

PFC CONSULTING LIMITED

(A wholly owned subsidiary of Power Finance Corporation Limited - A Govt. of India Undertaking)

ELECTRONIC TENDER DOCUMENT

FOR

**APPOINTMENT OF INTERNAL AUDITOR OF PFCCL FOR THE
PERIOD FROM 01.10.2018 TO 30.09.2019**



(A wholly owned subsidiary of Power Finance Corporation Ltd.)

**Registered Office
1st Floor, "Urjanidhi" 1, Barakhambha Lane, Connaught Place,
New Delhi - 110 001**

October 13, 2018

PFC Consulting Ltd. invites E-Tenders for the Appointment of Internal Auditor of PFCCL for the period from 01.10.2018 to 30.09.2019.

a)	Opening date of Tender downloading	14-October-2018 from 19:00 hrs (IST)
b)	Closing date of Tender downloading	27-November-2018 till 13:00 hrs (IST)
c)	Submission date of E-bids	27-November -2018 till 14:30 hrs (IST)
d)	Submission of Pass-Phrase to decrypt the Technical Bid-Part to PFCCL	27-November -2018 till 14:30 hrs (IST)
e)	Opening of E-bids	27-November- 2018 till 15:00 hrs (IST)

Note: Tender Notice and Tender Document are available on PFC Consulting Ltd's website and can be downloaded from <http://www.pfclindia.com> or from the e-Tendering portal <http://www.tcil-india-electronictender.com>. For bid submission, the tenderer will have to necessarily download an official online copy of the tender documents from TCIL's E-portal. All future information viz. corrigendum / addendum / amendments etc for this Tender shall be posted on the e-Tendering Portal only. Printed copy of Tender document will not be sold from PFC Consulting Ltd's office.

The bidder shall bear all costs associated with the preparation, submission/ participation in the bid. Purchaser in no way will be responsible or liable for these costs regardless of the conduct or outcome of the bidding process.

Note: Bidders are advised to start the registration process on the <http://www.tcil-india-electronictender.com> as early as possible as it may take a few days so as to avoid any delay in bid submission (upload) stage.

Table of Contents

S.No.	Description	Page No.
SECTION-1: BID INVITATION		
1.0	Bid Invitation Letter	5
2.0	Scope of Work	5-9
3.0	Deliverables	9-10
4.0	Eligibility Criteria	10
5.0	Period of Engagement	11
6.0	Basis of Offer	11
7.0	Submission of Bid	11-12
8.0	Bid Opening and Evaluation of Proposals	12-15
9.0	Validity of Bid	15
10.0	Terms of Payment	15-16
11.0	Other Terms & Conditions	16-17
SECTION- 2: BID FORMS		
	FORM- 1: COVERING LETTER	19-21
	FORM- 2: EXPERIENCE OF ORGANISATION	22-23
	FORM- 3: COMPOSITION OF TEAM AND THE TEAM LEADER TO BE DEPLOYED	24
	FORM- 4: CURRICULUM VITAE FOR EACH MEMBER OF CONSULTANT'S TEAM	25
	FORM- 5: AUTHORISATION LETTER	26
	FORM- 6: SCHEDULE OF PRICE BID	27
SECTION- 3: CONTRACT AGREEMENT		
		28-40

SECTION -1

BID INVITATION LETTER

BID INVITATION LETTER

Ref No.:03/PFCCL/2018/RC

Date: 13 October, 2018

To

Sub: Appointment of Internal Auditor of PFCCL for Financial Accounts and Internal Financial Controls for the period from 01.10.2018 to 30.09.2019.

Sir,

PFC Consulting Limited (PFCCL) was incorporated under Companies Act, 1956, as a wholly owned subsidiary of PFC Ltd. on 25th March, 2008 and as on date its 100% of the paid up equity capital (Rs.5 Lakhs) is held by PFC Ltd. The turnover of PFCCL for F.Y. 2017-18 was Rs. 78.87 Crs. Presently, PFCCL is responsible for preparation of account of PFCCL, subsidiary companies of PFC and subsidiary companies of PFCCL (List Enclosed).

1. BACKGROUND

The PFCCL intends to engage Chartered Accountant firm for rendering services in the field of Internal Audit and audit of Internal Financial Controls of PFCCL with reference to the financial statements for compliance of Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, as per which Board Report of every company requires to state the details in respect of adequacy of Internal Financial Controls with reference to the financial statements (Assignment). **The term Internal Audit hereinafter means Internal Audit of both Financial Accounts and Internal Financial Controls.** The Internal Auditors would be required to conduct Audit for the day to day working of the Company as per scope of work mentioned at Clause 1 and submit their report every quarter. Also, the quarterly Internal Audit Report along with rectifications & compliances would have to be placed before the Chief Executive Officer and the Audit Committee of the Board of Directors. PFCCL wishes to avail services of a Chartered Accountant firm on a lump sum basis to carry out internal audit of PFCCL for the period from 01.10.2018 to 30.09.2019.

2. SCOPE OF WORK

The scope of the Assignment is to conduct Internal Audit (Financial Accounts and Internal Financial Control) of PFCCL for the period from 01.10.2018 to 30.09.2019 inter alia including the following:

- I. **Internal audit of Financial Accounts:**
 - A. **Related to Statutory Compliance**
 - i) **Taxation – Extent of Checking-100%**

- Verify the calculation of advance income tax, goods and service tax, TDS etc. deposited with the Government.
- Verify whether all the deductions applicable to PFCCL have been availed by the Corporation while calculating its tax liability.
- Verify whether corporation has filed its applicable GST, income tax and TDS return etc. on or before the due dates.
- Whether the Corporation has claimed INPUT CREDIT properly while depositing monthly GST.
- Verify the computation of deferred tax liability/assets.
- Verify the order of assessing officer and Appellate authority to ensure that proper action has been taken with respect to filing of appeal against dis-allowance and filing of rectification application.
- Verify whether the relief as granted by Appellate authority has been availed by the Corporation.
- To verify the compliance of relevant Income Computation Disclosure Standards (ICDS)
- To verify the compliance of relevant accounting Standard(s)/Ind AS issued to ICAI. From the FY 2018-19, Ind AS is applicable on the company.
- To suggest any other statutory compliances to be done by PFCCL.

ii) Company Secretariat

- To examine that proper record of board meetings, general meetings and other prescribed records and documents are maintained.
- To verify that all the Statutory Obligation such as filing of returns, forms with various government agencies are complied in time.

B. Related to Procedures

i) Award of Sub Consultancy Assignments to Firms/Organization including UMPPs & ITPs assignment - Extent of Checking 100%

- To verify whether the procedure for award of consultancy assignment/appointment of consultant have been followed or not.
- To verify whether the approval of competent authority have been obtained for award/appointment or not.
- To verify whether payment has been made as per terms & conditions of the award and Delegation of Power(DOP)
- To verify that contract agreement has been entered with parties wherever applicable.

ii) Internal Checks & Control

- To examine the adequacy of internal checks & controls for award of contracts, procurement of goods & services & investment of funds. Etc.

iii) Procurement of Goods and Services-Extent of checking 50% (Above Rs.1 Lacs 100%)

- To verify whether the procurement of goods & services have been done based on approved policies and procedure or not.
- Approval of Competent Authority has been obtained or not.

C. Related to Transactions

i) Establishment Bills – Extent of Checking – 50%

- Vouching of the Bank Payment Vouchers, Bank Receipt Vouchers and Journal Vouchers.
- Verify that the expenditure has been classified under the correct head and cost centre.
- Verify whether the expenditure has been approved by the competent authority as per the DOP of the Corporation.
- Verify that the Quarterly TDS returns have been filed in time.
- Follow up and reconciliation of advances/liabilities given/provided in respect of various parties.
- To verify the adherence to accounting policies of PFCCL and compliance of relevant Accounting Standard(s)/Ind AS issued/notified.
- Scrutiny of General Ledger heads of accounts relating to the Establishment expenses and capital expenditure etc.
- To verify the payment made to employees on a/c of Travelling, Medical, L.T.C. & Salary etc.
- To verify that expenditure is made within approved budget for corresponding expenditure.

ii) Income

A. Consultancy – Extent of Checking 100%

- To verify that all invoices have been raised for the consultancy assignment as per agreed terms & Conditions.
- To verify whether all invoices have been properly accounted for
- To verify whether GST has been correctly charged in invoices and deposited in time or not.
- To verify the compliance of relevant accounting standard in regard to income.
- To report the cases where the payment is in arrear against invoices on monthly basis.

B. Other Income – Extent of Checking 100%

- To verify whether the procedure in regard to placement of surplus fund has been followed or not.
- To verify whether F.D. receipts are received in all cases where funds are parked.
- To check the calculation of interest on F.D.R.
- To verify whether the empanelment fee have been received at the time of empanelment of firms.

iii) Accounts

- To verify the statement of unaudited quarterly/half yearly results of the company.
- To verify whether the Bank have been reconciled at regular/ interval/ periodically and to report long outstanding entries/transactions in bank Reconciliation Statement.
- To verify whether the A/Cs of holding/subsidiaries are reconciled with the corresponding A/Cs of PFCCL.
- To assist in preparation of annual accounts and records are maintained by the company.
- Scrutiny of General Ledger of all heads of accounts.

D. Related to Fixed Assets & Stores

i) Store Accounts-Extent of Checking – 50%

- To verify that all consumable items procured have been entered in stores register.
- To verify that store register is maintained and updated.
- To verify that stores register is duly signed by store keeper and concerned officer.

ii) Fixed Assets-Extent of Checking-100%

- To verify that fixed assets register has been maintained.
- To verify that depreciation has been charged on fixed assets as per accounting policy of the company.
- To verify that proper system and procedures are in place for safeguarding of assets.

iii) Bank Guarantee's – Extent of Checking-100%

- To verify that Bank Guarantee's are received as per terms of contract.
- To verify that confirmation for issuance of Bank Guarantee has been obtained from Bank Guarantee whenever required on case to case basis.
- Physical verification of Bank Guarantee.
- To verify the register for Bank Guarantee
- To verify that register for Bank Guarantee has been maintained.

iv) Any other periodical compliance requirement/reporting if any prescribed by the relevant Auditing and Assurance Standards.

II. Audit of Internal Financial Control over Financial Reporting:

The Framework (Risk Control Matrix), processes, controls are already operative in the company, the internal auditor is required to do identify, examine, assess the following in respect of IFC audit:

A. Technical Guidance in Internal Financial Controls Over Financial Reporting

- Evaluating & Identify Entity-Level Controls
- Identifying significant accounts and disclosures and the relevant assertions
- Understanding likely sources of misstatement
- Selecting controls to test
- Testing controls - testing design effectiveness
- Testing controls - testing operating effectiveness
- Relationship of risk to the evidence to be obtained
- Evaluating identified deficiencies
- Indicators of material weakness

B. Process Flow Diagrams

- Understanding process flows
- Information system relevant to financial reporting
- System overview diagrams
- Automated control diagrams
- IPE diagrams

- C. **Entity-level Controls**
 - Entity-level Controls
 - Direct and precise entity-level controls
- D. **Automated Controls**
- E. **Information Produced by the Entity (IPEs)**
 - Understanding IPEs
 - Evaluating IPE
 - IPE in the context of internal financial controls testing
 - Testing accuracy and completeness of IPE that the entity's controls are dependent upon
 - IPE that the auditor uses in tests of operating effectiveness of relevant controls
- F. **Internal Financial Controls – Walk Through**
- G. **Internal Financial Controls – Testing of Operative Effectiveness**
- H. **Sampling in Test of Control**
- I. **Rotation Plan for Testing Internal Financial Controls**
- J. **Remediation Testing**
- K. **Additional Considerations for Auditing Internal Financial Controls over Financial Reporting**
 - Test of controls in a combined audit of internal financial controls over financial reporting and financial statements
 - Evaluating entity- level controls
 - Identifying entity-level controls
 - Effect of entity-level controls on testing of other controls
 - Assessing the risk of management override and evaluating mitigating action
 - Evaluating controls over journal entries
 - Evaluating segregation of duties and alternative controls
 - Auditing information technology controls in a less complex information technology environment
 - IT-dependent controls
 - Other automated controls

3. **DELIVERABLES**

The firm is required to deliver the following deliverables in line with the time schedule indicated. These time schedule may increase or decrease as required by PFCCCL.

Deliverables in respect of Internal Audit of Financial Accounts:

- i) Submission of Quarterly Internal Audit Report as directed by the company. Internal Audit report for each quarter will be submitted by 15th of next month of quarter end.
- ii) Reporting on the issues/aspects referred along with recommendations.
- iii) Opinion on various issues, as may be referred.

- iv) Replies of Audit paras and other Reports.
- v) Coordination with Statutory auditors for finalisation of accounts and finalisation of Financial Statement on quarterly/ half yearly / nine month/ annual basis.
- vi) Co-ordination with Govt. Agency and reply to their half margin paras.

Deliverables in respect of Internal Financial Control over Financial Reporting:

- i) To issue half yearly and annual report so as to satisfy the Statutory Auditors about the operative efficiency and effectiveness of Process and controls in the company which prevents fraud and detects, mitigates the chances of mis-statement within the process.
- ii) To issue quarterly report on the evaluation and report on the internal control deficiencies identified during the quarterly audit and suggest corrective measures.

There may be any other deliverables, which are not specifically mentioned above but may be required for completing the Assignment. The Consultant shall have to provide such deliverables, as identified by PFCCL for the successful completion of the Assignment to its satisfaction.

4. ELIGIBILITY CRITERIA

- i) The Chartered Accountant Firms should be empanelled (as on the date of tender) with PFCCL under Area code 2(n) and who have completed cooling off period of two years, if applicable.
- ii) The Bidder should be submitting the bid on its own and not in consortium with any other firm.
- iii) The Bidder should have at least average Turnover of Rs. 25 lakh in immediate last three (03) financial years as per audited annual account. However if the firm is less than (3) year old minimum cumulative turnover of Rs. 50 lakh is required. The bidder should submit documentary proof in support of the turnover in the form of self-certified copy of ITR of the firm along with copy of Balance sheet and Statement of Profit & Loss account
- iv) The Bidder should have undertaken/ handled Internal Audit of Consulting Organisation /Public Sector Undertaking/ Banks/ private sector organisations etc. during last three (3) years i.e. period from Indian FY 2015-2016 onwards including the current Financial Year till date of issue of the tender.
- v) The Bidder should have undertaken/ handled Statutory Audit of Consulting Organisation/ Public Sector Undertaking, during last three (3) years i.e. period from Indian FY 2015-2016 onwards including the current Financial Year till date of issue of the tender.

The firm is required to submit the documentary evidence for meeting the above eligibility criteria as per the format enclosed at Form No.2

5. **CONTENTS OF BID DOCUMENTS**

The bid document contains the following documents.

Section -1 : Bid Invitation Letter

Section -2 : Bid Forms

Section- 3 : Contract Agreement

6. **PERIOD OF ENGAGEMENT**

The period of engagement would be till the completion of Internal Audit for the period from 01.10.2018 to 30.09.2019, which may be further extended on year to year basis (Maximum 4 years) upon satisfactory performance and on same terms & conditions and price subject to PFCCL's discretion. Price cannot be escalated

7. **BASIS OF OFFER**

The price offer for the Assignment should be quoted on a lump sum basis for the assignment period (Travelling expenses will be reimbursed separately as per clause (b) of Terms & Conditions) inclusive of all taxes and duties etc as may be applicable. No escalation for any reason whatsoever shall be allowed over and above the bid price. However, GST, if any, and educational-cess or any such tax/levy calculated as a percentage of the GST at applicable rates, on the date(s) of payment(s) shall be paid over and above the bid price (price to be quoted as per Form-6).

Income tax/GST at source will be deducted by PFCCL as per the applicable law and regulation and TDS certificate shall be issued to the selected bidder by PFCCL.

8. **TEAM COMPOSITION AND TEAM MEMBERS:**

The audit team should consist of the following:

- a. 1 Senior Partner having a post qualification experience of 10 years or more for overall supervising the team and reporting.
- b. 2 Chartered Accountant (partner or paid employee) having post qualification experience of 7 years or more at the execution level.
- c. 2 support staff consisting of either paid employee of the firm or experienced article clerks having work experience of 3 years or more. Qualification should be a graduate or post graduate in commerce or MBA finance or CWA.

9. **SUBMISSION OF BID**

9.1 The Chartered Accountant Firms as per approved list of PFCCL as on the date of tender who have completed cooling off period of two years', **WOULD BE ELIGIBLE TO BID.** Bid shall consist

of two parts "**Technical Proposal**" and "**Financial Proposal**" and should be duly submitted online using the e-Procurement Portal <https://www.tcil-india-electronictender.com> before the due date. The last date for Bid submission (i.e. Bid Due date) online on e-Procurement Portal <https://www.tcil-india-electronictender.com> would be **27 November 2018 till 14:30 hrs (IST)**

Note:

- a) The Chartered Accountant Firms should be empanelled (as on the date of tender) with PFCCL under Area code 2(n) and who have completed cooling off period of two years, if applicable.
- b) The Bidder should agree to the entire scope of work and deliverables (given in the Covering Letter Form-1). No proposal for deviation / part scope of work will be considered.
- c) The Technical Proposal should contain Form-1, Form-2, Form-3 and Form-5 duly filled and signed by authorised signatory and authority letter as per Form-5.
- d) Details of past experience are to be provided in Technical Bid as per format provided at Form-2. Documentary evidence (e.g. Copy of work Order/Letter of Award/LoI/ proof of payment /in support of past experience or any other representative documents etc) to be provided in support of past experience.
- e) Documentary proof in support of turnover shall be submitted by the Bidder in the form of self-certified ITR of the firm along with copy of Balance sheet and Statement of Profit & Loss account.

The Forms mentioned above along with relevant documents, including covering letter will form part of tender documents. Each of the above Forms and also other documents to be submitted as per the bidding documents are to be duly signed on each page and stamped as required by the authorised representative of the bidder, which shall constitute the bid.

The "FINANCIAL PROPOSAL" should contain the detailed price offer for the consultancy services as per format provided at Form-6 of Bid Document.

9.2 Bidders are instructed not to approach via e-mail, fax and telephone or contact any official in PFCCL as regards to this bid after the submission of the bids, apart from communications by PFCCL in writing and any bidder doing so shall be summarily rejected.

10.0 Bid Opening and Evaluation of Proposals

10.1 Opening of technical proposal

The "**Technical Proposal**" will be opened on 27 November 2018 at 15:00 Hrs in the presence of the authorized representatives of the agencies, who wish to be present.

10.2 Technical Proposal Evaluation

The Technical evaluation would be in two parts:

A. COMPLETENESS OF BID WITH RESPECT TO THE BIDDING DOCUMENT

- i) The Chartered Accountant Firms should be empanelled (as on the date of tender) with PFCCL under Area code 2(n) and who have completed cooling off period of two years, if applicable.
- ii) The Technical Proposal should contain Form-1, Form-2, Form-3 and Form-4 duly filled and signed by authorised signatory and authority letter as per Form-5.
- iii) The Bidder should agree to the entire scope of work and deliverables. No proposal for part scope of work will be considered.
- iv) The Bidder should submit a Letter of Authority in favour of the authorised signatory submitting the Bid as per Form -5.
- v) There should be no deviations from any or all the contents of the bidding documents or conditional or alternate bids.
- vi) Details of past experience are to be provided in Technical Bid as per format provided at Form -2.
- vii) Documentary evidence (e.g. Copy of work Order/Letter of Award/LoI/ proof of payment/in support of past experience or any other representative documents etc.) to be provided in support of past experience.
- viii) Details of key personnel proposed to be deployed are to be provided in Technical bid as per format provided at Form -4

Bid of any firm not meeting any or all the above criteria will not be considered responsive and the technical evaluation of the firm will not be carried out. Further, the bid shall be rejected outright.

B. EVALUATION OF EXPERIENCE OF THE FIRM: MAXIMUM 100 MARKS

The bidder's relevant experience in the past three years (from Indian FY 2015-16) onwards including the current Financial Year till the date of issue of the tender) will be considered. Experience of the bidders would be evaluated on the following basis:

- i) Experience of the firm (age of the firm): Maximum Marks (10)
(Age < 15 Years, 2 marks), (15 years ≥ Age < 25 Years, 6 marks) and (Age ≥ 25 , 10 marks)
- ii) Number of Partners: Maximum Marks (5)
(No ≤ 5, 2 marks), (5 > No ≤ 10, 3 marks) and (No ≥ 10, 5 marks)
- iii) Number of CA employees (other than Partners): Maximum Marks (5)
(No ≤ 5, 2 marks), (5 > No ≤ 10, 3 marks) and (No > 10, 5 marks)
- iv) Other qualified staff-Cost Accountant, MBA, Engineer Graduate or Law Graduate: Maximum Marks (5)
(No ≤ 3, 2 marks), (3 > No < 7, 3 marks) and (No ≥ 7, 5 marks)
- v) Number of Semi Qualified & Articled Assistant : Maximum Marks (5)
(No < 10, 2 marks), (10 ≥ No < 15, 3 marks) and (No ≥ 15, 5 marks)
- vi) Audit of Consulting Organisation & Public Sector Undertaking (Statutory Audit) in last three years: Maximum Marks (25)
(No =1, 8 marks). (No = 2, 12 marks) (No ≥ 3, 25 marks),

- vii) Experience in Internal Audit in last three years: Maximum Marks (15)
(PSU/FI/Joint Sector, 6 marks), (Concurrent/ Internal Audit of Banks, 6 marks) and
(Private sector, 3 marks).
- viii) Average Turnover in last three years: Maximum Marks (7)
(Rs 25 Lakh > Turnover ≤ 50 Lakh, 3 marks) , (Rs 50 Lakh > Turnover ≤ Rs 1 Crore, 5
marks), and (Turnover > Rs1 Crore, 7 marks)
- ix) Tax Consultant/Other Consultant : 7 marks
- x) Association with PFC/Subsidiary Companies of PFC Ltd/ Subsidiaries of PFCCL : 6 marks
- xi) Empanelment with C&AG: 10 marks

Note: Audit of each year has been considered as separate audit.

Documentary evidence, like i) Client's certificate or ii) Copies of LoI/LoA/appointment letter or
iii) Completion Certificate or iv) Proof of payment, will have to be submitted in support of past
experience. Last 3 (Three) year experience from the bid dead line will be considered for
evaluation (only for sl.no. vi, vii and viii).

The Bidders who are responsive and obtain 50% marks or more would qualify for the opening
of financial proposals. Financial Proposal of other Bidders will be returned unopened.

PFCCL reserves the discretion to seek clarifications during the evaluation process of the
Technical proposal.

**The bidder who are responsive and obtain 50% marks or more would be regarded
technically qualified for opening of "Financial Proposal".**

11.0 OPENING AND EVALUATION OF FINANCIAL PROPOSAL

11.1 FINANCIAL PROPOSAL OPENING

The "**Financial Proposal**" would be opened only for the technically qualified bidders. The date
and time of opening of the "Financial Proposal" of the technically qualified bidders will be
intimated along with qualifications of the technically qualified bidders. The Financial Proposal
will be opened in the presence of the authorized representatives of the bidders, who wish to be
present.

11.2 FINANCIAL PROPOSAL EVALUATION

Financial Proposals of only such bidders will be opened who have been declared Technically
Qualified.

The assignment will be awarded to the technically qualified bidder who has quoted
lowest Lump Sum price, in Indian Rupees, without condition(s) or alternate price bid.
Conditional Financial Proposals will be rejected outright.

In case of more than one bidder at L1 price, the Assignment will be offered to the bidder
quoting L1 price and obtaining the highest marks in the technical evaluation. Further where the
marks in the technical evaluation are same, the assignment will be offered to the firm having
the highest average turnover.

12.0 CONTRACT AGREEMENT

12.1 In the event of award, the selected firm will be required to enter into a "Contract Agreement" with the PFCCL within 7 (seven) working days from the date of the Letter of Award (LOA) or within such extended time, as may be granted by the PFCCL.

12.2 Formal "Contract Agreement" will be executed on Non-judicial stamp paper of Rs. 100/- (Rs. one hundred only) as per the format provided by PFCCL. Two sets of Non-Judicial Stamp papers of Rs.100/- and water mark papers to be purchased by the selected consultant from Delhi State.

12.3 The Agreement will be signed in two originals and the selected firm shall be provided with one signed original agreement.

12.4 The date of execution of the contract agreement in no case shall alter the date of start or completion period of the work.

12.5 Till the time a "Contract Agreement" is prepared and executed, the Letter of Award shall be read in conjunction with the Bidding Documents and will constitute a bidding contract.

13.0 VALIDITY OF BID

Bidders shall keep their bids /proposals valid up to 120 (One Hundred Twenty) days from the date of opening of the Financial Proposals. The bidder may be required to further extend the validity of Bid as per the requirement of PFCCL.

14.0 TERMS OF PAYMENT

- a) On completion of audit of Ist Quarter 20% (Twenty percent) of quoted price
- b) On completion of audit of IInd Quarter 20% (Twenty percent) of quoted price
- c) On completion of audit of IIIrd Quarter 20% (Twenty percent) of quoted price
- d) On completion of audit of IVth Quarter 40% (Forty percent) of quoted price

The price offer for the Assignment should be quoted on lump sum basis inclusive of all taxes and duties etc as may be applicable. No escalation for any reason whatsoever shall be allowed over and above the bid price. However, GST, if any, and educational-cess or any such tax/levy as related to as a percentage of the GST at applicable rates, on the date(s) of payment(s) shall be paid over and above the bid price.

In addition to the lump sum price, the Auditor would be reimbursed for the tours, if any, undertaken in connection with the Assignment as per the clause 15 (b) of terms and conditions of bid document.

The Auditor shall submit the bills in duplicate to PFCCL addressed to an executive authorised by CEO, PFCCL, indicating the stage achieved, out of the ones indicated above. The payment shall be made within 15 days of submission of Bills to PFCCL in the following month on satisfactory completion of work.

15.0 OTHER TERMS & CONDITIONS

- a) The financial proposal by the bidders shall be in Indian Rupees as per format enclosed (Form 6) with no escalation provision for any reason whatsoever till the completion of the Assignment.
- b) In case of tours and travels made beyond NCR Limits and undertaken with prior consent / requirement of PFCCL, the bidder would be reimbursed To & Fro journey fare, Accommodation expenses, Dearness Allowance and local conveyance at the destination limited to maximum of the entitlements of Associate Vice President (AVP) level in PFCCL on production of documentary evidences / proof(s), in original, of the expenditure incurred. PFCCL would be the sole authority to decide on the number of the member(s) to undertake the tours. PFCCL reserves the right to make tour and travel arrangements on its own.

No claim for journey fare/accommodation expenses/Local Conveyance for travel within NCR limits will be admissible, in case the firm is based in Delhi NCR

No claim for journey fare/accommodation expenses/Local Conveyance for travel from the firm's office to PFCCL headquarter at New Delhi or for travel in NCR limits will be admissible, in case the Chartered Accountant Firm is based in Delhi NCR

- c) The selected firm shall make available the services of the identified personnel as may be required for successful execution of the assignment and or as may be required by PFCCL on specified dates, venues and time in order to meet the obligations of PFCCL.
- d) All claims shall be raised by the selected firm as per the terms of payment after being due, and would be accepted for payment based on satisfactory progress and quality of work at the sole discretion of the competent authority.
- e) In case there is a delay by the selected firm in accomplishing the work as per scope of work which in the opinion of PFCCL is attributable to the selected consultant, PFCCL reserves the right to get such specific work(s) done through any other firm(s) at the risk and cost of the selected consultant for timely completion of the work.
- f) In case the performance of the proposed team member(s) is not satisfactory, the auditor will be asked to change/replace the team member(s) within three days of receipt of such request from PFCCL with a member acceptable to PFCCL.
- g) PFCCL with the approval of CEO cancel the contract at any stage of the work, in case it is found that the knowledge of a team/team member(s) and or his/her performance is not satisfactory, any information given at the time of submission of the bid is found to be incorrect.

- h) Given the nature of the work being entrusted, the selected organisation would have to give an undertaking to the effect that the contents/ essence of any reference/ documents given would not be disclosed to any third person without the express approval of PFCCL, failing which the engagement of the organisation will be liable for termination.
- i) If due to any reason or decision of the Govt./PFCCL, the Assignment is dropped and the firm is directed to discontinue work, the "Drop Dead Fee" would be limited to the payments received by the firm and the claims already raised, as per the payment terms relating to the Assignment, till the point off the Assignment or as mutually agreed.
- j) **Conflict of Interest**: Organisations would not be hired for any work whose interests are in conflict with their prior or current obligations to the other organisations/ clients or that may place them in a position of being unable to carry-out the work assigned to them at any point of time during the currency of engagement by PFCCL or above all enable them to pose a threat to PFCCL's consulting business in future. Without limitation on the generality of the foregoing, organisations would not be hired, under the circumstances set forth below:

Organisations who have business or family relationship with member(s) of PFC's and/or PFCCL's employees or persons positioned in or on the Board of these two organisations by whatever process, would not be engaged. A declaration to this effect would be taken from the organisation when being engaged, and if found incorrect, the organisation would be debarred from any further engagement by PFCCL ever.

- k) The CA Firm shall keep PFCCL, both during and after the term of this Contract, fully and effectively indemnified against all losses, damage, injuries, deaths, expenses, actions, proceedings, demands, costs and claims, including, but not limited to, legal fees and expenses, suffered by PFCCL or any Third Party, where such loss, damage, injury or death is the result of a wrongful action, negligence or breach of contract by the selected auditor, or its personnel, including the use or violation of any copyright work or literary property or patented invention, article or appliance.
- l) No offer should be sent by Fax or E-mail.
- m) PFCCL reserve the right to accept or reject any or all Proposals/Offer or annul the bid Process or modify/ change the content of the bid document without assigning any reason.
- n) PFCCL shall not entertain any claim of any nature, whatsoever, including without limitations, any claim of expenses in relation to the preparation, submission or any other activity relating to bidding or any other expense till award of contract.

Yours sincerely,

FOR and on behalf of PFC CONSULTING LTD

**(Rakesh Sharma)
Manager(F&A)**

Encl.: As Above

SECTION- 2

BID FORMS

FORM – 1: COVERING LETTER

From:	To:
Name:	Manager (F&A)
Designation:	PFC Consulting Ltd.,
Address:	First Floor, Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi – 110 001

Sir,

Sub: Appointment of Internal Auditor of PFCCL for Financial Accounts and Internal Financial Controls for the period from 01.10.2018 to 30.09.2019.

We _____(Name of Chartered Accountant Firm) herewith enclose Technical & Financial proposal for selection of our organisation as Internal Auditor on lump sum basis (Travelling expenses will be reimbursed separately for tours made beyond NCR Limits) for carrying out the internal audit of PFCCL for the period from 01.10.2018 to 30.09.2019.

1) We are submitting our bid consisting of:

i) Technical Bid consisting of:

- (1) The Covering Letter (Form-1) in which the firm inter alia agrees to the entire scope of work and deliverables as proposal for deviation / part scope of work will not be considered.
- (2) Details of Technical Qualification (Past experience) of the firm as per format provided at Form-2 of Section-2 of Bid Document.
- (3) Documentary evidence in support of past experience.
- (4) Team Composition and detailed CVs of the key Personnel proposed to be deployed for the assignment as per the format provided at Form-3 and Form-4 of Section-2 of Bid Document respectively.
- (5) Letter of Authority in favour of the Authorised signatory submitting the Bid as per Form-5.

ii) Price Offer as per format provided at Form 6 of Section 2 of Bid document.

2) _____ (Name and contact information of one of the team member) shall be the Team leader for the assignment.

- 3) We declare that the above quoted lump sum fee is firm and shall remain valid for the entire period of the Assignment. We further declare that the above quoted lump sum fee includes all taxes (excluding GST), duties & levies etc. payable by us under this assignment.
- 4) We hereby confirm that if any Income Tax, Surcharge or any other Corporate Tax is attracted under the law, we agree to pay the same to the concerned authorities.
- 5) We confirm that the prices and other terms and conditions of this proposal are valid for a period of 120 days from the date of submission of bid.
- 6) We declare that the services will be rendered strictly in accordance with the specifications. We confirm our acceptance/compliance to the 'Deliverables' and 'Terms of payment' clauses as stipulated in the bid documents.
- 7) We hereby declare that only the company, persons or firms interested in this proposal as principal or principals are named herein and that no other company, person or firm other than one mentioned herein have any interest in this proposal or in the contract to be entered into, if we are awarded this contract.
- 8) We declare that the services will be rendered strictly in accordance with the specifications and we do not have any deviation to any of the terms and conditions of the bidding documents.
- 9) We confirm and certify that all the information /details provided in our bid are true and correct.
- 10) We give our unconditional acceptance to the Bid Documents issued by PFCCL, as amended. We shall execute the Contract Agreement and Non-disclosure Agreement as per the provisions of the Bid Document.
- 11) Further, we confirm that we agree to and seek no deviations from the scope of work, time schedule, deliverables, payment terms and all other terms and conditions as contained in the 'Bid Document'. The proposal is unconditional. The Bid will be valid 120 (One hundred twenty days) from the opening of financial bid.
- 12) We also declare that by taking this assignment we do not have any conflict of interest with any of our prior or current obligations to other organisations/clients and also do not have business or family relationship with member(s) of PFC's and/or PFCCL's employees or persons positioned in or on the Board of these two organisation by whatever process and if found incorrect, we may be debarred from any further engagements by PFCCL forever.
- 13) We certify that all the information provided in our bid, including the information regarding the team members, is true. We understand that any willful misstatement in the bid may lead to disqualification or cancellation of award if made or termination of contract. We also understand that in such a case we may be debarred for future assignments with PFCCL for a period of maximum three years from the date of such disqualification.
- 14) Further, we undertake that in the event of our appointment as internal auditor, given the nature of the work being entrusted, the contents/ essence of any reference/ documents given would not be

disclosed to any third person without the express approval of PFCCL, failing which the engagement of the organization would be terminated.

Signature of Authorised Person

Name

Designation & Company Seal

Date:

Place:

Form 2: EXPERIENCE OF ORGANISATION

1. Brief Description of the Firm :
- Year of Incorporation :
- Total no. of years of experience of Firm :
- No. of Partners (In Delhi/NCR) :
- Turnover of the Firm (FY 2015-16, 2016-17 & 2017-18) :
- No. of CA(s) employees (in Delhi/NCR) :
- Other Qualified Staff –
- Cost Accountant, MBA, Graduate/Post graduate in commerce : :
- No. of Semi Qualified & Articled Assistants :
- Tax Consultant/Other Consultant :
- Empanelment with C&AG :
- Association with PFC Ltd. or Subsidiaries of PFC Ltd. :

2. Outline of experience on assignment as mentioned below:

S.No.	Name of audit work taken/ Assignment	Name of Firm/ organisation	Year of Audit Work	Date of Commencement	Date of Completion	Scope in brief
1						
2						
3						

1. It is hereby certified that the above mentioned details are true and correct.
2. It is hereby certified that our company has actually carried out and completed the above mentioned work/assignments.

Note: Details of Company/companies whose assignments were/are undertaken may be mentioned.

List of documents attached:

- 1.
- 2.

(Signature of Authorised Signatory)

Full Name: _____

Address: _____

Note:

- 1) Please attach documentary proof viz i) Client's certificate or ii) Copies of appointment letter/ LoI/LoA or iii) Completion Certificate or iv) Proof of payment in support of past

experience. Last 3 (Three) year experience from the bid dead line will be considered for evaluation.

- 2) The Firm's relevant experience from Indian FY 2017-18 onwards including the current Financial Year till date of issue of the tender will be considered.
- 3) Please attach documentary proof for claimed experience; the proofs could be namely, copy of work order/ Letter of Award/ LoI/ Completion certificate or any other representative documents etc.

FORM - 3: COMPOSITION OF TEAM AND THE TEAM LEADER TO BE DEPLOYED

	Name
	<u>Team Members</u>
	Team Leader
1	
	Other Members
2	
3	
4	
5	
6	

Signature of Authorised Signatory

Full Name

Address

FORM -4: CURRICULUM VITAE FOR EACH MEMBER OF CONSULTANT'S TEAM

Name:

Profession/ Present Designation:

Total post qualification experience:_____ Years with organisation:

Educational Qualification:

(Under this heading, summarise college/ university and other specialized education of staff member, giving names of colleges, etc. degrees obtained.)

(Please enclose attested copy of educational qualifications)

Experience:

(Under this heading, list of positions held by staff member since graduation, giving dates, names of employing organisation, title of positions held and location of assignments.)

Language:

(Indicate proficiency in speaking, reading and writing of each language by 'excellent', 'good' or 'poor')

Certification

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes me, my qualification, and my experience. I understand that any wilful misstatement described herein may lead to disqualification of the firm.

Signature of Team member

Full Name

Date

Signature of Authorised Signatory

Full Name

Date

FORM - 5: AUTHORISATION LETTER

(ON THE LETTER HEAD OF THE FIRM)

I _____ certify that I am _____ of the Firm, organized under the laws of _____ and that _____ who signed the above proposal is authorised to bind the firm by authority of its governing body.

Signature:

Full Name:

Address:

(SEAL)

**FORM – 6: SCHEDULE OF PRICE BID
(TO BE SUBMITTED AS FINANCIAL PROPOSAL)**

Sub: To carry out the Internal Audit of PFCCCL for the period from 01.10.2018 to 30.09.2019.

I _____ (Name) on behalf of _____ (name of the firm/organisation) herewith submit the financial proposal for selection of our firm/organisation as internal auditor for PFC consulting limited for the period from 01.10.2018 to 30.09.2019.

SCHEDULE OF PRICE BID

(To be submitted as Financial Proposal)

Item	Lump Sum Amount (In Rupees) per annum	
	In figures	In words
For carrying out the internal audit of PFCCCL for the period from 01.10.2018 to 30.09.2019 and complete in all respect as per Scope of Work and Deliverables given in the bid document.		

Note:

1. The price offer for the Assignment should be quoted on lump sum basis (Travelling expenses will be reimbursed separately for tours made beyond NCR Limits) as per bidding document inclusive of all taxes and duties etc as may be applicable. No escalation for any reason whatsoever shall be allowed over and above the bid price. However, GST at applicable rates, on the date(s) of payment(s) shall be paid over and above the bid price.
2. Income tax at source & TDS on GST will be deducted by PFCCCL as per the applicable law and regulation and TDS certificate shall be issued to the internal auditor by PFCCCL
3. In case of more than one bidder at L1 price, the Assignment will be offered to the bidder quoting L1 price and obtaining the highest marks in the technical evaluation.
4. The financial proposal with condition(s) or alternate price bid will be summarily rejected.

Signature of Authorized Signatory

Full Name

Address

SECTION- 3
CONTRACT AGREEMENT

CONTRACT AGREEMENT

(To be on non-judicial stamp paper of Rs 100/- applicable to Delhi)

This CONTRACT (hereinafter, together with all Appendices attached hereto and forming an integral part hereof, called the "Contract") is made on _____ between PFC Consulting Ltd. (PFCCL) having its Registered office at First Floor, Urjanidhi, 1, Barakhamba Lane, Connaught Place, New Delhi – 110001 (hereinafter called the "Client") on the one part and _____ having its Registered/Corporate office at _____ (hereinafter called the "Internal Auditor") which expression shall include its successors, executors, permitted on the other part.

WHEREAS

The Client intends to appoint an internal auditor to carry out the internal audit of PFCCL for the period from 01.10.2018 to 30.09.2019.

- (A) the Client has appointed M/s _____ as Internal Auditor to **carry out the internal audit of PFCCL for the period from 01.10.2018 to 30.09.2019** as per Letter of Invitation of Bid (Appendix A), Price Offer of the Internal Audit as accepted by the Client (Appendix B) and Letter of Award (Appendix C) for the successful execution of the Assignment;
- (B) the Internal Auditor, having represented to the Client that they have the required professional skills, personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the parties hereto hereby agree as follows:

1. GENERAL PROVISIONS

1.1. Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) "Applicable Law" means the laws and any other instruments having the force of law in India as they may be issued and in force from time to time;
- (b) "Contract" means this Contract together with all Appendices/ Attachments;
- (c) "Effective Date" means the date on which this Contract comes into force
- (d) "Personnel" means persons hired by the Internal Auditor as employees/individual retainer(s) and assigned to the performance of the Services or any part thereof
- (e) "Party" means the Client or the Internal Auditor, as the case may be and Parties collectively;
- (f) "Assignment" means to carry out the internal audit of PFCCL for the period from **01.10.2018 to 30.09.2019** and to suggest for the improvement in the existing system procedures being followed by the Company- for a client.

- (g) "Services" means the work to be performed by the Internal Auditor pursuant to this Contract for the purposes of the Assignment, as described in Appendix C hereto;
- (h) "Starting Date" means the date referred to in Clause 2.2 hereof; and
- (i) "Third Party" means any person or entity other than the Government, the Client, the Internal Auditors or an Internal Auditor.

1.2. Relation between the Parties

Nothing contained herein shall be construed as establishing a relation of master and servant or of agent and principal as between the Client and the Internal Auditor. The Internal Auditor, subject to this Contract, has complete charge of personnel performing the services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

1.3. Law Governing Contract

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.

1.4. Language

This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

1.5. Headings

The headings shall not limit, alter or affect the meaning of this Contract.

1.6. Notices

- 1.6.1 Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the following address:

For the Client:

**Manager (F&A)
PFC Consulting Ltd.
First Floor, Urjanidhi
1, Barakhamba Lane
Connaught Place
New Delhi-110 001
Telefax : 011-23443713**

For the Consultant:

1.6.2 Notice, except the notice for requisitioning of services (which will be eight hours from the call made by Client), will be deemed to be effective as follows:

- (a) in the case of personal delivery or registered mail, twenty four (24) hours on delivery;
- (b) in the case of facsimiles, seventy two (72) hours following confirmed transmission.

1.6.3 Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to this Clause.

1.7. Location

The Services shall be performed at Delhi or at such location required by the Client, hereto and, where the location of a particular task is not so specified, at such locations, whether in the Government's country or elsewhere, as the Client may approve.

1.8. Authorised Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract, may be taken or executed:

- (a) on behalf of the Client by **Manager (F&A)** or his designated representative;
- (b) on behalf of the Internal Auditor by _____ or his designated representative.

2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

2.1. Effectiveness of Contract

This Contract shall come into force and effect on the date (the "Effective Date") of the Client's notice to the Internal Auditor confirming that the Contract has been accepted by the Client.

2.2. Commencement of Services:

The Internal Auditors shall begin carrying out the Services as per the scope of work laid down in the letter of award not later than the Effective Date, or on such later date as the Parties may agree in writing.

2.3. Expiration of Contract

Unless terminated earlier pursuant to Clause 2.7 hereof, this Contract shall terminate when, pursuant to the provisions hereof, the Services have been completed and the payments of remuneration and reimbursable expenditures have been made.

2.4. Entire Agreement

This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.

2.5. Force Majeure:

2.5.1 Definition

(a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, and which makes a Party's performance or its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by government agencies.

(b) Force Majeure shall not include:

(1) Any event which is caused by the negligence or intentional action of a Party or such Party's Sub-auditor's or agents or employees, nor

(2) Any event which a diligent Party could reasonably have been expected to both

- I. take into account at the time of the conclusion of this Contract, and
- II. avoid or overcome in the carrying out of its obligations hereunder.

(c) The Internal Auditor shall not be paid/reimbursed any further price or cost or any additional cost in re-activating the services after the end of Force Majeure event.

2.5.2 No Breach of Contract

The failure of a Party to fulfil any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract in so far as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

2.5.3 Measures to be taken

- (a) A Party affected by an event of Force Majeure shall take all reasonable measures to remove his inability to fulfil its obligations hereunder with a minimum of delay.
- (b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any event not later than fourteen (14) days following the

occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.

- (c) The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

2.5.4 Extension of Time

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure or because of delays in providing data/input/decisions by the Client to the Internal Auditor.

2.5.5 Audit

Not later than thirty (30) days after the Internal Auditor, as the result of an event of Force Majeure, have become unable to perform a material portion of the Services, the Parties shall consult with each other with a view to agreeing on appropriate measures to be taken in the circumstances.

2.6. Suspension

The Client may, by written notice of suspension to the Internal Auditor, suspend all payments to the Internal Auditor and invoke Contract Performance Guarantee hereunder if the Internal Auditor fails to perform any of their obligations under this Contract, including carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Internal Auditor to remedy such failure within a period not exceeding thirty (30) days after receipt by the Internal Auditor of such notice of suspension.

2.7. Termination

2.7.1 By the Client

The Client may, by not less than thirty (30) days' written notice of termination to the Internal Auditor (except in the event listed in paragraph (f) below, for which there shall be a written notice of not less than sixty (60) days), such notice to be given after the occurrence of any of the events specified in paragraphs (a) to (f) of this Clause 2.7.1, terminate this Contract:

- (a) if the Client comes to the knowledge that Internal Auditor has misrepresented or had concealed the facts in the bid getting the award.
- (b) if the Client comes to the knowledge that Internal Auditor has willfully misstated the facts in the bid, the Client has right to debar the Internal Auditor for future assignments with PFCCL for a period of maximum three years.
- (c) if the Internal Auditor fails to remedy a failure in the performance of their obligations hereunder, as specified in a notice of suspension pursuant to Clause 2.6 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the Client may have subsequently approved in writing;

- (d) if the Internal Auditor becomes insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;
- (e) if the Internal Auditor fail to comply with any final decision reached as a result of proceedings pursuant to Clause 8 hereof;
- (f) if the Internal Auditor submits to the Client a statement which has a material effect on the rights, obligations or interests of the Client and which the Internal Auditor know or discover during the course of assignment to be false;
- (g) if, as the result of Force Majeure, the Internal Auditors are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (h) if the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

2.7.2 Cessation of Rights and Obligations

Upon termination of this Contract pursuant to Clauses 2.7 hereof, or upon expiration of this Contract pursuant to Clause 2.3 hereof, all rights and obligations of the Parties hereunder shall cease, except

- (a) such rights and obligations as may have accrued on the date of termination or expiration,
- (b) the obligation of confidentiality set forth in Clause 3.2 hereof,
- (c) any right which a Party may have under the Applicable Law.

2.7.3 Cessation of Services

Upon termination of this Contract by notice to pursuant to Clauses 2.7 hereof, the Internal Auditor shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum.

2.7.4 Payment upon Termination

Upon termination of this Contract pursuant to Clauses 2.7 hereof except due to false submission/misrepresentation of facts, the Client shall make the following payments to the Internal Auditor:

Remuneration pursuant to Clause 6 hereof for Services satisfactorily performed prior to the effective date of termination in the sole discretion of the Client.

2.7.5 Drop Dead Fee

If due to any reason or decision of the Govt. the assignment is dropped and the Internal Auditor

is directed to discontinue work, the "Drop Dead Fee" would be limited to the payments received by the Internal Auditor and the claims already raised, as per the payment terms, plus the expenditure incurred (on tour, travels etc.), if any, relating to the Assignment, till the point of calling off the Assignment or as mutually agreed.

3. OBLIGATIONS OF THE INTERNAL AUDITOR

3.1. General

3.1.1 Standard of Performance

The Internal Auditors shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted consulting standards recognised by professional bodies, and shall observe sound management methods. The Internal Auditors shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and at all times support and safeguard the Client's legitimate interests in any dealings with Sub-Auditors or Third Parties.

3.1.2 Law Governing Services

The Internal Auditor shall perform the Services in accordance with the Applicable Law and shall take all practicable steps to ensure that all Personnel of the Internal Auditors, comply with the Applicable Law.

3.2 Conflict of Interest

The Internal Auditor shall hold the Client's interest paramount, without any consideration for future work, and strictly avoid conflict with other assignments or their corporate interests.

3.3 Benefit from Commissions, Discounts etc.

Payment to the Internal Auditor shall constitute the Internal Auditor's only payment in connection with this Contract or the Services, and the Internal Auditor shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Internal Auditor shall use their best efforts to ensure that the Personnel shall not receive any such additional benefits.

3.4 Confidentiality

The Internal Auditor, and their Personnel shall not, either during the term or within two (2) years after the expiration of this Contract, disclose any information relating to the Assignment, the Services performed under this contract, this Contract or the Client's business or operations to any third party interacted with during the period of providing services without the prior written consent of the Client.

3.5 Prohibition of Conflicting Activities

The Internal Auditor shall not engage Sub-Auditors, and shall cause their Personnel as well as their Personnel not to engage, either directly or indirectly, in any business or professional activities which would conflict with the activities assigned to them under this Contract.

3.6 Insurance to be Taken Out by the Internal Auditor

The Internal Auditors shall take out and maintain at their own cost insurance coverage against the risks of their personnel and properties relating to this assignment.

3.7 Liability of the Internal Auditor

The Internal Auditor shall be liable to the Client for the performance of the Services in accordance with the provisions of this Contract and for any loss suffered by the Client as a result of a default of the Internal Auditor in such performance, subject to the following limitations:

- (a) The Internal Auditor shall not be liable for any damage or injury caused by or arising out of the act, neglect, default or omission of any persons other than the Internal Auditor's Personnel; and
- (b) The Internal Auditor shall not be liable for any loss or damage caused by or arising out of circumstances over which the Internal Auditor had no control.

3.8 Indemnification of the Client by the Internal Auditors

The Internal Auditor shall keep the Client, both during and after the term of this Contract, fully and effectively indemnified against all losses, damage, injuries, deaths, expenses, actions, proceedings, demands, costs and claims, including, but not limited to, legal fees and expenses, suffered by the Client or any Third Party, where such loss, damage, injury or death is the result of a wrongful action, negligence or breach of Contract by the Internal Auditor, or the Internal Auditor's Personnel, including the use or violation of any copyright work or literary property or patented invention, article or appliance.

3.9 Reporting Obligations

The Internal Auditors shall submit to the Client the reports and documents as per the Letter of Award (Appendix A), in the form, in the numbers and within the time periods desired by the Client, including any supporting data required by the Client.

3.10 Documents Prepared by the Internal Auditors to Be the Property of the Client

All reports and other documents prepared by the Internal Auditor in performance of the Services shall become and remain the property of the Client, and the Internal Auditor shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Client, together with a detailed inventory thereof. The Internal Auditor may retain a copy of such documents but shall not use them for purposes unrelated to this Contract without the prior written approval of the Client.

4 **INTERNAL AUDITOR'S PERSONNEL**

4.1 The Internal Auditors shall employ/engage and provide such Personnel as are indicated in the Offer of the Internal Auditor as accepted by Client including Price Offer against the terms of the letter of invitation of bids to carry out the Services.

4.2 **Removals and/or Replacement of Personnel**

4.2.1 Except as the Client may otherwise agree, no changes shall be made in the Personnel. If, for any reason beyond the reasonable control of the Internal Auditor, it becomes necessary to replace any of the Personnel, the Internal Auditors shall forthwith provide as a replacement a person of equivalent or better qualifications, and relevant experience for the particular position.

4.2.2 If the Client:

- i. finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or
- ii. has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Internal Auditor shall, at the Client's written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the Client.

4.2.3 The new personnel provided as a replacement shall be governed by the same terms and conditions of employment as the replaced personnel.

4.2.4 The Internal Auditor shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement.

4.3 Any other personnel of Internal Auditor (including trainees, apprentices etc.) may be allowed to work/ tour with the team with the prior approval of the Client but no claims for their effort/ tours would be admissible.

4.4 The augmentation of the team strength/change in members would have to be made within 7 calendar days of an instruction to this effect from the Client. The inclusion of additional members/ any change in existing members would have to be approved by the Client.

5 **OBLIGATIONS OF THE CLIENT**

5.1 **Payment**

In consideration of the Services performed by the Internal Auditors under this Contract, the Client shall make to the Internal Auditors such payments and in such manner as is provided by Clause 6 of this Contract.

6 PAYMENTS TO THE INTERNAL AUDITOR

6.1 Payment Terms

- a) The Internal Auditor shall have to deploy the team as per requirement of the Client. All such requisition shall be made by CEO of the Client or any other official authorised by CEO of the Client. The lump sum price is firm till completion of the Assignment.
- b) The Internal Auditor shall submit the bills in duplicate to the Client addressed to an executive authorised by CEO of the Client, indicating the Stage achieved as per terms of payment of Letter of award.
- c) All payments would be claimed by the Internal Auditor from the Client after being due, and would be accepted for payment by CEO of the Client or any other official authorised by CEO of the Client , as per the terms and conditions and based on satisfactory progress and quality of the work in his sole discretion.
- d) In case of tours and travels made beyond NCR Limits and undertaken with prior consent / requirement of PFCCL, the biller would be reimbursed To & Fro journey fare, Accommodation expenses, Dearness Allowance and local conveyance at the destination limited to maximum of the entitlements of Associate Vice President (AVP) level in PFCCL on production of documentary evidences / proof(s) of the expenditure incurred. PFCCL would be the sole authority to decide on the number of the member(s) to undertake the tours. PFCCL reserves the right to make tour and travel arrangements on its own.

No claim for journey fare/accommodation expenses/Local Conveyance for travel within NCR limits will be admissible, in case the Internal Auditor is based in NCR of Delhi

No claim for journey fare/accommodation expenses/Local Conveyance for travel from the firm's office to PFCCL headquarter at New Delhi will be admissible, in case the Internal Auditor is based in outside NCR of Delhi

- e) The lump sum price would be inclusive of all taxes and duties etc as may be applicable. No escalation for any reason whatsoever shall be allowed over and above the lump sum price. However, GST, if any, and educational-cess or any such tax/levy as related to as a percentage of the GST at applicable rates, on the date(s) of payment(s) shall be paid over and above the bid price. Income tax at source will be deducted by Client as per the applicable law and regulation and TDS certificate shall be issued to the Internal Auditor by Client.

7 FAIRNESS AND GOOD FAITH

7.1 Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

7.2 Operation of the Contract

The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties shall use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause 9 hereof.

8 SETTLEMENT OF DISPUTES

8.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or the interpretation thereof.

8.2 Settlement through a Committee

Any dispute between the Parties/matters arising pursuant to this Contract which cannot be settled amicably will be decided by the Committee constituted by CEO of the Client.

9 JURISDICTION AND APPLICABLE LAW

This agreement including all matter connected with this Agreement, shall be governed by the laws of India (both substantive and procedural) for the time being in force and shall be subject to exclusive jurisdiction of the Indian Courts/Tribunals at Delhi.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

FOR AND ON BEHALF OF PFC Consulting Limited

By **Manager (F&A)**
Authorized Representative

FOR AND ON BEHALF OF _____

By _____

Authorized Representative

.....

LIST OF APPENDICES ALONG WITH THE CONTRACT AGREEMENT

A - Letter of Award to the Internal Auditor

Form – 6: SPECIAL INSTRUCTIONS TO BIDDERS FOR E-TENDERING

General

The Special Instructions (for e-Tendering) supplement 'Instruction to Bidders', as given in this Tender Document. Submission of Online Bids is mandatory for this Tender. E-Tendering is a new methodology for conducting Public Procurement in a transparent and secured manner. Now, the Government of India has made e-tendering mandatory. Suppliers/ Vendors will be the biggest beneficiaries of this new system of procurement. For conducting electronic tendering, PFC Consulting Ltd. has decided to use the portal <https://www.tcil-india-electronictender.com> through TCIL, a Government of India Undertaking. This portal is based on the world's most 'secure' and 'user friendly' software from Electronic Tender. A portal built using Electronic Tender's software is also referred to as Electronic Tender System (ETS). Benefits to Suppliers is outlined on the Home-page of the portal.

Instructions

Tender Bidding Methodology:

- **Electronic Bid System**
- **Single Stage Two Envelope (Technical & Financial)**

Broad Outline of Activities from Bidder's Perspective:

1. Procure a Digital Signing Certificate (DSC)
2. Register on Electronic Tendering System (ETS)
3. Create Marketing Authorities (MAs), Users and assign roles on ETS
4. View Notice Inviting Tender (NIT) on ETS
5. For this tender -- Assign Tender Search Code (TSC) to a MA
6. Download Official Copy of Tender Documents from ETS
7. Clarification to Tender Documents on ETS
 - Query to **PFC Consulting Ltd.** (Optional)
 - View response to queries posted by **PFC Consulting Ltd.**
8. Bid-Submission on ETS
9. Attend Public Online Tender Opening Event (TOE) on ETS
 - Opening of relevant Bid-Part
10. Post-TOE Clarification on ETS (Optional)
 - Respond to **PFC Consulting Ltd.** Post-TOE queries
11. Attend Public Online Tender Opening Event (TOE) on ETS
 - Opening of relevant part (i.e. Financial-Part)
(Only for Technical Responsive Bidders)

For participating in this tender online, the following instructions are to be read carefully. These instructions are supplemented with more detailed guidelines on the relevant screens of the ETS.

Digital Certificates

For integrity of data and authenticity/ non-repudiation of electronic records, and to be compliant with IT Act 2000, it is necessary for each user to have a Digital Certificate (DC). Also referred to as Digital Signature Certificate (DSC), of Class 2 or above, issued by a Certifying Authority (CA) licensed by Controller of Certifying Authorities (CCA) [[referhttp://www.cca.gov.in](http://www.cca.gov.in)].

Registration

To use the Electronic Tender® portal <https://www.tcil-india-electronictender.com>, vendors need to register on the portal. Registration of each organization is to be done by one of its senior persons who will be the main person coordinating for the e-tendering activities. In ETS terminology, this person will be referred to as the Super User (SU) of that organization. For further details, please visit the website/portal, and click on the 'Supplier Organization' link under 'Registration' (on the Home Page), and follow further instructions as given on the site. Pay Annual Registration Fee as applicable.

After successful submission of Registration details and Annual Registration Fee, please contact TCIL/ ETS Helpdesk (as given below), to get your registration accepted/activated.

Important Note: To minimize teething problems during the use of ETS (including the Registration process), it is recommended that the user should peruse the instructions given under 'ETS User-Guidance Center' located on ETS Home Page, including instructions for timely registration on ETS. The instructions relating to 'Essential Computer Security Settings for Use of ETS' and 'Important Functionality Checks' should be especially taken into cognizance.

Please note that even after acceptance of your registration by the Service Provider, to respond to a tender you will also require time to complete activities related to your organization, such as creation of users, assigning roles to them, etc.

TCIL/ ETS Helpdesk	
Telephone/ Mobile	Customer Support: +91-11-26202699(Multiple Lines) Emergency Mobile Numbers: +91-9868393775, 9868393717, 9868393792
E-mail ID	ets_support@tcil-india.com

PFC Consulting Ltd. Contact	
Contact Person	Mr. Yogesh Juneja, CEO Mr. Rakesh Sharma, Manager
Telephone	011-23443713 [between 10:00 hrs to 17:00 hrs on working days]
E-mail ID	rakesh_sharma@pfcindia.com

Some Bidding related Information for this Tender (Sealed Bid)

The entire bid-submission would be online on ETS. Broad outline of submissions are as follows:

- Submission of Bid-Parts
 - Technical Part
 - Financial Part
 - Submission of digitally signed copy of entire Tender Documents/Addendum

Offline Submissions:

No offline submission is required.

Note: The Bidder should also upload the scanned copies of all the documents as Bid-Annexures during Online Bid-Submission.

Special Note on Security and Transparency of Bids

Security related functionality has been rigorously implemented in ETS in a multidimensional manner. Starting with 'Acceptance of Registration by the Service Provider', provision for security has been made at various stages in Electronic Tender's software. Specifically for Bid Submission, some security related aspects are outlined below:

As part of the Electronic Encrypter functionality, the contents of both the 'Electronic Forms' and the 'Main-Bid' are securely encrypted using a Pass-Phrase created by the Bidder himself. Unlike a 'password', a Pass-Phrase can be a multi-word sentence with spaces between words (eg I love this World). A Pass-Phrase is easier to remember, and more difficult to break. It is recommended that a separate Pass-Phrase be created for each Bid-Part. This method of bid- encryption does not have the security and data-integrity related vulnerabilities which are inherent in e-tendering systems which use Public-Key of the specified officer of a Buyer organization for bid-encryption. Bid encryption in ETS is such that

the Bids cannot be decrypted before the Public Online Tender Opening Event (TOE), even if there is connivance between the concerned tender-opening officers of the Buyer organization and the personnel of e-tendering service provider.

CAUTION: All bidders must fill Electronic Forms for each bid-part sincerely and carefully, and avoid any discrepancy between information given in the Electronic Forms and the corresponding Main-Bid. For transparency, the information submitted by a bidder in the Electronic Forms is made available to other bidders during the Online Public TOE. If it is found during the Online Public TOE that a bidder has not filled in the complete information in the Electronic Forms, the TOE officer may make available for downloading the corresponding Main-Bid of that bidder at the risk of the bidder. If variation is noted between the information contained in the Electronic Forms and the 'Main-Bid', the contents of the Electronic Forms shall prevail. Alternatively, **PFC Consulting Ltd.** reserves the right to consider the higher of the two pieces of information (e.g. the higher price) for the purpose of short-listing, and the lower of the two pieces of information (e.g. the lower price) for the purpose of payment in case that bidder is an awardee in that tender.

Typically, 'Pass-Phrase' of the Bid-Part to be opened during a particular Public Online Tender Opening Event (TOE) is furnished online by each bidder during the TOE itself, when demanded by the concerned Tender Opening Officer.

The bidder shall make sure that the Pass-Phrase to decrypt the relevant Bid-Part is provided to PFCCL after the corresponding deadline of Bid Submission, and before the commencement of the Online TOE.

There is an additional protection with SSL Encryption during transit from the client-end computer of a Supplier organization to the e-tendering server/ portal.

Public Online Tender Opening Event (TOE)

ETS offers a unique facility for 'Public Online Tender Opening Event (TOE)'. Tender Opening Officers, as well as, authorized representatives of bidders can simultaneously attend the Public Online Tender Opening Event (TOE) from the comfort of their offices. Alternatively, one/ two duly authorized representative(s) of bidders (i.e. Supplier organization) are requested to carry a Laptop with Wireless Internet Connectivity, if they wish to come to **PFC Consulting Ltd.** office for the Public Online TOE.

Every legal requirement for a transparent and secure 'Public Online Tender Opening Event (TOE)', including digital counter-signing of each opened bid by the authorized TOE-officer(s) in the simultaneous online presence of the participating bidders' representatives, has been implemented on ETS.

As soon as a Bid is decrypted with the corresponding 'Pass-Phrase' as submitted online by the bidder himself (during the TOE itself), salient points of the Bids (as identified by the **PFC Consulting Ltd.**) are simultaneously made available for downloading by all participating bidders. The medium of taking notes during a manual 'Tender Opening Event' is therefore replaced with this superior and convenient form of 'Public Online Tender Opening Event (TOE)'.

ETS has a unique facility of 'Online Comparison Chart' which is dynamically updated as each online bid is opened. The format of the chart is based on inputs provided by the Buyer for each Bid-Part of a tender. The information in the Comparison Chart is based on the data

submitted by the Bidders. A detailed Technical and/ or Financial Comparison Chart enhance Transparency. Detailed instructions are given on relevant screens.

ETS has a unique facility of a detailed report titled 'Minutes of Online Tender Opening Event (TOE)' covering all important activities of 'Online Tender Opening Event (TOE)'. This is available to all participating bidders for 'Viewing/Downloading'.

There are many more facilities and features on ETS. For a particular tender, the screens viewed by a Supplier will depend upon the options selected by the concerned Buyer.

Other Instructions

For further instructions, the vendor should visit the home-page of the portal <https://www.tcil-india-electronictender.com>, and go to the **User-Guidance Center**.

The help information provided through 'ETS User-Guidance Center' is available in three categories – Users intending to Register / First-Time Users, Logged-in users of Buyer organizations, and Logged-in users of Supplier organizations. Various links (including links for User Manuals) are provided under each of the three categories.

Important Note: It is strongly recommended that all authorized users of Supplier organizations should thoroughly peruse the information provided under the relevant links, and take appropriate action. This will prevent hiccups, and minimize teething problems during the use of ETS.

SIX CRITICAL DO'S AND DON'TS FOR BIDDERS

Specifically for Supplier organizations, the following 'SIX KEY INSTRUCTIONS for BIDDERS' must be assiduously adhered to:

1. Obtain individual Digital Signing Certificate (DSC or DC) well in advance of your first tender submission deadline on ETS
2. Register your organization on ETS well in advance of the important deadlines for your first tender on ETS viz 'Date and Time of Closure of Procurement of Tender Documents' and 'Last Date and Time of Receipt of Bids'. Please note that even after acceptance of your registration by the Service Provider, to respond to a tender you will also require time to complete activities related to your organization, such as creation of users, assigning roles to them, etc.
3. Get your organization's concerned executives trained on ETS well in advance of your first tender submission deadline on ETS
4. Submit your bids well in advance of tender submission deadline on ETS (There could be last minute problems due to internet timeout, breakdown, et al)
5. It is the responsibility of each bidder to remember and securely store the Pass-Phrase for each Bid-Part submitted by that bidder. In the event of a bidder forgetting the Pass-Phrase before the expiry of deadline for Bid-Submission, facility is provided to the bidder to 'Annul Previous Submission' from the Bid-Submission Overview page and start afresh with new Pass-Phrase(s)
6. ETS will make your bid available for opening during the Online Public Tender Opening Event (TOE) 'ONLY IF' your 'Status pertaining Overall Bid-Submission' is 'Complete'. For your record, you can generate and save a copy of 'Final Submission Receipt'. This receipt can be generated from 'Bid-Submission Overview Page' only if the 'Status pertaining overall Bid-Submission' is 'Complete'.

NOTE:

While the first three instructions mentioned above are especially relevant to first-time users of ETS, the fourth, fifth and sixth instructions are relevant at all times.

Minimum Requirements at Bidder's End

- Computer System with good configuration (Min PIV, 1 GB RAM, Windows 7 or above)
- Broadband connectivity
- Microsoft Internet Explorer 6.0 or above
- Digital Certificate(s)