

**REF No: RPCL/CO/INTAUDIT/2023/001  
2023**

**Dated: 15th February**

**Sub: Notice Inviting bids from Practicing Chartered Accountants/Practising Cost and Management Accountants/Firms of Chartered Accountants/Firms of Cost and Management Accountants for one year extendable by another two years for carrying out Internal Audit of Raichur Power Corporation Limited from Financial Year 2023-24 to 2025-26 under Section 138 of the Companies Act 2013**

Raichur Power Corporation Limited (RPCL) is a Company incorporated under the Companies Act 1956 on 15<sup>th</sup> April 2009 and Operates the 2\*800 MW Yermarus Thermal Power Station in Raichur District Karnataka. The 1<sup>st</sup> Unit was Commissioned on March 7<sup>th</sup> 2017 and the 2<sup>nd</sup> Unit Commissioned on 6<sup>th</sup> April 2017.

RPCL is an Unlisted Public Limited Company as on 31<sup>st</sup> March 2022 has an Authorised Share Capital of Rs 3000 Crore (300 Crore Shares with Face value of Rs 10 per Share) and Paid Up Share Capital of Rs 2999.76 Crore (299.76 crore Shares with a Face value of Rs 10 per Share). It is a Joint Venture between Karnataka Power Corporation Limited (A Government of Karnataka Undertaking) holding 77.86 % and BHEL (A Government of India Undertaking) holding 22.14%.

RPCL intends to invite quotations from eligible Practicing Chartered Accountants (PCA)/ Practising Cost and Management Accountants (PCMA)/Firm of Chartered Accountants/Firm of Cost and Management Accountants having Ten (10) or more years experience as Internal Auditors initially for a period of one Financial Year (FY 2023-24 ) extendable by another two years (FY 2024-25 and FY 2025-26) one year at a time with terms of appointment remaining the same and Audit remuneration with an inbuilt 5% year on year increase for yearly Internal Audit remuneration.

## **1. SCOPE OF WORK**

The illustrative (but not exhaustive) Scope of Work under Internal Audit by Externally Appointed Internal Auditors is given in Annexure-I for understanding and ready reference and any other Scope as defined under the Companies Act, Rules and other allied Statutory Regulations.

## **2. Process and Methodology of Selection:**

- (a)** The Selection System shall be under a two cover Tender System with Separate Rounds for Technical and Financial Bid Opening.
- (b)** Only those Entities who qualify in the Technical Bid Round with a Qualifying 80 Marks shall be considered for the Financial Bid Round.
- (c)** Bid shall be awarded to L-1 Bidder in the Financial Bid Round and in case of a tied Bid the decision of the Competent Authority shall be final for breaking the deadlock.
- (d)** The tender Submitting Entities shall confirm that they satisfy eligibility conditions very clearly and upload their Complete Technical and Financial Bids separately on the Government of Karnataka E Procurement Portal on [eproc.Karnataka.gov.in](http://eproc.Karnataka.gov.in) after registering themselves on the Portal.
- (e)** Bids Submitted in Incomplete or Improper condition like submitting both Technical and Financial Bids together shall be Summarily rejected without further communication or explanation on the Part of the Company.
- (f)** A firm, which has been removed from internal audit assignment from KPCL , BHEL or its subsidiaries or any other Company during, F.Y. 2017-18 to 2022-23 or have been held guilty by the ICAI Disciplinary process in the last 10 years or who is under investigation or has been charge sheeted or punished for any legal default with imprisonment will not be considered for appointment of Internal Auditor in Raichur Power Corporation Limited . ICAI means “The Institute of Chartered Accountants of India” and “The Institute of Cost Accountants of India”.
- (g)** The Financial Pricing of the Bids shall reflect the fair pricing for Internal Audit Services. Bids submitted below Base tender Price which is Rs 1,50,000 (without GST) shall be summarily rejected keeping in view the decisions of the Councils of the Institute of Chartered Accountants of India (ICAI) and Institute of Cost Accountants of India (ICAI-CMA) as regards Minimum Contract Price.

**3. ELIGIBILITY CRITERIA FOR SUBMISSION OF TECHNICAL BID**

- The detailed eligibility criteria with Marks is in Annexure -2

**4. TERMS AND CONDITIONS:**

- (i) **Validity of Appointment:** The validity of appointment will initially be for a period of one financial year starting from 2023-24 for conducting Internal Audit. The Company at its sole discretion may extend the validity with the approval of Competent Authority of the Company, for another two years, one year at a time.
- (ii) There shall be a Cooling off period of three years for the Incumbent Internal Auditors who have handled the Internal Audit Assignment from 2020-21 to 2022-23 and they shall not be eligible to participate in Current Year Tender.
- (iii) **Technical & Financial Bids for conduct of Internal Audit:** Bids are invited from eligible PCA/PCMA/ Firms for conducting Internal Audit for the financial year 2023-24
- (iv) **Time Schedule of Internal Audit Activity: (2023-24 to 2025-26)**

S no	Activity	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
1	Commencement of Audit	1 <sup>st</sup> July	1 <sup>st</sup> October	1 <sup>st</sup> January	1 <sup>st</sup> April
2	Draft Report	20th July	20th October	20th January	20th April
3	Compliance of Report	25th July	25th October	25th January	25th April
4	Final Report	30th July	30th October	30th January	30th April

- (v) **Place of Audit:** The audit work has to be conducted at the Corporate Office of the Company at No.3 Palace Road, KPCL New Office Complex, Race course road, Bengaluru 560001, or at any other place as may be decided by RPCL including site at Yermarus Thermal Power Station Raichur District.
- (vi) **Payment Terms:** Payment will be released within one month from the date of submission of bill by the PCA/PCMA/Firm after issuance of Final Internal Audit Report for each Quarter to the satisfaction of RPCL . No advance payments shall be made for conduct of Internal Audit.
- (vii) **Identification of Nodal Officer:**

The successful PCA/PCMA/Firm shall Nominate a Nodal Officer, within 7 days from the award of the work / contract. Details of the Nodal Officer should be

given to RPCL immediately after his/her nomination for timely and smooth interaction.

**Dispute:** In case of any dispute arising during execution of contract, an amicable solution may be arrived at with discussion and reconciliation. However, in case of any dispute remaining unresolved, decision of MD, RPCL will be final and binding on both the parties to the Contract.

- (viii) The Company has uploaded this notification on eprocurement portal of Government of Karnataka with copy transmitted to the Bengaluru Chapters of the Institute of Chartered Accountants of India and Institute of Cost Accountants of India for information of practitioners.
- (ix) **Last date for submission of Technical and Financial Bid:** Technical Bid and Financial Bid is to be signed by Authorised Signatory on each page of offer document, along with duly filled in format enclosed as **Annexure-IIA & IIB separately**. The Technical and Financial Bid should be uploaded separately, and shall be uploaded to GOK e procurement Portal on or before 06.03.2023 latest by 3:00 PM
- (x) **Opening of Technical bid:** Technical Bids will be opened on 09.03.2023 at 4.00 PM . The Technical Bids received after the specified date/time, incomplete etc., will not be considered and will summarily be rejected.
- (xi) **Opening of Financial bid:** Financial Bids of the successful applicants in the Technical bid will be opened on 14.03.2023 at 4.00 PM
- (xii) In case of any clarification required in this regard, the Company could be contacted at phone no. 9880298286/9448290551/ 9141614331 . RPCL reserves the right to cancel/ restrict/ enlarge/ modify/ postpone and /or extend the date of receipt / opening of Bid or withdraw the Bid notice without assigning any reason(s) whatsoever. The decision of the Company in matters regarding the award of the bid shall be final and no further correspondence will be made . In such case the bidders shall not be entitled to any form of compensation from the Company.
- (xiii) Any attempts at influencing the bidding process by adopting unfair or unethical means shall result in initiation of suitable legal action as the Company deems fit under the laws of the land.

**General Manager (Finance).**  
**Raichur Power Corporation Limited**

**SCOPE OF WORK –**

**Internal Audit under Section 148 of the Companies Act 2013**

**SCOPE AND COVERAGE OF INTERNAL AUDIT of RPCL**

The thrust of the internal audit is to achieve qualification free accounts from the point of view of Statutory and AG auditors and also a Risk based internal audit assessment of Controls based on a possible framework like COBIT , COSO etc based on which the development of the Internal Financial Controls and the Enterprise Risk Management and Governance framework can be developed.

Summarize the current assessment of risk management, controls and governance process. Including a list of organizational activity and core management controls that could be considered for the audit. Demonstrate the areas with higher risk. Provide, over a certain period, assurance on important aspects of the risk management, controls and governance process.

The scope given hereunder is general and includes all accounting aspects and taxation matters; but not limited to the following including a Risk based audit methodology

1. Verification of Cash, Bank & Journal vouchers in full with 100% check.
2. Ensuring correctness of classification of expenditure and head of account based on the nature of expenditure;
3. Verification of General Ledger and other account heads.
4. Accounting of payments in respect of Supply; Civil Works and Operation & Maintenance and all other contracts and ensuring correctness of provisioning with reference to contractual conditions;
5. Verification of Bills registers;
6. Verification of transactions with reference to Accounting Policy Statements and Accounting Standards;
7. Bank Reconciliation Statements;
8. Depreciation Accounting.;
9. Capitalization of completed works; classification of expenditure/revenue/capital;
10. Capitalization of new assets created and Fixed Assets Accounting.
11. Review of Statutory and AG audit observations on the previous year's accounts and ensuring compliance.
12. Suggesting improvements in the existing internal control systems;

13. Presentation of the Reports to the Audit Committee and Management whenever required;
14. The internal audit staff will also visit the project office at Raichur to verify the records, wherever necessary, connected with payment;
15. Payment, provisions and filing of periodical returns under IT Acts , GST Act;
16. Checking Compliance with Various Labour Laws Economic Laws and Environmental Laws including quantifying the financial impact of non compliance if any.
17. Suggesting improvements in accounting systems keeping in view IND-AS Statutory and AG audit observations;
18. Reconciliation of Fixed Assets, Land details, Compensation payments, Rehabilitation measures, afforestation and related issues.
19. Verification of Schedules as per Schedule III of Companies Act 2013 with breakup of ledger balances into Current and Non-Current for Balance Sheet items with previous year Comparatives under IND-AS.
20. Coal and Oil related transactions and matters along with other Inventory.
21. Checking of adherence to Company policies and procedures and compliance to various procurement procedures.
22. Risk based Internal audit assessment of transactions and controls.
23. Study of the existing system, process and controls framework of OPGC and certification of Internal Financial Control in place and its operative effectiveness of such controls, (IFC) of OPGC. It shall be based on requirement under Section 143 (3) (i) of the Companies Act 2013, and subsequent amendments if any, which inter alia includes policies and procedures adopted for ensuring orderly and efficient conduct of the business accuracy and completeness of the accounting records and timely preparation of reliable financial information etc. IFC Auditor certificate/report to be guided by & in compliance to the Guidance Note issued by ICAI in this regard. Other matters not covered above.
24. Other matters not covered above.

Sl No	CRITERIA	BASIS OF MARKS	MAXIMUM MARKS	DOCUMENTS REQUIREMENT
<b>1</b>	<b>a</b> The Lead Partner/Proprietor/Individual, under whose supervision the Internal Audit of RPCL will be carried out, should have minimum Post Accounting CA/CMA Qualification and Certificate Practice and minimum Experience of 10 years. The cut –off date for ascertaining experience will 01.04.2022.	1.5 marks per year (fraction of the year to be ignored)	15	Membership Certificate and Certificate of Practice
	<b>b</b> Year of establishment of the firm	1 Mark per Year	10	Relevant Documents issued by ICAI/ICAI-CMA
<b>b</b>	Firm should be peer Reviewed by respective Boards of ICAI/ICAI-CMA		<b>5</b>	Valid Peer Review Certificate Issued by the Institute
<b>2</b>	<b>(a)</b> <b>Number of Partners and Length of Association:</b> Number of Full time Partners/Full time qualified persons having more than 5 years experience in practice in the firm/Limited Liability Partnership who is in the firm as on 01.04.2022 and continuing thereafter	4 Marks for each partner/person who is ACA/ACMA	10	<b>CA &amp; CMA Firms:</b> Firm Constitution Certificate/Card downloaded from the Website of the Institute a month prior to publication of EOI. <b>CMA Firms:</b> 1. Complete Partnership Deed. 2. ACMA/FCMA Certificate 3. Certificate from the firm regarding the date of Joining of full time qualified persons who is in the firm as on 01.04.2022 and Continuing thereafter
		5 Marks for each Partner/person who is FCA/FCMA		
		4 Marks	10	
		3 Marks		
<b>(b)</b> Length of Association of the Partner/full time Qualified person with the Firm				
	Length of Association 10 Years and above			
	Length of Association above 5 Years and above			
	Others Below 5 Years	2 Marks		
<b>3.</b>	DISA/CISA/DISSA Qualification	2 marks for each Partner/person having DISA/CISA/DISSA	<b>5</b>	Valid DISA/CISA/CISSA Certificate

Sl No	CRITERIA	BASIS OF MARKS	MAXIMUM MARKS	DOCUMENTS REQUIREMENT
<b>4</b>	Full time qualified Assistants: Number of full time qualified Assistants who is an ACA/ACMA having experience of 5 years or less and is working with the firm as on 01.04.2022 and Continuing thereafter	1.5 marks for every qualified Assistant	10	CA Firms: Firm Constitution Certificate/Card downloaded from the Website of the Institute a month prior to publication of EOI.  CMA Firms: 1. Certificate from the firm regarding the date of joining full time qualified persons who is in the firm as on 01.04.2022 and continuing thereafter. 2. Certificate of Membership
<b>5.</b>	Full time Semi qualified Assistants: Number of full time semi qualified Assistants (Inter Cost/Inter Chartered-IPCC both groups) & is Working Full time with the Firm as on 01.04.2022 and continuing thereafter	0.75 marks per Semi qualified Assistant	5	Self declaration of the firm depicting name and date of Joining of semi-qualified Assistants (Marksheet Certificate to be uploaded)
<b>6.</b>	Experience of the Firm in Internal Audit/ The PCA/PCMA/ Firm should have conducted or in-hand Internal Audit/Statutory Audit/Cost Audit of Companies in the Power Sector having Paid up Capital of Rs.200 crores or more in the financial block period 2012-13 to 2021-22	5 Marks Per year Of Audit	<b>20</b>	Work Completion Certificate issued By the Clients
<b>7.</b>	Audit Firms having Registered Office in Bengaluru as on 01.04.2022 where RPCL Corporate Office is located		<b>10</b>	Proof of Registered Address
	Total Marks		<b>100</b>	

**Annexure-III A**

**(On letter head of PCA/PCMA/Firm)**

**PROFORMA FOR TECHNICAL BID  
(For conducting Internal Audit of RPCL)**

General Manager (Finance),  
Raichur Power Corporation Limited,  
KPCL New Office Complex  
No.3 Palace Road, Bengaluru 560001.

Sl. No.	Particulars	
1.	Name of the Practicing Chartered Accountant(PCA)/PCMA /Firm : <ul style="list-style-type: none"><li>• Whether Partnership/ Proprietorship/Individual</li><li>• Name of the Lead Partner /Proprietor /Individual /In- charge</li><li>• Name(s) of the Contact person (s) and the Contact details</li></ul>	
2.	I. Year of Commencement of Practice PCA/PCMA/Firm II. Certificate of Practice Number/Registration Number. Attach Documentary evidence: <ul style="list-style-type: none"><li>• Copy of Certificate of Practice of Certificate from ICAI/ ICMAI regarding date of Commencement of Practice as Chartered Accountant/ Cost Accountant; and /or</li><li>• Copy of approval letter from ICAI/ICMAI in respect of Firm's Name.</li><li>• Details of Peer Reviewed Firm if claimed. (Certificate and other Concerned Documents)</li></ul>	
3.	Details of Headquarter /Branch Office(s) Address Telephone Nos. Fax No. Email	

	Website		
4.	Post Qualification Experience of Lead Partner/ Proprietor / Individual in Practice		
	Under whose supervision the Internal Audit of will be conducted. -Total Post Qualification Experience (min. 10 years)		
5.	PAN No. GST Regn. No. (attach Documentary evidence)		
6. a) b)	Number of Internal Audits conducted Companies having Paid up Capital of Rs. 100 crores or more. PSU.	Name of the company	Financial Year for which Internal Audit conducted
7.	Number of active Partners in/with the Firm having experience of more than 10 years on 31.03.2022.  Number of active Partners in/with the Firm having experience of less than 10 years on 31.03.2022.  Number of Qualified /Semi-Qualified CA/ CMA working in/with the PCA/PCMA /Firm.  Number of CA or ICMA Final /Intermediate passed CA/CMA Trainees in/with the PCA/PCMA /Firm.		
8.	Any other relevant information.		

**Declaration**

1. All the information provided by me/us here above is correct to the best of my /our knowledge & belief.
2. I/We have no objection if enquiries are made about the work listed by me/us in the accompanying sheets/annexure.
3. I/We have read all the terms & conditions of bid and the instructions and these are acceptable to me/us.

**Name & Designation of the Authorized Signatory  
Stamp of the PCA/PCMA /Firm:**

**Date:**

**Place:**

**Annexure-IIIB**

**PROFORMA FOR FINANCIAL BID  
(For conducting Internal Audit of RPCL)  
(On letter head of PCA/PCMA/Firm )**

To

General Manager(Finance),  
Raichur Power Corporation Limited,  
KPCL New Office Complex,  
No.3 Palace Road, Bengaluru 560001.

<b>Sl.No.</b>	<b>Particulars</b>	
	Fees for Internal Audit Out of Pocket Expenses GST as applicable	
	Grand Total	

(\*\*) Boarding, lodging and conveyance at site will be provided by RPCL

**Signature:-----**  
**Name & Designation of the Authorized Signatory:-----**  
**Stamp of the PCA/PCMA/Firm:-----**

**Date:**  
**Place:**

Abstract of Tender Notification

NIT Reference: RPCL/CO/INTAUDIT/001 dt 15th February 2023  
Published on eproc.karnataka.gov.in in Open Tender  
Category with two cover System under KTPP Act  
Service Reference: External Internal Audit Appointment for the  
block years 2023-24 to 2025-26 of Raichur Power  
Corporation Limited (JV of KPCL & BHEL)

Due Date and time of

Bid submission : 06<sup>th</sup> March 2023 15:00 Hrs

Date and time for : 09<sup>th</sup> March 2023 16:00 Hrs

Opening technical  
bids

Date and time for : 14<sup>th</sup> March 2023 11:00 Hrs

Opening Financial  
bids

(Sd/-)

General Manager (Finance)  
Raichur Power Corporation Limited  
# 3 Palace Road Bengaluru 560001