

**EoI for Appointment of Audit Firms for conducting internal audit of REC
Power Distribution Company Limited for the Financial Year 2016-17**

By



REC Power Distribution Company Limited

(A wholly owned subsidiary of REC, a 'Navratna CPSE'
under the Ministry of Power, Govt of India)

Corporate office

1016-1023, Devika Tower, Nehru Place,
New Delhi-110019
Telefax: 011-44128768

Description of task, qualification required, EoI submission format and procedure is available on RECPDCL website (www.recpdcl.in), REC website (www.recindia.com), Central Publication Portal (www.eprocure.gov.in)

-Sd-

(S.C. Garg)

Addl. C.E.O.

[This document is meant for the exclusive purpose of Audit against this EoI and shall not be transferred, reproduced or otherwise used for purposes other than that for which it is specifically issued]

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SECTION-I EOI INFORMATION

Name of the assignment: **Tender for Appointment of Audit Firms for conducting internal audit of REC Power Distribution Company Limited for the Financial Year 2016-17.**

Important information

Sl.No.	Event	Information to the agencies
1	Date of Release	09.01.2017
2	Last date of submission	24.01.2017 upto 15:00 hours.
3	Date of Opening	24.01.2017 upto 15:30 hours.
4	Eoi document	The details can be downloaded free of cost from the websites www.recpdcl.in www.recindia.com . (or) www.eprocure.gov.in
5	EMD #	Rs.5,000/- (Rupees Five Thousand Only)
6	Address for communication	REC Power Distribution Company Limited., 1016-1023, 10 th Floor, Devika Tower, Nehru Place, New Delhi- 110019, India. Telefax: +91-11-44128768, Phone: +91-11-44128761/58, Email- fin.delhi@recpdcl.in .
7	Contact Person	Sh. Somya Kant, CFO Phone:011-44128761; Fax:011-44128768 Email- fin.delhi@recpdcl.in

The EMD (Earnest Money Deposit) is to be submitted by all the participating bidders of an amount of Rs. 5,000/- (Rupees Five Thousand Only) in the form Bank Demand Draft drawn in favour of REC Power Distribution Company Limited payable at New Delhi. The EMD of unsuccessful bidder/s will be returned within 90 days from the award of contract and EMD of successful bidder will also be returned after acceptance of work order.

SECTION-II PREFACE

REC Power Distribution Company Limited (an ISO 9001:2008 & 14001:2004 certified, a wholly owned subsidiary of REC Limited, a “Navratna” CPSE Govt. of India Enterprise under MOP, GOI) rendering expert consultancy services in power sector in general and Distribution sector in particular as per the need of power utilities across the country. REC PDCL is a leading service provider in the power sector and is providing end-to-end solutions for all the needs in Distribution sector across the country.

RECPDCL engaged in providing value added consultancy services in power sector arena covering Power Generation, Transmission & Distribution (T&D), Renewable Energy Sector and Energy Efficiency programs including Govt. of India’s power schemes for power utilities across the country and various regulatory assignments with CERC. It includes the Project Management Consultancy (PMC) of Substations along with its associated lines, Monitoring, Supervision and inspection work of Electrical Power Distribution Project of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) works and Feeder Renovation Program (FRP), Feeder separation, HVDS program, Lender’s Engineers assignment, DPR preparation for electrical infrastructure projects viz., R-APDRP, IT related assignments in Distribution sector including web based MIS, Energy Audit, Evaluation study for HVDS/Distribution network, AT&C Loss assessment, Cost Data Book preparation, system study and MRI based billing as per the need of the power utilities, Central Electricity Regulatory Commission across the country.

RECPDCL’s Strength:

- ✓ A wholly owned subsidiary of Rural Electrification Corporation Limited, a Navratna CPSE.
- ✓ PAN India presence.
- ✓ Methodical and transparent approach in execution of works.
- ✓ Benchmarking Quality Standard / Quality Policy for the Distribution Sectors.
- ✓ ISO certified 9001:2008 company and ISO 14001:2004
- ✓ Recognitions:-
 - SKOTCH Merit Award
 - IPE Asia Pacific HRM Congress Award.

REC Power Distribution Company Limited (RECPDCL) intends to appoint an **Audit Firm for conducting internal audit of REC Power Distribution Company Limited for the Financial Year 2016-17**. 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 RECPDCL in accordance with the standards on internal audit worked by I.C.A.I., 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.
- Review of compliance of ICFR guidelines and certificate thereof.

PROCESS OF APPOINTMENT:

The period of appointment for conducting Internal Audit shall be initially for one year i.e. for FY 2016-17. However, considering satisfactory work, the appointment may be extended for 2 more years. The company reserves the right to extend the tenure or terminate the appointment on account of unsatisfactory performance.

TIMELINES

Schedule	For the period	Remarks
1st Half Yearly Audit	1st April,2016 to 30th Sep,2016	Audit Report to be submitted within 1 month from the date of work order.
2nd Half Yearly Audit	1st Oct,2016-31st March,2017	Should be completed by 10th April,2017

The internal audit of the accounts should be carried on half yearly basis without any over lapping. Half yearly reports need to be submitted to the Chief Executive Officer (CEO) and the audit program should be minimum of 10 days for each half year, covering the entire scope.

Auditor is required to visit RECPDCL office as and when required as per scope of work.

The audit should be executed by a competent team of professionals, comprising of at least 1 Partner, 1 qualified Chartered Accountant having experience of 5 years and 2 Senior Article Assistants to be deputed on full time basis to REC PDCL's office for a minimum period of 10 days for each phase of half yearly audit.

SECTION-IV INSTRUCTIONS TO AUDIT FIRM

PRICE AND SELECTION CRITERIA

The Audit fee (all inclusive-including travel and other out of pocket expenses) has been fixed at Rs. 1,50,000/- (plus applicable taxes). However, the work shall be awarded to the professional firm scoring highest marks based on the technical parameters.” In case of tie of marks, the firm having maximum PSU’s assignments shall be considered. Further, in case of tie in no. of PSU assignments, the firm having audit assignment of PSU client with largest turnover in any of preceding 3 years will be considered for award of present audit work.

TERMS OF PAYMENT

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

50% payment	After successful submission of 1 st Half Yearly Audit Report and acceptance thereof.
50% payment	After successful submission of 2 nd Half Yearly Audit Report and acceptance thereof.

Annexure-A will be filled and submitted with the Technical Proposal. Without it the Proposal is considered as incomplete and will be rejected automatically.

The Audit Firm shall raise invoice after the audit as per the charges quoted after successful completion of each audit.

Penalty Provisions

Delay in completion of audit:

- A penalty of Rs. 200/- per day may be imposed on audit firm in case of any unjustified delay in successful completion of audit work at the sole discretion of CEO, REC PDCL subject to maximum 10% of amount of fee as and when due.
- REC PDCL can repudiate the contract at the risk and cost of the audit Firm.
- Liquidate damages, for delay in services can be recovered by the paying authorities of the owner, from the bill of services submitted by the audit firm.
- Notwithstanding anything stated above, the services will be deemed to have been delivered when they have been carried out in terms of the assignment.

TAXES AND DUTIES

RECPDCL shall be entitled to deduct applicable tax (if any) at source as per Indian Laws from all payments due to the Audit Firm under the contract.

As regards the Indian Income Tax, surcharges on Income Tax and any other Corporate tax, RECPDCL shall not bear any tax liability, whatsoever, irrespective of the mode of contracting. The Audit 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

RECPDCL reserves the right to accept or reject the proposal at any time prior to award of Contract, without thereby incurring any liability to the Audit Firm concerned or any obligation to inform the Audit Firm concerned of the grounds for the Owner's action. Further, RECPDCL reserves its right to award the work order to any audit firm to whom it considers fit for the work and eligible at its own discretion and no further correspondence, whatever shall be, entertained from anyone in this regard.

Confidential

The Audit firm shall during the tenure of the contract and at any time thereafter keep all information relating to the work in full confidence and shall not, unless so authorized in writing by RECPDCL, divulge or grant access to any information about the work or its result and shall prevent anyone becoming acquainted with either through the firm or its personnel or agents also best professional diligence and ethics. The Audit Firm shall not disclose the documented management systems to any third party including your internal department.

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 one envelope which should be superscribed as **Appointment of Audit Firm for conducting internal audit of REC Power Distribution Company Limited for the Financial Year 2016-17** and last date of opening.

Envelop consists:

- (i) Form-1 (Technical Proposal) duly sealed.
- (ii) Annexure-A
- (iii) All requisite documents to substantiate the eligibility.

Note: - All the attested copies of required documents to substantiate the eligibility must be submitted along with the Form- I. No further opportunity will be given for submission of any document, subsequent to submission of tender document.

Interested Audit firm may send the bid latest by 05.12.2016 upto 11:00 am.



No. RECPDCL/Fin/2016-17/3211

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

Address-1016-1023, 10th floor, Devika Tower, Nehru Place, New Delhi-110019

E-Mail-fin.delhi@recpdcl.in

Contact

No- (011)44128755, (011)44128768(Fax)

SECTION- V EOI FORMATS

On Audit Firm Letter Head

FORM-I

Technical Proposal

To,
 Chief Executive Officer,
 REC Power Distribution Company Ltd.,
 1016-1023, 10th Floor, Devika Tower,
 Nehru Place, New Delhi-110019

Sub: Appointment of Audit Firms for conducting internal audit of REC Power Distribution Company Limited for the Financial Year 2016-17

Sir,

1. With reference to your Tender No. _____ dated _____ for appointment of Audit Firms for conducting internal audit of REC Power Distribution Company Limited for the Financial Year 2016-17, I wish to apply to RECPDCL.
- 2.

Sl.No.	Particulars	Minimum Eligibility	Point per criteria over the minimum eligibility	Maximum Points	Documents required	Documents submitted	Respective page no.
1	No. of completed years of existence.	5 years	1 point per completed year	10	Copy of Certificate of Incorporation from the Institute of Chartered Accountants of India / Institute of Cost Accountants of India..		
2	Any one qualified ISA/DISA/CISA/CIA/partner or Employee	1 Person	1 point per qualified employee/partner	5	Copy of Certificate from the Institute of Chartered Accountants of India / Institute of Cost Accountants of India.		
3	No. of CA/CMA qualified partner	3 partners	2 points per qualified employee/partner	10	Copy of Certificate of Incorporation from I.C.A.I./Partnership Deed		
4	Experience of Internal Audit assignment in atleast one Central/State Government PSUs and Private Companies, having average turnover of Rs. 100 Lakhs in the preceeding three financial years.	2 assignments	2 points per assignment	20	Work Order and copies of completion certificate of respective PSU's/proof of final payment received and audited financial statements.		

5	Experience of Internal Audit in ERP environment in last three years.	2 assignments	2 points per assignment	10	Work Order and copies of completion certificate of respective PSU's/proof of final payment received.		
6	Experience of Statutory Audit assignment in atleast one Central/State Government PSUs having average turnover of Rs. 100 Crores in the preceeding three financial years.	2 assignments	1 point per assignment	10	Work Order and copies of completion certificate of respective PSU's/proof of final payment received.		
7	Average Annual Turnover of preceeding three years.	25 Lakhs average turnover	3 points per 25 lakhs over the minimum average turnover of Rs. 25 Lacs.	15	Audited Financial Statements. (FY 2015-16, 2014-15, 2013-14)		
8	Experience of handling work assignments relating to Service Tax, VAT, WCT, Labour Cess and other statutory compliances of companies having turnover of Rs. 50 Crores.	1 assignment	2 points per assignment	10	Work Order and copies of completion certificate of respective companies/proof of final payment received.		
9	Firm having HO/Branch office registration in Concerned CO/ZO/PO/CIRE City	HO/Branch office in Delhi	2 points per branch for each state.	10	Rent Agreement/Electricity bill/Telephone Bill/Copy of Certificate of Incorporation from ICAI.		
Total				100			

Note: - "Professional firms scoring highest marks based on the technical parameters would be considered for the appointment of Internal Auditor for FY 2016-17." In case of tie of marks, the firm having maximum PSU's assignments shall be considered. Further, in case of tie in no. of PSU assignments, the firm having audit assignment of PSU client with largest turnover in any of the preceding 3 years will be considered for award of present audit work.

Further, we hereby consent and accept the work, if awarded to us at the offered fee (all inclusive-including travel and out of pocket expenses) of Rs. 1, 50,000/- (plus applicable taxes), which shall be payable as per the terms of payment.

Further more, 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 PDCL.

Date:

Place:



No. RECPDCL/Fin/2016-17/3211

Signature.....

Full name.....

Designation.....

Address.....

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

ANNEXURE "A"

On Audit Firm Letter Head

With reference to your Tender No. _____ dated _____ for appointment of Audit Firms for conducting internal audit of REC Power Distribution Company Limited for the Financial Year 2016-17, We hereby convey our consent for accepting the following attestation fees for any documents need be certified by the us for the submission to any Statutory Authority/Clients/BANKS or with the bid documents to be submitted by the company or otherwise.

All Inclusive fee to be paid at each occasion	
Attestation of True copies of documents.	Rs. 500/-
Attestation/ Certification of figures/ documents based on already audited/ reviewed by internal/ statutory auditors.	Rs. 1,500/-
Attestation/ Certification of figures/ documents based on unaudited figures/ Document.	Rs. 2,500/-

Date: _____ Signature.....

Place: _____ Full name.....

Address.....

.....

.....

Stamp.....