSCDCL reserves the right to accept or reject, in full or in part, any or all the proposal offered by applicants without assigning any reason whatsoever.

16.2 PSCDCL does not bind itself to accept the lowest or any tender and reserves the right to reject all or any Proposal or cancel the Proposal without assigning any reason whatsoever. PSCDCL also has the right to re-issue the Quotation without the applicants having the right to object to such reissue.

17. RFQ Abandonment:

PSCDCL may at its discretion abandon the process of the selection of Proposer for Appointment of Internal Auditors for PSCDCL at any time before notification of award.

18. Proposal Evaluation Process:

18.1 The Proposal Evaluation will be carried out in 2 stages.

19. Contacting PSCDCL:

19.1 From the time of Proposal opening to the time of Contract award, if any Proposer wishes to contact PSCDCL for seeking any clarification any matter related to the Proposal, it should do so in writing.

Section IV – Proposal Opening

1. Opening of Proposals:

1.1 Proposals will be opened in 2 stages:

Stage 1 – In the first stage only the Eligibility & Scope of Work Proposals i.e. Envelope A, will be opened.

Stage 2 – In the second stage the Commercial Proposals i.e. Envelope B will be opened.

2. Opening of Eligibility Proposals:

2.1 PSCDCL will open Envelope „A“ through online portal <https://mahatenders.gov.in> mentioned in Section 1 or as amended by PSCDCL from time to time.

3. Opening of Commercial Proposals:

3.1 Only those Proposals that are eligibility & Scope of Work is qualified, their Commercial Proposal shall be opened through online portal <https://mahatenders.gov.in>.

Section V – Proposal Evaluation

1. Preliminary Examination of Eligibility Proposals:

1.1 PSCDCL will examine the Proposals to determine whether they are complete, whether required information has been provided as underlined in the Proposal

document, whether the documents have been properly signed, and whether Proposals are generally in order.

1.2 PSCDCL may waive any minor informality, non-conformity or irregularity in a Proposal that does not constitute a material deviation provided such waiver does not prejudice or affect the relative ranking of any Proposer.

1.3 If a Proposal is not substantially responsive, it will be rejected by PSCDCL and may not subsequently be made responsive by the Proposer by correction of the nonconformity.

2. Evaluation of Commercial Proposals:

2.1 Arithmetic errors in the Proposals submitted shall be treated as follows:

- a) Where there is a discrepancy between the amounts in figures and in words, the amount in words shall govern; and
- b) Where there is a discrepancy between the amount mentioned in the Proposal and the line item total present in the Commercial Proposal, the amount obtained on totaling the line items in the Commercial Proposal will govern.

2.2 Commercial Proposals of only the technically qualified short-listed Proposers will be opened and evaluated.

3. Successfully Evaluated Proposer:

1 Proposer who has quoted the lowest will be declared as successful evaluated Proposer who will be called L1 Proposer.

Section VI Terms and Conditions

1. Notification of Award:

1.1 After selection of the L1 Proposer and after obtaining internal approvals and prior to expiration of the period of Proposal validity, PSCDCL will send Notification of Award /Offer Letter to the selected Proposer.

2. Purchase Order:

2.1 Within one week of receipt of Notification of Award the successful Proposer shall accept the Offer Letter.

2.2 Failure of the successful Proposer to comply with the above requirements shall constitute sufficient grounds for the annulment of the award.

3. Taxes and Duties:

3.1 All taxes deductible at source, if any, at the time of release of payments, shall be deducted at source as per the prevailing rates while making any payment.

3.2 Commercial Proposal should expressly and specifically contain details of all applicable taxes, duties, charges and levies of State or Central Governments as applicable, GST etc.

4. Terms of Acceptance Letter:

4.1 The Acceptance Letter shall be delivered within one week of receipt of the Offer Letter.

5. Penalty for default in submission of Acceptance letter:

5.1 If the Proposer does not deliver the Acceptance Letter as per the above mentioned schedule, or such authorized extension of delivery period as may be permitted in writing by PSCDCL, PSCDCL shall reserve the rights for cancellation of the said Offer Letter and to issue a fresh Offer letter to another Proposer.

5.2 In the case of delay in compliance with the offer letter beyond one week of the stipulated time period, PSCDCL will have the right to cancel the Appointment.

6. Terms and Conditions:

6.1 The appointment will be for financial year 2019-2020 only, subject to review after six months from the date of appointment. Renewal of appointment will depend on the performance & delivery of the services

6.2 No conveyance expenses and out of pocket expenses will be paid for audit conducted in local area

6.3 The firm should provide trained staff for day to day audit and the assignment should be supervised by the senior partner of the firm who will be available for discussion with the Management as and when deemed necessary. Initially, for first three months, the meetings should be on fortnightly basis. There after the frequency of such meetings will be determined on the basis of volume of transactions, vouchers, audit observations and compliances etc.

6.4 Engagement Letter & NDA to be signed between the PSCDCL & Proposer firm.

6.5 To keep confidentiality of all the information received from PSCDCL during the execution of this engagement.

7 Payment Terms:

After submission of Final Report to PSCDCL Office.

8. Fees:

Professional Fees there shall be no increase in Professional Fees for any reason what so ever.

9. Intellectual Properties:

All Intellectual Property Rights in any guidance, specifications, instructions, plans, data, databases, patents, patterns, models, reports or other information which is: shall remain vested in the owner of such rights.

(a) Furnished to or made available to the Auditor by or on behalf of the Authority;

(b) Prepared by or for the Auditor on behalf of the Authority for use, or intended use, in relation to the performance by the Auditor of its obligations under the Contract;

or

(c) the result of any work done by the Auditor, the Staff or any Sub-Auditor in relation to the provision of the Services (together with (a) and (b) above, the "IP

information"), shall vest in the Authority and the Auditor shall not, and shall ensure that the Staff shall not, use or disclose any IP Information without prior Approval save to the extent necessary for performance by the Auditor of its obligations under the Contract.

10. Confidentiality:

The Proposer shall (whether or not he submits the Proposal) treat the details of the documents as secret and confidential.

11. Proposer's Liability

11.1 The selected Proposer will be liable for all the deliverables.

11.2 The Proposer's aggregate liability in connection with obligations undertaken as part of the Project regardless of the form or nature of the action giving rise to such liability (whether in contract, tort or otherwise), shall be at actual and limited to the value of the contract.

11.3 The Proposer's liability in case of claims against PSCDCL resulting from gross misconduct or gross negligence of the Proposer, its employees, contractors, and subcontractors or from infringement of patents, trademarks, copyrights or such other Intellectual Property Rights or breach of confidentiality obligations shall be unlimited.

11.4 Liquidated Damages: The parties hereby agree that due to negligence of act of the Proposer or non-fulfillment of contract obligations, if PSCDCL suffers losses, damages, the Proposer would be fully liable to the total value of the contract.

Section VII - Methodology for conducting Audit / Reporting:

- The audit team shall be led by the Chartered Accountant – proprietorship/Partner of the audit team firm with experienced assistants as the work may warrant.
- The audit firm shall adhere to the audit policy of the organization.
- The format of Executive Summary Report shall be signed by the Chartered Accountant Partner of the firm.
- The audit personnel should not be changed so that continuity and consistency is maintained. The audit firm shall conduct appropriate due diligence before employing any personnel who will be entrusted with the work of conducting the Internal/Concurrent Audit of the organization. The audit firm is also responsible for any commission and omission of its employees which may cause and or likely to cause any loss/damage to the organization.
- If there is any change in the constitution of the firm during the period of appointment it shall be informed to the organization.
- If the lowest financial quote does not agree to undertake the audit work within the prescribed audit fee or the organization deems it unfit for any reason, the job may be awarded to the next lowest financial quote if the firm awarded to a technically qualified quotes and agrees to undertake the job.

Section VIII –Termination / cancellation of empanelment/appointment:

- If the selected firm has not sent the Technical / Financial quotes duly signed by them within the stipulated time, their quote is liable to be rejected.
- If any of the information/ documents furnished by the auditor is found to be incorrect, the offer will automatically stand cancelled without entertaining any further correspondence.
- In case the quote is rejected for reasons mentioned in 1 & 2 above, the organization shall identify a new auditor at its discretion and they shall not claim any right for audit of this Organization.
- The appointment for Internal Auditor is purely contractual and for a specific Financial Year 2019-2020 and the same may be renewed on a yearly basis subject to satisfactory performance/ eligibility for Internal/Concurrent Audit. The maximum period of contract shall be restricted to 2 years. However, the Organization reserves the right to terminate the contract at any point of time for whatsoever reasons as the Organization may deem fit.
- After termination of the contract, the auditor/ firm shall not use or keep any of the material information given or make any representations to public or outsiders as continuing this agreement. The auditor/ firm shall return all materials belonging to the Organization after termination of the agreement, unless otherwise instructed in writing by the Organization.
- The Organization shall have the absolute discretion in revising the fee structure, stipulating terms and conditions of the appointment and termination of services of the empanelled auditor after giving due notice at any point of time including during the pendency of the contract.

Section IX – Technical Requirements

Sr. No.	Description of Scope of work for Internal Auditor
1	Scope of work provided in Section I

Section X - Documents forms to be put in Envelope "A"**Annexure-1****Proposer's Information**

Details of the Proposer		Requirement of Supporting documents
1	Name of the Firm(Prime)	
2	Addresses of the Firm	
3	Head Office	Phone No. Fax No. Mobile No. of Head Office In-charge:
4	Date of establishment of the firm	
5	Date since when the H.O. is at existing Station	
6	Branch Office 1,2,3 etc. (particulars of each branch to be given)	Phone No. Fax No. Mobile No. of Head Office In-charge:
7	Status of the Firm (Public Ltd/ Pvt. Ltd/ partnership/co.)	
8	Details of Incorporation of the Company. (Certificate to be submitted)	Date: Ref#
9	Details of Commencement of Business (Certificate to be submitted)	Date: Ref#
10	Firm's Valid registration no. with ICAI	
11	Firm's Valid GST registration no.	
12	Permanent Account Number (PAN)	
13	No. of Years of Firm Existence & Date of establishment of Firm	
14	Name & Designation of the contact person to whom all references shall be made regarding this tender	
15	Telephone No. (with STD Code)	
16	E-Mail of the contact person:	
17	Fax No. (with STD Code)	
18	Website	

19	Details of partners with following details: 1) Number of Full Time Fellow Partners associated with the firm. 2) Name of each partners 3) Date of becoming ACA and FCA 4) Date of joining the Firm 5) Membership No. 6) Qualification 7) Experience 8) Whether the Partner is engaged full time or part time with the firm. 9) Their contact mobile no., email and full address. Indicate the Lead Auditor from the Firm			
Financial Details (as per audited Balance Sheets) (in Cr)				
Annual Average Income with Break-up of Fee towards Audit, Income Tax matters and others (Specify)				
20	Year	2016-17	2017-18	2018-19
21	Turnover			
22	Equity including Reserve and surplus			
23	Revenue/Income			
24	Income after Tax			

Annexure 2**Eligibility Criteria Matrix**

Sr. No.	Description	Complied with statements	Proof attached
1	The firm should be a Chartered Accountants firm, on the panel of auditors maintained by RBI under Category – I.		Proof should be submitted
2	The firm should have into existence more than 15 years		Proof should be submitted
3	The firm should have an experience in Management work such as Verification of Assets and stocks, cash & fund flow statement, recruitment services etc.		Proof should be submitted
4	The firm should have an experience as a professional excellence, measures to International standards.		Proof should be submitted
5	The firm or no partner thereof should have been subjected to any disciplinary proceedings initiated by the Institute of Chartered Accountants of India and no such proceedings should be pending as on the date of appointment.		Proof should be submitted
6	The firm or its partner should not be disqualified under Section 226 of the Companies Act, 2013.		Proof should be submitted
7	The firm should have not been debarred and not involved in Statutory Audit of the Organization.		Proof should be submitted
8	The firm having DISA/CISA partners /proprietors may be preferred. qualified		Proof should be submitted
9	Registered company under the Companies Act, 1956, in case of Limited Company.		Proof should be submitted

RFQ for Appointment of Internal Auditors

10	The Proposer/firm should have minimum annual turnover of above Rs.2 crores and above and should have work experience for Companies/Government department Internal Audit (other than banks) with turnover minimum Rs.25 Lakhs		Proof should be submitted
11	The Proposer should not be currently blacklisted by any Government / Government agency/ Bank/ institution in India or abroad		Declaration as per Annexure-3
12	The Proposer should provide reference of 2 clients for whom they have earlier/recently carried out such Internal/Concurrent Audit assignment.		Proof should be submitted
13	The Proposer/firm office should be Pune based with minimum 5 partners based in Pune.		Proof should be submitted

RFQ for Appointment of Internal Auditors

A Form No.—

Sr. No.	Name of staff	Length of Association with the Firm (in years)	Educational Qualifications	Areas of Key Expertise	Membership no.	Relevant experience
1						
2						
3						
4						

B Form No.—

Sr. No.	Name of staff	Length of Association with the Firm (in years)	Educational Qualifications	Areas of Key Expertise	Relevant experience	Remarks
1						
2						
3						
Semi Qualified Staff						
1						
2						
3						
Article Clerks ;						
1						
2						
3						
Others.						
1						
2						
3						

Annexure-3

Declaration regarding Clean Track by Proposer

(On Company/firm's Letterhead)

To,
The Chief Executive Officer
Pune Smart City Development Corporation Ltd,
"Manthan" , A-3, Pashan Road,
(Next to B.U. Bhandari Volkswagen Showroom),
Abhimanshri Society, Pashan, Pune- 411008, Maharashtra

Sir,

**Re: RFQ No. PSCDCL: 140-SC001/2019-20 dated 13th Jan 2020 for RFQ for
Appointment of Internal Auditors**

I have carefully gone through the Terms and Conditions contained in the above referred RFQ.
I hereby declare that my company/firm is not currently debarred/black listed by any
Government / Semi Government organizations/ Institutions in India or abroad. I further
certify that I am competent officer in my company/firm to make this declaration.

Or

I declare the following

Sr.No.	Country in which the company is debarred/blacklisted/case is pending	Black listed/debarred by Government / Semi Government organizations/ Institutions	Reason	Since when and for how long

(NOTE: In case the company/firm was blacklisted previously, please provide the details
regarding Period for which the company/firm was blacklisted and the reason/s for the same)
Yours faithfully,

(Signature of the Proposer) Printed Name

Designation Seal

Date:

Business Address:

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Annexure 4

The Scope of work to be mentioned as per Section I and enclose information by the Proposer on the following points.

- 1) Areas of Specialization
- 2) List of Major Jobs Handled
- 3) List of Special Jobs

RFQ for Appointment of Internal Auditors

Section XI – To be put in Envelope “B”
Annexure 5

Professional Fees Format

	Job: Request for Quotation for Appointment as Internal Auditor			
SR NO	PART NUMBER	DESCRIPTION	Professional Fees	TOTAL(Rs.)
1		Internal Audit FY 2019-20		
2		-----		
Total			Rs.	
3	Taxes		Rs.	
4	Grand Total		Rs.	
	COMPANY'S NAME	:		
	OFFER REF. AND DATE	:		
	SIGNATURE	:		
	DESIGNATION	:		

Commercial Proposal Form
(To be included in Commercial Proposal Envelope)

To:
PSCDCL
Dear Sir,

Date:

Re: Request for Quotation for appointment of Internal Auditor.

Having examined the Proposing Documents placed along with RFQ, we, the undersigned, offer to provide the required infrastructure in conformity with the said Proposing documents for the sum of Rs.....(Rupees all inclusive) or such other sums as may be ascertained in accordance with the professional fees attached herewith and made part of this Proposal.

We undertake, if our Proposal is accepted, to provide the services as Internal Auditors for the above purpose within the stipulated time schedule.

We agree to a Proposal by the Proposer and the fees quoted therein for the services awarded by PSCDCL up to the period prescribed in the Proposal which shall remain binding upon us. Until a formal contract is prepared and executed, this Proposal, together with our written acceptance thereof and your notification of award, shall constitute a binding Contract between us.

We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India.

We have complied with all the terms and conditions of the RFQ. We understand that you are not bound to accept the lowest or any Proposal you may receive.

Dated this..... Day of.....2019. (Signature)

(Name) (In the capacity of)

Duly authorized to sign Proposal for and on behalf of

RFQ for Appointment of Internal Auditors



REQUEST FOR QUOTATION

Appointment of Firm of Chartered/Cost Accountants for Internal Audit (IA) for Financial Year 2019-2020 Pune Smart City Development Corporation Limited (PSCDCL)

Quotation Notification No.: 140-SC001 /2019-20

Dated: 13th January, 2020

Issued By

Pune Smart City Development Corporation Limited (PSCDCL)

Quotation Invitation

Pune Smart City Development Corporation Ltd (PSCDCL) invites offers from reputed firms of Chartered/Cost Accountants having relevant experience for appointment as Internal Auditors for its financial year 2019-20.

Interested parties must submit their quotes through speed post/registered post/ courier/by hand in the prescribed formats along with all necessary documents and information requested herein.

Last date for receiving the offers is 20th Jan 2020 (3:00 PM)

Quotation Data Sheet

Quotation Ref. No and Date	140-SC001/2019, 13 th January 2020						
Title of the Assignment	Appointment of Firm of Chartered/Cost Accountants for Internal Audit (IA) for Financial Year 2019-2020						
Contact Person and Email id	The Chief Executive Officer, PSCDCL Email Id – ceo@punsmartcity.in & cfo@punsmart.in						
Last Date & Time of Submission of Quotes	20 th Jan 2020; 3:00 PM						
Place, Time and Date of opening of Technical proposals received in response to the RFQ notice	20 th Jan 2020 at, 3.30 PM Address: Office of CEO, PSCDCL						
Quotes to be submitted	Online						
Quotation Process	Single Stage; 2 parts (Technical and Financial)						
Validity of Quotation	120 days (One Hundred Twenty days)						
Reporting Phases	<table><tr><td>Phase</td><td>Period</td><td>Reports to be</td></tr><tr><td>Phase I</td><td>1st April to 31st Mar.</td><td>30th May</td></tr></table>	Phase	Period	Reports to be	Phase I	1 st April to 31 st Mar.	30 th May
Phase	Period	Reports to be					
Phase I	1 st April to 31 st Mar.	30 th May					

Schedule of Events

Quotation Ref. No and Date	140-SC001 and 13 th Jan 2020
Date of Submission	20 th Jan 2020
Submission of Offline Quotation	The Chief Executive Officer, Pune Smart City Development Corporation Limited (PSCDCL)
Place, Time and Date of opening of Technical proposals received in response to the RFQ notice	Manthan Building, 20 th Jan 2020 at, 3.30 PM Address: Office of CEO, PSCDCL
Opening of Financial Quotes	To be informed to the Technical qualified
Letter of Award (LoA)	In due Course
Signing of Agreement	In due Course

Note: In case any of the days mentioned above happens to be declared a holiday, the said event shall be held on the next following working day at the same time and venue.

Invitation to Quotation

Appointment of Firm of Chartered/Cost Accountants for Internal Audit (IA) for Financial Year 2019-2020

Quotation No.: 140-SC001

Date 13th Jan, 2020

PSCDCL invites quotes from reputed firms of Chartered/Cost Accountants having relevant experience for Appointment of Firm of Chartered/Cost Accountants for Internal Audit (IA) for Financial Year 2019-2020. The last date for receipt of offers is 25th November 2019 (at 3:00 PM). Date of opening of financial quotes will be separately communicated to technically qualified Firm.

Firms of Chartered/Cost Accountants interested in responding to this announcement must submit their quotes through online portal <https://mahatenders.gov.in> on or before 3:00 PM on 20.01.2020. in their prescribed formats along with all necessary documents and information requested herein.

Note: PSCDCL shall not be responsible for non-receipt/non-delivery of the quotation documents due to any reason whatsoever.

Introduction and Background

About Pune

Pune is the seventh-most populous city in India and the second largest in the state of Maharashtra. It is situated 560 meters (1,837 feet) above sea level on the Deccan plateau, on the right bank of the Mutha River. Pune city is the administrative headquarters of Pune district and was once the center of power of the Maratha Empire.

The city is known for manufacturing and automobiles, as well as government and private sector research institutes for information technology (IT) education, management and training that attract migrants, students, and professionals from India, South East Asia, the Middle East, and Africa.

Pune is considered as the cultural capital of Maharashtra and is also popularly known as 'Queen of the Deccan'. The city has been marked by various forts and historical places. Pune is also known as 'Oxford of the East' and has one of the oldest universities and colleges in India such as, University of Pune, College of Engineering Pune and Fergusson College.

As per 2011 census, Pune has a population of more than 9.4 mn and population density of 603 people per sq. km. The decadal population growth rate from 2001 to 2011 was reported at 30.34%.

About Pune Municipal Corporation

The Pune Municipal Corporation (PMC) was established on 15 February 1950. The PMC is in charge of the civic needs and infrastructure of the metropolis. Pune is divided into 15 municipal wards and about 76 electoral wards/ prabhags.

Since 1950, the Pune Municipal Corporation is administering the city and serving citizens. Pune Municipal Corporation has taken an initiative for implementing e-Governance. Success of e-governance depends on use of Information Technology in mobilization of Government resources and utilization of these scarce resources with an aim of providing a better service.

Pune Municipal Corporation stood second in the Smart Cities Challenge launched by Ministry of Urban Development, Govt. of India. Under Smart City Initiative, PMC is committed for making governance citizen-friendly and cost effective by delivering services electronically to ensure accountability and transparency, especially using mobiles to reduce cost of services and providing services to its stakeholders without having to go to municipal offices; and by facilitating e-groups to listen to citizens and obtain feedback and use online monitoring of programs and activities with the aid of cyber tour of worksites.

About Pune Smart City Development Corporation Limited (PSCDCL)

The Pune Smart City proposal was selected for priority financing under Smart City Mission by Ministry of Urban Development (MoUD), Government of India. Thereafter, the Pune

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Municipal Corporation (PMC) has incorporated a Special Purpose Vehicle (SPV) company called PUNE Smart City Development Corporation Limited (PSCDCL), under the Companies Act 2013, solely for the purpose of implementing the Smart City proposal. PSCDCL will be fully owned by the Government with equal shareholding from the Government of Maharashtra and the Pune Municipal Corporation (PMC).

The Board of PSCDCL will be chaired by the Chairman, PSCDCL and will have 15 members including elected representatives of PMC, representatives of the state and central government as well as independent directors.

PSCDCL will receive funding from Government of India and PMC/ the State Government for implementing the smart city projects. Given the wide range of technical and sector specific expertise required to implement the smart city projects, PSCDCL shall be supported by a team of consultants for strategic, technical and project management support.

PUNE SMART CITY DEVELOPMENT CORPORATION LIMITED (PSCDCL) intends to apply a portion of the Smart City Mission Fund (using the Administrative & Operative Expenses component) to engage a firm of Chartered Accountants to evaluate the adequacy and effectiveness of the internal financial controls of PSCDCL and implement controls as necessary.

Objectives of this RFQ :

Pune Smart City Development Corporation Ltd proposes for Appointment of Internal Auditors to carry out Internal Audit for the FY 2019-20. Internal Audit is a regular process to be carried out throughout the year at the Registered Office of PSCDCL on an ongoing basis.

Internal Audit is an independent assessment, objective assurance and advisory activity designed undertaken to add value and improve the Organization's operational effectiveness. It is a systematic examination of financial transactions on a regular basis aiming to accomplish its objectives by bringing in a systematic and, disciplined approach thereby ensuring accuracy, authenticity, compliance of internal systems, procedure and guidelines as laid down by the Organization and to evaluate and improve the effectiveness of control and governance processes.

The emphasis under Internal Audit is not on test checking but on substantial entity to determine whether the financial management arrangements (including internal control mechanisms) are effective and robust to identify areas of weakness and deficiency and with a view to energizing the process of rectification, system improvement to enhance efficiency.

As a part of the continued effort in improving the standards of financial controls and reporting, Independent Chartered Accountant firms shall be appointed as Internal Auditors at PSCDCL Registered Office to undertake periodic audits and report on key strategic and financial themes which would reflect the true position of sustainability for the Organization.

The key objectives of the Internal Audit include:

1. To ensure voucher/evidence based payments to improve transparency.
2. To ensure accuracy and timeliness in maintenance of books of accounts and financial reporting.
3. To ensure adequacy and accuracy of periodical financial statements.
4. To ensure compliance with laid down systems, procedures and policies.
5. To assess, establish & improve efficiency of operations and overall internal control systems for prevention of frauds.
6. To confirm on the reliability and integrity of financial and operational information
7. To shorten the interval between transaction and its examination by an independent person not involved in its documentation.
8. To perform substantive checking in key areas and on the spot rectification of deficiencies to prevent the incidence of serious errors and fraudulent manipulations.
9. To supplement the efforts of the organization in carrying out simultaneous internal checks of the transactions and compliance with the laid down systems and procedures of the organization.
10. To confirm on the safeguarding of assets and overall gross block.
11. To confirm on management's compliance with laws, regulations and contracts
12. Additions if any, as would be deemed fit by the management.

Section I Internal Audit (Timeline, Reporting Format and Scope)**General Scope of Work:**

The purpose of Auditors' presence is to provide a second look on the operations. The Internal Auditors will have to essentially see whether the transactions or decisions are within the policy parameters of the Organization and that they are within the delegated authority and in compliance with the terms and conditions for exercise of such an authority. The Internal Auditors have also to see in case of sanctions received from higher authorities, terms and conditions of such sanctions are duly complied with.

A. Time line for submission of Audit Report:

Calendar for projects, where Internal Audit is to be done on Annual basis:

Period Covering	Reports to be submitted by
1 Apr 2019 to 31 Mar 2020	30 May 2020

B. Reporting Format

Internal Audit Reports should be prepared in twelve separate parts, namely:

- ☐ Part-I: Introduction of Project including details of nature of work, important timelines, client, major sub contactors, value, man power, present status and performance.
- ☐ Part-II: Audit Planning and Methodology
- ☐ Part-III: Confirmation as to Audit Documentation- The firm/LLP, as the case may be, should maintain proper documentation as audit evidence, PSCDCL reserve the right to

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call for its review.

☐ Part-IV: Executive Summary of significant observations with the following Summarized highlights:

Key to Summary

Critical	Addresses a fundamental control weakness or significant operational issue that should be resolved by management as a priority.
Important	Addresses a control weakness or operational issue that should be resolved by management within a reasonable period of time.
Good Practice	Addresses a potential improvement opportunity in operational efficiency/effectiveness.

☐ Part-V: Persisting Irregularities with respective ageing and Action taken by the unit on previous Internal Audit Report.

Part-VI: Important items which, in the opinion of the Auditor, should be brought to the notice of the Audit Committee.

☐ Part-VII: Irregularities noticed and rectified on spot and those not rectified with reasons

☐ Part-VIII: Suggestions for systems improvement.

☐ Part-IX: Comments on the Internal control framework in PSCDCL, its robustness and weaknesses.

☐ Part-X: Comments on the unusual entries/transactions, if any

☐ Part-XI: Comments on the implementation whistle blowers policy at project level

☐ Part-XII: Comments on the implementation of CSR Policy undertaken / involvement by the project.

- Documentation:

- The reference of documents checked must be part of the Audit Report.
- The Auditor must deliver one copy of the report to the unit head for necessary compliance and send a copy of the full report (in soft and hard both) to the head of PSCDCL.
- The Auditors are required to submit certificate duly signed to the effect that scope of Audit as defined has been duly adhered to and the issues raised or observations made by the auditors have been discussed.
- No para of Internal Audit Report can be taken as closed unless satisfactorily resolved. Outstanding paras will be carried forward to the next report and need to be properly addressed in Part-V of the Internal Auditor's Report.
- Internal Auditors are encouraged to suggest solutions to rectify the errors or deficiencies and not merely confine to making observations. Internal Auditors should also give suggestions for the system improvement and ensure compliance of the audit observations at the project site itself in their presence.

C. Detailed Scope of Internal Audit

Internal audit is an independent management function, which involves a continuous and critical appraisal of the functioning of an entity with a view to suggest improvements thereto and add value to and strengthen the overall governance mechanism of the entity, including the entity's strategic risk management and internal control system. Internal audit, therefore, provides assurance that there is transparency in reporting, as a part of good governance.

Major areas to be covered during the course of Internal Audit

The Internal Audit shall be carried out in accordance with the Auditing Standards and Accounting Standards prescribed by the Institute of Chartered Accountants of India and will include such tests and controls, as the Auditor considers necessary under the circumstances. The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organization's system of internal control with special emphasis on the following:

Financial Accounting & Financial Reporting Systems:

The overall Financial accounting & Financial reporting system to be checked thoroughly with the special stress on the below items:

- ☐ All Accounting is being done as per Indian Accounting Standards (IND-AS) and Accounting Policies of the PSCDCL
- ☐ Cash, bank, journal vouchers including rectification vouchers are prepared correctly and trial balance is prepared accordingly.
- ☐ Monitoring of physical and financial progress of work vis-a-vis targets
- ☐ Bank statements & monthly bank reconciliation statements.
- ☐ Balance confirmation with all Debtors & Creditors.
- ☐ Foreign currency transactions.
- ☐ TDS & Payment of other statutory dues in time.
- ☐ Prior period adjustments.
- ☐ Provisions and contingent liabilities.
- ☐ Bank Guarantees & FDRs.
- ☐ Timely recovery of advances and interest.

Tenders and allied matters**- Pre-tender Stage**

- ☐ The tenders should be floated as per Guidelines For Tendering (GFT), and approval of the competent authority as per the Schedule of Powers (SOP).
- ☐ Ensure that the basis of preparation of estimates for work/package is realistic and logical (based on LAR, schedule of rates etc.), and has the approval of the competent authority as per SOP.

- Tendering Process

- ☐ The Comparative Statement and the Briefing Notes should be vetted by Finance and their correctness should be checked based on random sampling method including

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compliance conditions on technical with immaculate compliance with submission of requisite documents to qualify.

☐ Tender Committee (TC) minutes should be verified to establish the reasonableness of rates (considering the special conditions, if any) and irregularities to be reported.

☐ In the contracts, where client procedures are to be followed, ensure proper documentation and compliance of the same.

- **Award of Work**

☐ Letter of Award (LOA) should be issued as per TC recommendations and only after finance vetting. An accepted copy of same should be verified to rule out any deviations /omissions.

☐ Earnest money provided should be kept in safe custody and to be checked for sufficiency and validity.

- **Contract Agreement**

☐ An agreement should be executed within the time stipulated by LOA and should be signed by competent authorized signatories.

☐ checking of contract conditions before paying or receiving mobilization or other advances by the project.

- **Project Execution**

- Monitoring of physical and financial progress of work vis-a-vis targets (reference can be taken from MIS .

- Comparative study of the actual costs vis-a-vis sanctioned estimates, and major deviations are to be reported.

- Reconciliation between total work done, work certified and uncertified, work billed and unbilled, payments received from the client, recoveries including taxes, retention money, performance guarantee, mobilization and plant advance, interest, etc., in terms of the contract.

- Analysis of work-in-progress in the context of work done and ageing of total outstanding. WIP to be further scrutinized with the following break-up – work done but not certified, work done, certified but not billed and work done, certified and billed but not paid.

- Analysis of variation orders executed, which is, work done not expressly provided in the contract, certified and billed, basis of rates billed, certified and approved and pending for approval.

- Scrutinize present status of work that is still to be executed, with respect to the contract for any changes in BOQ having material impact on the project, with acceptance from the client.

- Checking calculation of escalation bills based on monthly indices released by RBI.

- In cases, where extension of completion date of the contracts is required, the delay should be properly justified and validated by approval from competent authority. Further, Liquidated Damages (LD) should also be imposed, as per the provisions of the contract, wherever required.

- Any non-schedule item should be supported by proper approvals from competent authority.

- In case of departmental work, realistic estimates of the work should be prepared and approved by competent authority. Further, material procured and consumed should be properly reconciled at frequent intervals.

Procurement of materials, recording of Receipts and issues including client materials

- Details of tenders awarded on nomination and single tender basis, whether any splitting of procurement in order to circumvent tender policies is observed?
- Ensure classification of all materials into major materials, semi-finished materials, and other materials like equipment and machinery spares, general stores and consumables, safety items, construction aids, miscellaneous service items, etc.
- Verification of purchase procedure on the basis of indents, purchase orders, quotations, price comparative statements, authorized distributor list, etc.
- Checking of material receipts on the basis of purchase orders, delivery challans / invoices, weigh slips with the goods receipt notes.
- Compliance to quality control procedures.
- Checking issue of materials on the basis of issue slips authorized signatory list, etc.
- Proper allocation of material issues to respective work orders of subcontractors/piece rate workers in case of subcontracting cost centers in case of internal consumption.
- To check the correct recording of material receipts at the yearend cut-off dates.
- Checking records of scrap with physical stock, billing of scrap sold, GST and TCS, as applicable.
- Inventory valuation including transportation and other acquisition costs and proper allocation of other overheads based on appropriate valuation method.
- Physical verification of major items.
- Proper segregation between own materials and client materials

Client billing and receivable

- Checking the billing terms and conditions, which are either defined in the MOU signed between client and PSCDCL or as per the provisions of the contract.
- Ensure that the timely bills are being raised as per provisions of the billing terms and conditions. Major deviations are to be reported.
- Collections from the client with respect to the contractual collection period. Scrutiny of receipts in bank, otherwise than from cheques received from clients.
- The review of the receivables has been carried out as per Guidelines issued by Company from time to time.
- Receivables ageing and realization analysis
- In case of final bill, ensure that it should include variation in quantity, non-schedule items, price escalation etc, if any.

Profit and Loss Analysis

- Comparing the actual expenses incurred with the budget estimates and analyzing the variances. Obtaining comments from the management.

Establishment matters

- Checking of wages and salaries of different categories of employees including officers, contract staff, monthly and daily rated workers on the basis of their respective terms and conditions of employment.
- Test check a few individual files of personnel posted at site as well as Office.
- Comparison of actual manpower deployment with the monthly budgets.
- Ensure compliance of PF and ESIC laws in case of piece-rate workers employed by the project through sub-contractors.
- Surprise attendance verification of manpower deployment by pieceworkers, if terms of payment are dependent on actual attendance, particularly in case of security guards and helpers.
- Verify the records with special attention to LTC, Medical rules, Final Settlement, Travelling allowances, Staff Loans/Advances, Foreign Service Contribution (FSC) etc.

Statutory registrations, deductions and payments

- Identification of legal framework and statutes as applicable and compliance thereof.
- Check registrations/renewals with different statutory authorities like labour department, PF, ESIC, GST, Professional Tax, mining department, explosives license, pollution control, petroleum products, electricity and water supply authorities, etc.
- Ensure correct deductions and recoveries of taxes and statutory levies like TDS, TCS, GST, PF, ESIC, and Professional Tax, labor Cess etc.
- Ensure timely payment and deposit of taxes and other statutory levies.
- Adherence to time limits in filing prescribed returns.
- Verify system of availing input tax credit on supply of goods or services or both through a proper procedure of set-off.
- Reconciliation of royalty payments and deductions made by the client with actual liability on the basis of work done and ascertainment of year-end liability.
- Status of assessments before various tax authorities.
- Details of statutory disputes and cases pending before various authorities with financial implications for being treated as contingent liabilities.

Assets and Liabilities

- Ageing of advances and scrutinizing debit balances, including advances to staff, workers, suppliers, subcontractors, pieceworkers and other parties. Classification into recoverable and non-recoverable advances. Assessing the adequacy of provision of doubtful advances. Matching advances against corresponding liabilities.
- Assessing the proper estimation and adequacy of provisions made at the year-end and outstanding liabilities. Scrutinize all credit balances.
- Identifying pre-paid expenses.
- Maintenance of Fixed Assets register, Physical verification, calculation of depreciation and checking of location, situation & identification of fixed assets.
- Variations in quantity & price as per contract conditions & approval thereof.
- Claims management system and review of that.

Miscellaneous Matters

- For arbitration, court cases and contingent liabilities, proper provisions should be calculated and booked.
- Compliance made by the project upon comments made by the Statutory Auditors in its report under the provisions of companies act, 2013.
- Any material procured from Micro, Small and Medium Enterprises (MSME), provisions of MSME Act to be followed.
- Review of the deposit with Govt. Departments such as Electricity, Water, and telephone etc.
- Comment on risk assessment and risk mitigation mechanism in the project
- Detection of systemic flaws and suggestions for adopting corrective measures.
- Irregularities of serious nature noticed during audit are to be reported to the Head of Internal Audit Cell through a special report.

Special items for Corporate Office

- Since the type of work handled at C.O. is different than of projects, the scope for Internal Audit of C.O. is required to give additional attention to the below:
 - ☐ Taxation Issue including statutory compliances.
 - ☐ Treasury matters including management of Indian and foreign funds.
 - ☐ Payroll and leave record

Section II Eligibility Criteria (refer annexure -1)

A Pre-requisite:

The Proposer firm should possess the requisite experience, resources and capabilities in providing the services necessary to meet the requirements, as described in the tender document. The Proposer should also possess the technical know-how and the financial wherewithal that would be required to complete the scope of work. The Proposal must be complete in all respects and should cover the entire scope of work as stipulated in the document. Proposals not meeting the Eligibility Criteria will not be considered for further evaluation.

B Eligibility Criteria:

The invitation to proposal is open to all Proposers (firm) who qualify the Eligibility Criteria as given below. Failure to provide the desired information and documents may lead to disqualification of the Proposal.

1. The Proposer/firm should be a Chartered Accountants firm, on the panel of auditors maintained by RBI under Category – I.
2. The Proposer/firm should have into existence more than 15 years.
3. The Proposer/firm should have an experience in Management work such as Verification of Assets and stocks, cash & fund flow statement, recruitment services etc.
4. The Proposer/firm should have experience with professional excellence and measures to International standards.
5. The Proposer/firm or no partner thereof should have been subjected to any disciplinary proceedings initiated by the Institute of Chartered Accountants of India and no such proceedings should be pending as on the date of appointment.

6. The Proposer/ firm or its partner should not be disqualified under Section 226 of the Companies Act, 2013.
7. The Proposer/firm should have not been debarred and not involved in Statutory Audit of the Organization.
8. The Proposer/firm having DISA/CISA qualified partners/proprietors may be preferred.
9. The Company should be registered Co. under the Companies Act, 1956, in case of Ltd. Co.
10. The Proposer/firm should have minimum annual turnover of above Rs.2 crores and above and should have work experience for Companies/Government department Internal Audit (other than banks) with turnover minimum Rs.25 Lakhs
11. The proposer/firm should not be currently blacklisted by any Government / Government agency/ Bank / institution in India or abroad.
- 12 The Proposer/firm should provide reference of 2 clients for whom they have earlier/recently carried out such Internal/Concurrent Audit assignment. (Declaration to this effect [Annexure- 3] on their company's letterhead.
13. The Proposer/firm office should be Pune based with minimum 5 partners based in Pune.

Section III – Instruction to Proposers

A. The Proposing Document

1. RFQ:

1. RFQ shall mean Request for Quotation.
2. Proposal, Tender and Quotation are used to mean the same.

2. Content of Proposing Document:

- 2.1 The Proposal shall be in 2 separate soft copies of envelopes, Envelope A and B. as per online portal <https://mahatenders.gov.in>.

B Preparation of Proposal

3. Proposal Fees:

- 3.1 Minimum Assignment fees should be Rs.4,00,000/- and Fees should include all cost including all applicable taxes, etc. (No conveyance expenses and out of pocket expenses will be paid for audit conducted in local area)

4. Period of Validity of Proposals:

Proposals shall remain valid for a period of 8 days after the date of Proposal opening as mentioned in Section 1 or as may be extended from time to time. PSCDCL holds the right to reject a Proposal valid for a period shorter than 8 days as non-responsive, without any correspondence.

5. Format of Proposal:

- 5.1 The Proposer shall upload soft copies of the Proposal to online portal <https://mahatenders.gov.in>.
- 5.2 In case of any discrepancy between them, the original shall govern.

6. Signing of Proposal:

- 6.1 The Proposal shall be signed by a person or persons duly authorized to sign on behalf of the Proposer.

C Submission of Proposal

7. Envelope Proposing process:

7.1 The Proposal shall be prepared in 2 different envelopes, Envelope A and Envelope B as per online portal <https://mahatenders.gov.in>

8. Contents of the 2 Envelopes:

8.1 **Envelope A** Eligibility Criteria. The following documents shall be inserted inside Envelope A:

- a. Proposer's Information – Annexure 1
- b. Eligibility Criteria Matrix – Annexure 2
- c. Declaration regarding Clean Track Record -Annexure 3
- d. Scope of Work – Annexure 4

8.2 **Envelope B** Commercial Proposal:

Professional Fees Format with Commercial Proposal Form Annexure 5

9. Proposal Submission:

Proposals submit only in pdf format online portal <https://mahatenders.gov.in> in accordance with the instructions to the Proposer as mentioned in the Section 1.

9.1 The offers should be made strictly as per the formats enclosed.

10. Proposal Currency:

All prices shall be expressed in Indian Rupees only.

11. Proposal Language:

The Proposal shall be in English Language only

12. Deadlines for Submission:

The last date of submission of Proposals is given in Section 1, unless amended by PSCDCL through its email or written communication.

13. Extension of Deadline for submission of Proposal:

PSCDCL may, at its discretion, extend this deadline for submission of Proposals by amending the Proposing Documents which will be intimated through PSCDCL email or written communication, in which case all rights and obligations of PSCDCL and Proposer will thereafter be subject to the deadline as extended.

14. Late Proposal:

Proposals received after the scheduled time will not be accepted by PSCDCL under any circumstances. PSCDCL will not be responsible for any delay due to postal service or any other means.

15. Modifications and Withdrawal of Proposals:

15.1 Proposals once submitted will be treated as final and no further correspondence will be entertained on this.

15.2 No Proposal will be modified after the deadline for submission of Proposals

16. Right to Reject, Accept/Cancel the Proposal:

16.1 PSCDCL reserves the right to accept or reject, in full or in part, any or all the proposal offered by applicants without assigning any reason whatsoever.

16.2 PSCDCL does not bind itself to accept the lowest or any tender and reserves the right to reject all or any Proposal or cancel the Proposal without assigning any reason whatsoever. PSCDCL also has the right to re-issue the Quotation without the applicants having the right to object to such reissue.

17. RFQ Abandonment:

PSCDCL may at its discretion abandon the process of the selection of Proposer for Appointment of Internal Auditors for PSCDCL at any time before notification of award.

18. Proposal Evaluation Process:

18.1 The Proposal Evaluation will be carried out in 2 stages.

19. Contacting PSCDCL:

19.1 From the time of Proposal opening to the time of Contract award, if any Proposer wishes to contact PSCDCL for seeking any clarification any matter related to the Proposal, it should do so in writing.

Section IV – Proposal Opening

1. Opening of Proposals:

1.1 Proposals will be opened in 2 stages:

Stage 1 – In the first stage only the Eligibility & Scope of Work Proposals i.e. Envelope A, will be opened.

Stage 2 – In the second stage the Commercial Proposals i.e. Envelope B will be opened.

2. Opening of Eligibility Proposals:

2.1 PSCDCL will open Envelope „A“ through online portal <https://mahatenders.gov.in> mentioned in Section 1 or as amended by PSCDCL from time to time.

3. Opening of Commercial Proposals:

3.1 Only those Proposals that are eligibility & Scope of Work is qualified, their Commercial Proposal shall be opened through online portal <https://mahatenders.gov.in>.

Section V – Proposal Evaluation

1. Preliminary Examination of Eligibility Proposals:

1.1 PSCDCL will examine the Proposals to determine whether they are complete, whether required information has been provided as underlined in the Proposal

document, whether the documents have been properly signed, and whether Proposals are generally in order.

1.2 PSCDCL may waive any minor informality, non-conformity or irregularity in a Proposal that does not constitute a material deviation provided such waiver does not prejudice or affect the relative ranking of any Proposer.

1.3 If a Proposal is not substantially responsive, it will be rejected by PSCDCL and may not subsequently be made responsive by the Proposer by correction of the nonconformity.

2. Evaluation of Commercial Proposals:

2.1 Arithmetic errors in the Proposals submitted shall be treated as follows:

- a) Where there is a discrepancy between the amounts in figures and in words, the amount in words shall govern; and
- b) Where there is a discrepancy between the amount mentioned in the Proposal and the line item total present in the Commercial Proposal, the amount obtained on totaling the line items in the Commercial Proposal will govern.

2.2 Commercial Proposals of only the technically qualified short-listed Proposers will be opened and evaluated.

3. Successfully Evaluated Proposer:

1 Proposer who has quoted the lowest will be declared as successful evaluated Proposer who will be called L1 Proposer.

Section VI Terms and Conditions

1. Notification of Award:

1.1 After selection of the L1 Proposer and after obtaining internal approvals and prior to expiration of the period of Proposal validity, PSCDCL will send Notification of Award /Offer Letter to the selected Proposer.

2. Purchase Order:

2.1 Within one week of receipt of Notification of Award the successful Proposer shall accept the Offer Letter.

2.2 Failure of the successful Proposer to comply with the above requirements shall constitute sufficient grounds for the annulment of the award.

3. Taxes and Duties:

3.1 All taxes deductible at source, if any, at the time of release of payments, shall be deducted at source as per the prevailing rates while making any payment.

3.2 Commercial Proposal should expressly and specifically contain details of all applicable taxes, duties, charges and levies of State or Central Governments as applicable, GST etc.

4. Terms of Acceptance Letter:

4.1 The Acceptance Letter shall be delivered within one week of receipt of the Offer Letter.

5. Penalty for default in submission of Acceptance letter:

5.1 If the Proposer does not deliver the Acceptance Letter as per the above mentioned schedule, or such authorized extension of delivery period as may be permitted in writing by PSCDCL, PSCDCL shall reserve the rights for cancellation of the said Offer Letter and to issue a fresh Offer letter to another Proposer.

5.2 In the case of delay in compliance with the offer letter beyond one week of the stipulated time period, PSCDCL will have the right to cancel the Appointment.

6. Terms and Conditions:

6.1 The appointment will be for financial year 2019-2020 only, subject to review after six months from the date of appointment. Renewal of appointment will depend on the performance & delivery of the services

6.2 No conveyance expenses and out of pocket expenses will be paid for audit conducted in local area

6.3 The firm should provide trained staff for day to day audit and the assignment should be supervised by the senior partner of the firm who will be available for discussion with the Management as and when deemed necessary. Initially, for first three months, the meetings should be on fortnightly basis. There after the frequency of such meetings will be determined on the basis of volume of transactions, vouchers, audit observations and compliances etc.

6.4 Engagement Letter & NDA to be signed between the PSCDCL & Proposer firm.

6.5 To keep confidentiality of all the information received from PSCDCL during the execution of this engagement.

7 Payment Terms:

After submission of Final Report to PSCDCL Office.

8. Fees:

Professional Fees there shall be no increase in Professional Fees for any reason what so ever.

9. Intellectual Properties:

All Intellectual Property Rights in any guidance, specifications, instructions, plans, data, databases, patents, patterns, models, reports or other information which is: shall remain vested in the owner of such rights.

(a) Furnished to or made available to the Auditor by or on behalf of the Authority;

(b) Prepared by or for the Auditor on behalf of the Authority for use, or intended use, in relation to the performance by the Auditor of its obligations under the Contract;

or

(c) the result of any work done by the Auditor, the Staff or any Sub-Auditor in relation to the provision of the Services (together with (a) and (b) above, the "IP

information"), shall vest in the Authority and the Auditor shall not, and shall ensure that the Staff shall not, use or disclose any IP Information without prior Approval save to the extent necessary for performance by the Auditor of its obligations under the Contract.

10. Confidentiality:

The Proposer shall (whether or not he submits the Proposal) treat the details of the documents as secret and confidential.

11. Proposer's Liability

11.1 The selected Proposer will be liable for all the deliverables.

11.2 The Proposer's aggregate liability in connection with obligations undertaken as part of the Project regardless of the form or nature of the action giving rise to such liability (whether in contract, tort or otherwise), shall be at actual and limited to the value of the contract.

11.3 The Proposer's liability in case of claims against PSCDCL resulting from gross misconduct or gross negligence of the Proposer, its employees, contractors, and subcontractors or from infringement of patents, trademarks, copyrights or such other Intellectual Property Rights or breach of confidentiality obligations shall be unlimited.

11.4 Liquidated Damages: The parties hereby agree that due to negligence of act of the Proposer or non-fulfillment of contract obligations, if PSCDCL suffers losses, damages, the Proposer would be fully liable to the total value of the contract.

Section VII - Methodology for conducting Audit / Reporting:

- The audit team shall be led by the Chartered Accountant – proprietorship/Partner of the audit team firm with experienced assistants as the work may warrant.
- The audit firm shall adhere to the audit policy of the organization.
- The format of Executive Summary Report shall be signed by the Chartered Accountant Partner of the firm.
- The audit personnel should not be changed so that continuity and consistency is maintained. The audit firm shall conduct appropriate due diligence before employing any personnel who will be entrusted with the work of conducting the Internal/Concurrent Audit of the organization. The audit firm is also responsible for any commission and omission of its employees which may cause and or likely to cause any loss/damage to the organization.
- If there is any change in the constitution of the firm during the period of appointment it shall be informed to the organization.
- If the lowest financial quote does not agree to undertake the audit work within the prescribed audit fee or the organization deems it unfit for any reason, the job may be awarded to the next lowest financial quote if the firm awarded to a technically qualified quotes and agrees to undertake the job.

Section VIII –Termination / cancellation of empanelment/appointment:

- If the selected firm has not sent the Technical / Financial quotes duly signed by them within the stipulated time, their quote is liable to be rejected.
- If any of the information/ documents furnished by the auditor is found to be incorrect, the offer will automatically stand cancelled without entertaining any further correspondence.
- In case the quote is rejected for reasons mentioned in 1 & 2 above, the organization shall identify a new auditor at its discretion and they shall not claim any right for audit of this Organization.
- The appointment for Internal Auditor is purely contractual and for a specific Financial Year 2019-2020 and the same may be renewed on a yearly basis subject to satisfactory performance/ eligibility for Internal/Concurrent Audit. The maximum period of contract shall be restricted to 2 years. However, the Organization reserves the right to terminate the contract at any point of time for whatsoever reasons as the Organization may deem fit.
- After termination of the contract, the auditor/ firm shall not use or keep any of the material information given or make any representations to public or outsiders as continuing this agreement. The auditor/ firm shall return all materials belonging to the Organization after termination of the agreement, unless otherwise instructed in writing by the Organization.
- The Organization shall have the absolute discretion in revising the fee structure, stipulating terms and conditions of the appointment and termination of services of the empanelled auditor after giving due notice at any point of time including during the pendency of the contract.

Section IX – Technical Requirements

Sr. No.	Description of Scope of work for Internal Auditor
1	Scope of work provided in Section I

Section X - Documents forms to be put in Envelope "A"**Annexure-1****Proposer's Information**

Details of the Proposer		Requirement of Supporting documents
1	Name of the Firm(Prime)	
2	Addresses of the Firm	
3	Head Office	Phone No. Fax No. Mobile No. of Head Office In-charge:
4	Date of establishment of the firm	
5	Date since when the H.O. is at existing Station	
6	Branch Office 1,2,3 etc. (particulars of each branch to be given)	Phone No. Fax No. Mobile No. of Head Office In-charge:
7	Status of the Firm (Public Ltd/ Pvt. Ltd/ partnership/co.)	
8	Details of Incorporation of the Company. (Certificate to be submitted)	Date: Ref#
9	Details of Commencement of Business (Certificate to be submitted)	Date: Ref#
10	Firm's Valid registration no. with ICAI	
11	Firm's Valid GST registration no.	
12	Permanent Account Number (PAN)	
13	No. of Years of Firm Existence & Date of establishment of Firm	
14	Name & Designation of the contact person to whom all references shall be made regarding this tender	
15	Telephone No. (with STD Code)	
16	E-Mail of the contact person:	
17	Fax No. (with STD Code)	
18	Website	

19	<p>Details of partners with following details:</p> <p>1) Number of Full Time Fellow Partners associated with the firm.</p> <p>2) Name of each partners</p> <p>3) Date of becoming ACA and FCA</p> <p>4) Date of joining the Firm</p> <p>5) Membership No.</p> <p>6) Qualification</p> <p>7) Experience</p> <p>8) Whether the Partner is engaged full time or part time with the firm.</p> <p>9) Their contact mobile no., email and full address.</p> <p>Indicate the Lead Auditor from the Firm</p>			
Financial Details (as per audited Balance Sheets) (in Cr)				
Annual Average Income with Break-up of Fee towards Audit, Income Tax matters and others (Specify)				
20	Year	2016-17	2017-18	2018-19
21	Turnover			
22	Equity including Reserve and surplus			
23	Revenue/Income			
24	Income after Tax			

Annexure 2**Eligibility Criteria Matrix**

Sr. No.	Description	Complied with statements	Proof attached
1	The firm should be a Chartered Accountants firm, on the panel of auditors maintained by RBI under Category – I.		Proof should be submitted
2	The firm should have into existence more than 15 years		Proof should be submitted
3	The firm should have an experience in Management work such as Verification of Assets and stocks, cash & fund flow statement, recruitment services etc.		Proof should be submitted
4	The firm should have an experience as a professional excellence, measures to International standards.		Proof should be submitted
5	The firm or no partner thereof should have been subjected to any disciplinary proceedings initiated by the Institute of Chartered Accountants of India and no such proceedings should be pending as on the date of appointment.		Proof should be submitted
6	The firm or its partner should not be disqualified under Section 226 of the Companies Act, 2013.		Proof should be submitted
7	The firm should have not been debarred and not involved in Statutory Audit of the Organization.		Proof should be submitted
8	The firm having DISA/CISA partners /proprietors may be preferred. qualified		Proof should be submitted
9	Registered company under the Companies Act, 1956, in case of Limited Company.		Proof should be submitted

RFQ for Appointment of Internal Auditors

10	The Proposer/firm should have minimum annual turnover of above Rs.2 crores and above and should have work experience for Companies/Government department Internal Audit (other than banks) with turnover minimum Rs.25 Lakhs		Proof should be submitted
11	The Proposer should not be currently blacklisted by any Government / Government agency/ Bank/ institution in India or abroad		Declaration as per Annexure-3
12	The Proposer should provide reference of 2 clients for whom they have earlier/recently carried out such Internal/Concurrent Audit assignment.		Proof should be submitted
13	The Proposer/firm office should be Pune based with minimum 5 partners based in Pune.		Proof should be submitted

RFQ for Appointment of Internal Auditors

A Form No.—

Sr. No.	Name of staff	Length of Association with the Firm (in years)	Educational Qualifications	Areas of Key Expertise	Membership no.	Relevant experience
1						
2						
3						
4						

B Form No.—

Sr. No.	Name of staff	Length of Association with the Firm (in years)	Educational Qualifications	Areas of Key Expertise	Relevant experience	Remarks
1						
2						
3						
Semi Qualified Staff						
1						
2						
3						
Article Clerks ;						
1						
2						
3						
Others.						
1						
2						
3						

Annexure-3

Declaration regarding Clean Track by Proposer

(On Company/firm's Letterhead)

To,
The Chief Executive Officer
Pune Smart City Development Corporation Ltd,
"Manthan" , A-3, Pashan Road,
(Next to B.U. Bhandari Volkswagen Showroom),
Abhimanshri Society, Pashan, Pune- 411008, Maharashtra

Sir,

Re: RFQ No. PSCDCL: 140-SC001/2019-20 dated 13th Jan 2020 for RFQ for

Appointment of Internal Auditors

I have carefully gone through the Terms and Conditions contained in the above referred RFQ. I hereby declare that my company/firm is not currently debarred/black listed by any Government / Semi Government organizations/ Institutions in India or abroad. I further certify that I am competent officer in my company/firm to make this declaration.

Or

I declare the following

Sr.No.	Country in which the company is debarred/blacklisted/case is pending	Black listed/debarred by Government / Semi Government organizations/ Institutions	Reason	Since when and for how long

(NOTE: In case the company/firm was blacklisted previously, please provide the details regarding Period for which the company/firm was blacklisted and the reason/s for the same)
Yours faithfully,

(Signature of the Proposer) Printed Name

Designation Seal

Date:

Business Address:

PSCDCL Confidential

Annexure 4

The Scope of work to be mentioned as per Section I and enclose information by the Proposer on the following points.

- 1) Areas of Specialization
- 2) List of Major Jobs Handled
- 3) List of Special Jobs

RFQ for Appointment of Internal Auditors

Section XI – To be put in Envelope “B”
Annexure 5

Professional Fees Format

	Job: Request for Quotation for Appointment as Internal Auditor			
SR NO	PART NUMBER	DESCRIPTION	Professional Fees	TOTAL(Rs.)
1		Internal Audit FY 2019-20		
2		-----		
Total			Rs.	
3	Taxes		Rs.	
4	Grand Total		Rs.	
	COMPANY'S NAME	:		
	OFFER REF. AND DATE	:		
	SIGNATURE	:		
	DESIGNATION	:		

Commercial Proposal Form
(To be included in Commercial Proposal Envelope)

To:
PSCDCL
Dear Sir,

Date:

Re: Request for Quotation for appointment of Internal Auditor.

Having examined the Proposing Documents placed along with RFQ, we, the undersigned, offer to provide the required infrastructure in conformity with the said Proposing documents for the sum of Rs.....(Rupees all inclusive) or such other sums as may be ascertained in accordance with the professional fees attached herewith and made part of this Proposal.

We undertake, if our Proposal is accepted, to provide the services as Internal Auditors for the above purpose within the stipulated time schedule.

We agree to a Proposal by the Proposer and the fees quoted therein for the services awarded by PSCDCL up to the period prescribed in the Proposal which shall remain binding upon us. Until a formal contract is prepared and executed, this Proposal, together with our written acceptance thereof and your notification of award, shall constitute a binding Contract between us.

We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India.

We have complied with all the terms and conditions of the RFQ. We understand that you are not bound to accept the lowest or any Proposal you may receive.

Dated this..... Day of.....2019. (Signature)

(Name) (In the capacity of)

Duly authorized to sign Proposal for and on behalf of

RFQ for Appointment of Internal Auditors