

**Limited Tender for Appointment of Audit Firms for conducting  
internal audit of REC Limited (Formerly Rural Electrification  
Corporation Limited), Regional Office, Vijayawada, on half yearly  
basis for the Financial Year 2019-20**

**No. REC/RO/Vijayawada/IA/2019-20/Dated: 02-05-2019**

**By**



**REC LIMITED (Formerly RURAL ELECTRIFICATION CORPORATION LIMITED)  
(A Government of India Enterprise)**

**Regional Office, Vijayawada**

#54-15-13, BSR Hill View, 2nd floor, Srinivas Bank Nagar Colony Vijayawada – 520008, Phone:  
0866-2973405/406, Fax: 0866-2973406, e-mail: recro-vijay@recl.in /  
recro.vijayawada@gmail.com,

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## SECTION-I EOI INFORMATION

Name of the assignment: **Limited Tender for Appointment of Audit Firms for conducting internal audit of REC limited (Formerly Rural Electrification Corporation Limited), Regional Office, Vijayawada, on half yearly basis for the Financial Year 2019-20.**

### Important information

Sl.No.	Event	Information to the agencies
1	Date of Release	02-05-2019
3	Last date of submission	10-05-2019 at 15:00 hours
4	Date of Opening of Technical Bid	10-05-2019 at 16:00 hours
5	Date of Opening of Financial Bid (for those who qualify in Technical Bid) and finalization	13-05-2019 at 11:00 hours
6	Limited Tender document	The details can be downloaded free of cost from the websites <a href="http://www.recindia.com">www.recindia.com</a> .
7	Venue of Pre Bid Meeting	#54-15-13, BSR Hill View, 2nd floor, Srinivas Bank Nagar Colony Vijayawada – 520008, Phone: 0866-2973405/406, Fax: 0866-2973406, e-mail: <a href="mailto:recro-vijay@recl.in">recro-vijay@recl.in</a> / <a href="mailto:recro.vijayawada@gmail.com">recro.vijayawada@gmail.com</a> ,
8	Address for communication	#54-15-13, BSR Hill View, 2nd floor, Srinivas Bank Nagar Colony Vijayawada – 520008, Phone: 0866-2973405/406, Fax: 0866-2973406, e-mail: <a href="mailto:recro-vijay@recl.in">recro-vijay@recl.in</a> / <a href="mailto:recro.vijayawada@gmail.com">recro.vijayawada@gmail.com</a> ,
9	Contact Person	P Lakshmi Chowdaiah  Deputy Manager Phone: 0866-2973405/406, Fax: 0866-2973406, e-mail: <a href="mailto:recro-vijay@recl.in">recro-vijay@recl.in</a> / <a href="mailto:recro.vijayawada@gmail.com">recro.vijayawada@gmail.com</a>



## SECTION-II PREFACE

REC Limited (Formerly Rural Electrification Corporation Limited), a NAVRATNA Central Public Sector Enterprise under Ministry of Power, was incorporated on July 25, 1969 under the Companies Act 1956. REC a listed Public Sector Enterprise Government of India with a net worth of Rs. 35,491 Crore as on 31.03.18. Its main objective is to finance and promote rural electrification projects all over the country. It provides financial assistance to state electricity boards, state governments, central/state power utilities, independent power producers, rural electric cooperatives and private sector utilities through our extensive network of 23 offices across the country

The Regional Offices in the States coordinate the programmes of REC's financing with the concerned SEBs/State Power Utilities and facilitate in formulation of schemes, loan sanction and disbursement and implementation of schemes by the concerned SEBs/State Power Utilities.

### Financial Highlights of R.E.C. Limited for the F.Y. 2017-18 :

- Total Income for 12M FY18 stands at Rs. 21,749 cr.
- PBT and PAT for 12M FY18 is Rs. 6,852 cr and Rs. 4,647 cr respectively.
- Loan Book as at end of 12M FY18 increased to Rs. 2,39,449 cr.
- Net worth as at end of 12M FY18 increased to Rs. 35,491 cr .

REC Limited (Formerly Rural Electrification Corporation Limited), Regional Office, Vijayawada intends for **Appointment of Audit Firms for conducting internal audit of REC, Regional Office, Vijayawada for the Financial Year 2019-20**. You are therefore requested to send your Proposal as per the Terms of Reference described below:

## SECTION-III SCOPE OF WORK

### SCOPE OF WORK:

The audit firm would be required to conduct the internal audit of REC, Regional Office, Vijayawada in accordance with the standards on internal audit, REC Internal Audit Manual and guidelines / circulars of REC as amended from time to time. The firm cannot assign this assignment to any other firm.

**Initial engagement period of appointment will be for one year for the FY 2019-20. Based on their satisfactory performance, the tenure may be further extended on year on year basis for a maximum period of three years.**

The company invites sealed tenders super scribing the name of the work for consideration.

### *TIMELINES*

<i>Schedule</i>	<i>For the period</i>	<i>Remarks</i>
<i>1<sup>st</sup> Half Yearly Audit</i>	<i>1<sup>st</sup> April,2019 to 30<sup>th</sup> Sep,2019</i>	<i>Audit to be commenced after giving the work order.</i>
<i>2<sup>nd</sup> Half Yearly Audit</i>	<i>1<sup>st</sup> Oct,2019-31<sup>st</sup> March,20120</i>	<i>Should be completed by 10<sup>th</sup> April,2020</i>

The internal audit of the REC, Regional Office, Vijayawada should be carried on half yearly basis without any over lapping. Half yearly reports need to be submitted to the Internal Audit Division of REC, Corporate Office, New Delhi within a period of one month after completion of each half year and the audit period should be minimum of 5 days covering the entire scope.

Audit firm is required to visit REC, Regional Office, Vijayawada, as and when required as per scope of work

The brief scope of work/suggested guidelines for the Audit Firm are enclosed in the **annexure-B**.

## SECTION-IV ELIGIBILITY CRITERION OF AUDIT FIRM

**Eligibility criterion of professional firms for outsourcing of Internal Audit for the F.Y. 2019-20:**

Sl No	Particulars	Eligibility criterion
1	No of completed years of existence from the date of Registration.	Minimum 5 years
2	No of qualified ISA/ DISA/ CISA/CIA Partner or employee	Atleast 1
3	No of CA/ICWA/CMA qualified employee/partner	Atleast 1
4	No of semi qualified employees(CA/Cost intermediates)	Atleast 1
5	No. of Technical Experts(B.E. /B.Tech/M.Tech or equivalent)	Atleast 1
6	Experience of Internal Audit assignment in Central/State Government PSU in last 3 years	Atleast 1 assignment
7	Experience of Internal Audit in Bank/NBFC in last 3 years	Atleast 1 assignment
8	Average Annual Turnover of last 3 years	Minimum Rs 10 Lakhs
9	Firm Having HO/Branch Office registration in Vijayawada	Should have branch in Vijayawada

*\*It is mandatory to attach supporting documents for all the above for evaluation of technical bid*

The audit assignment should be closely supervised by a Partner level person who will oversee the audits and attend all meetings with the Top Management and Audit Committee, when required

## SECTION-V INSTRUCTIONS TO AUDIT FIRM

### ***PRICE BASIS AND PAYMENTS***

The proposal should include price all-inclusive lump sum fee excluding Taxes in Indian Rupees only, for the entire scope of work covered under the Terms of Reference on a FIRM price basis (with no escalation provision for whatever reason) valid till the complete execution of the assignment as per the format at **Annexure –A** in a separate envelope sealed properly. The Contract price and the scope of work also include any services, etc. which is not specifically identified but are required for completion of the assignment. Taxes will be paid extra at the applicable rates **and is not to be quoted above. No out of pocket expenses such as TA/DA etc shall be payable by REC.**

### ***TERMS OF PAYMENT***

All payments would be claimed by the Firm from REC, Regional Office, Vijayawada on being due, and would be accepted for payment by Competent Authority of REC, Regional Office, Vijayawada based on the satisfactory progress and quality of the work in sole discretion of REC, Regional Office, Vijayawada. The payment to the Auditing Firm under the contract shall be released after achieving the milestones as per the following terms:

<b>100% of the payment</b>	<b>After completion of Internal Audit for H-1 and H-2 of 2019-20 and submission of report.</b>
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The audit firm shall raise invoice after successful completion of each audit and as per the charges quoted. REC, Regional Office, Vijayawada shall make payment on receipt of such invoice.

### ***TAXES AND DUTIES***

REC, Regional Office, Vijayawada shall be entitled to deduct applicable tax (if any) at source as per Indian Laws from all payments due to the Auditing Firm under the contract.

As regards the Indian Income Tax, surcharges on Income Tax and any other Corporate tax, REC, Regional Office, Vijayawada shall not bear any tax liability, whatsoever, irrespective of the mode of contracting. The Auditing Firm shall be liable and responsible for payment of all such taxes, if attracted under the provisions of the law. In this connection, attention of Audit Firm is invited to the provisions of Indian Income Tax Act and the circulars issued by the Central Board of Direct Taxes, Government of India.

## ***OWNER'S RIGHT TO ACCEPT/ REJECT THE PROPOSAL***

REC, Regional Office, Vijayawada reserves the right to accept or reject the proposal at any time prior to award of Contract, without thereby incurring any liability to the Auditing Firm concerned or any obligation to inform the Auditing Firm concerned of the grounds for the Owner's action.

### ***Confidential***

The Audit firm shall not disclose the documented management systems to any third party including internal department of the Auditing firm.

### ***Sub-Contracting***

Audit firm to whom work is awarded is not allowed to sub contract the work to any other parties either in part or full.

### ***TENDERING PROCESS:***

The tender documents will consist of two envelopes and each envelop should be super scribed as Engagement of Firm for Audit firm for "conducting internal audit of REC Ltd, Regional Office, Vijayawada for the Financial Year 2019-20".

#### **Envelop-1 consists:**

- (i). Form-1 (Technical Proposal)

#### **Envelop-2 consists:**

- (ii). Form-2 (Financial Proposal)

**Interested Audit firms may send the bid latest by 10-05-2019 by 15:00 hrs. Technical Proposal shall be opened on 10-05-2019 at 16.00 hrs. Financial bid of technically qualified bidders only (as per eligibility criteria) shall be opened after evaluation on 13<sup>th</sup> May 2019 at 11.00 Hrs under prior intimation to concerned bidders. The award will be placed on the lowest evaluated financial bidder among the technically qualified bidders.**

In case of any further information in this regard, undersigned may please be contacted as per details mentioned hereunder.

**Address-** Regional Office, Vijayawada  
#54-15-13, BSR Hill View, 2nd floor, Srinivas Bank Nagar Colony Vijayawada –  
520008, Phone: 0866-2973405/406, Fax: 0866-2973406, e-mail: recro-vijay@recl.in /  
recro.vijayawada@gmail.com,



**On Auditing Firm's Letter Head**

**FORM-I**

**Technical Proposal**

To,  
Sr. Chief Program Manager,  
REC Limited (Formerly Rural Electrification Corporation Limited),  
#54-15-13, BSR Hill View, 2nd floor,  
Srinivas Bank Nagar Colony  
Vijayawada – 520008,  
e-mail: recro-vijay@recl.in / recro.vijayawada@gmail.com,

**Sub: Appointment of Audit Firm for conducting internal audit of REC Ltd ,Regional Office,  
Vijayawada for the Financial Year 2019-20**

Sir,

1. With reference to your Tender No. \_\_\_\_\_ dated \_\_\_\_\_ for appointment of Audit Firms for conducting internal audit of REC Ltd, Regional Office, Vijayawada for the Financial Year 2019-20, I wish to apply to REC, Regional Office, Vijayawada.

2.

Sl No	Particulars	Eligibility criterion	Documents required
1	No of completed years of existence from the date of Registration.	Minimum 5 years	Copy of Incorporation Certificate from the institute.
2	No of qualified ISA/ DISA/ CISA/CIA Partner or employee	Atleast1	24Q/any other relevant Documents
3	No of CA/ICWA/CMA qualified employee/partner	Atleast 1	24Q/any other relevant Documents
4	No of semi qualified employees(CA/Cost intermediates)	Atleast 1	24Q/any other relevant Documents
5	No. of Technical Experts(B.E. /B.Tech/M.Tech or equivalent)	Atleast 1	24Q/any other relevant Documents
6	Experience of Internal Audit assignment in Central/State Government PSU in last 3 years	Atleast 1 assignment	Work order and Completion Certificate Copies of the Respective Central/State Government PSU, proof of final Payment received/In case of Statutory auditor, copy of audited balance sheet.
7	Experience of Internal Audit in Bank/NBFC in last 3 years	Atleast 1 assignment	Work order and Completion Certificate Copies of the Respective Central/State Government PSU, proof of final Payment received/In case of Statutory auditor, copy of audited balance sheet.
8	Average Annual Turnover of last 3 years	Minimum Rs 10 Lakhs	Statement of Profit and Loss duly audited stating Membership No. of such auditor.
9	Firm Having HO/Branch Office registration in Vijayawada	Should have branch in Vijayawada	Rent agreement/Electricity bill/Telephone bill/ Copy of Incorporation Certificate from the institute

#As per the specification of sl. No. 2 and 3, at least 1 should be qualified ISA/DISA/CISA and 1 should be CA/ICWA qualification.

Further, I hereby certify that:

**I have read the provisions of the all clauses and confirm** that notwithstanding anything stated elsewhere to the contrary, the stipulation of all clauses of Tender are acceptable to me and I have not taken any deviation to any clause.

3. I further confirm that any deviation to any clause of Tender found anywhere in my bid, shall stand unconditionally withdrawn, without any cost implication whatsoever to the REC, Regional Office, Vijayawada.

4. **Checklist**-Bidders are requested to tick the checklist as per the required documents.

Sl. No.	Mandatory Documents	Enclosed-Yes/No
1	Copy of Incorporation Certificate from the institute.	
2	Statement of Profit and Loss duly audited stating Membership No. of such auditor of 2017-18.	
3	Statement of Profit and Loss duly audited stating Membership No. of such auditor of 2016-17.	
4	Statement of Profit and Loss duly audited stating Membership No. of such auditor of 2015-16.	
5	Work order of PSU1 in any one financial year i.e. FY 2017-18, 2016 -17 or 2015-16	
6	Work order of PSU2 in any one financial year i.e. FY 2017-18, 2016 -17 or 2015-16	
7	Work order of PSU3 in any one financial year i.e. FY 2017-18, 2016 -17 or 2015-16	
8	Work order of Internal Audit experience in Bank/NBFC in FY 2017 -18	
9	Work order of Internal Audit experience in Bank/NBFC in FY 2016 -17	
10	Work order of Internal Audit experience in Bank/NBFC in FY 2015 -16	
11	ISA/DISA/CISA qualification certificate copy from institute	
12	Form-I in separate envelop and super scribed the Envelop as Technical Proposal.	
13	Form-II enclosed with Financial Proposal.	

Sl. No	Optional Documents	Choice	Enclosed-Yes/No
1	Employment record of the firm as the proof of total 8 members' team.		
2	Rent agreement.		
3	Electricity bill		
4	Telephone bill		
5	Copies of Completion Certificate from PSU 1/ /	Any one Mandatory	
6	Proof of final Payment received from PSU1		
7	In case of statutory auditor, copy of audited balance sheet of PSU 1		
8	Copies of Completion Certificate from PSU 2	Any one Mandatory	
9	Proof of final Payment received from PSU2		
10	In case of statutory auditor, copy of audited balance sheet of PSU 2		
11	Copies of Completion Certificate from PSU 3	Any one Mandatory	
12	Proof of final Payment received from PSU3		
13	In case of statutory auditor, copy of audited balance sheet of PSU 3		

Date:

Place:

Signature.....

Full name.....

Designation.....

Address.....

**Note: 1. In absence of above declaration/certification, the response is liable to be rejected and shall not be taken into account for evaluation.**

**2. Bidders are requested to tick the respective checklist of documents being submitted.**

**3. Bidders not submitting the required supporting documents for fulfilling the criteria will be summarily rejected without any further clarification.**

**4. All the pages of the information furnished along with supporting documents should be signed on each page with stamp.**

On Auditing Firm's Letter Head

**Financial Proposal**

**Form-2**

To,  
Sr. Chief Program Manager,  
REC Limited (Formerly Rural Electrification Corporation Limited),  
#54-15-13, BSR Hill View, 2nd floor,  
Srinivas Bank Nagar Colony  
Vijayawada – 520008,  
e-mail: recro-vijay@recl.in / recro.vijayawada@gmail.com,

**Sub: Appointment of Audit Firm for conducting internal audit of REC Ltd ,Regional Office,  
Vijayawada for the Financial Year 2019-20.**

**Table for Quoting Fee for the Assignment in terms of the Tender.**

**(To be kept in a separate Envelope sealed properly while sending the proposal)**

S. No.	Particulars	Fee in INR	
		Price bid shall be quoted	
1.	All-inclusive Lumpsum fee (including travel and other out of pocket expenses, etc.)for the entire scope of work covered under the Terms of Reference on a FIRM price basis (with no escalation provision for whatever reason) valid till the complete execution of the assignment	<u>In Figure</u>	<u>In words</u>

*Please Note: Taxes, if any, will be paid extra at the applicable rates and is not to be quoted above. In case of any discrepancy in Fee between figures and the amount mentioned in Words, the Fee mentioned in Words shall be taken into cognizance.*

Date:

Signature.....

Place:

Full name.....

Address.....

.....  
Stamp.....