

# **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 PFCCCL FOR THE PERIOD FROM 01.04.2024 TO 31.03.2025**

**(Only for Consulting Organizations empanelled with PFCCCL under Area Code 2(n)/  
Immediate previous Statutory Auditors of PFC, subsidiary companies of PFC and PFCCCL  
(who has completed cooling off period of 2 years) as on the date of issuance of tender)**



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

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

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PFC Consulting Ltd. invites E-Tenders for the Appointment of Internal Auditor of PFCCL for the period from 01.04.2024 to 31.03.2025.

a)	Bid Submission Start Date & Time	<b>19 June, 2024 from 12:00 hrs (IST)</b>
b)	Bid Submission Close Date & Time	<b>04 July, 2024 till 12:00 hrs (IST)</b>
c)	Opening of Technical Bid	<b>04 July, 2024 at 12:30 hrs (IST)</b>
d)	Opening Financial Bid	<b>To be intimated to qualified bidders</b>

**Note:**

1. Tender Notice and Tender Document are available on PFC Consulting Ltd. website and can be downloaded from <https://www.pfclindia.com>. For bid submission, the Bidder will have to necessarily download an official online copy of the Tender document from GEM portal <https://gem.gov.in>. All future Information viz. corrigendum /addendum/ amendments etc. for this Tender shall be posted on the PFC Consulting Ltd. website and GeM Portal only. Printed copy of Tender Document will not be sold from PFC Consulting Ltd. office.
2. The bidder shall bear all costs associated with the preparation, submission/participation in the bid including cost of registration with the said e-procurement portal, if any. PFCCL in no way will be responsible or liable for these costs regardless of the conduct or outcome of the bidding process.
3. Bidders are advised to start the registration process on the e-Procurement Portal as it may take a few days so as to avoid any delay in bid submission. Bidders may visit the said e-procurement Portal for further details.

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**SECTION -1**  
**BID INVITATION**

## **BID INVITATION LETTER**

**Ref No.: PFCCL/2024/IA/01**

**19 June, 2024**

To

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\_\_\_\_\_  
\_\_\_\_\_

**Sub: Appointment of Internal Auditor of PFCCL for Financial Accounts and Internal Financial Controls for the period from 01.04.2024 to 31.03.2025.**

Sir,

PFC Consulting Limited (hereinafter referred as PFCCL/ the Company) was incorporated under Companies Act, 1956, as a wholly owned subsidiary of Power Finance Corporation Ltd. (PFC) on 25<sup>th</sup> March, 2008 and as on date its 100% of the paid up equity capital (Rs.5.22 Lakhs) is held by PFC Ltd. The turnover of PFCCL for F.Y. 2022-23 was Rs. 133.03 Crs (expected to be Rs. 267 Crore for F.Y. 2023-24). Presently, PFCCL prepares accounts of PFCCL, subsidiary companies of PFC and subsidiary companies of PFCCL (List Enclosed).

### **1. BACKGROUND**

PFCCL intends to engage Chartered Accountants firm/ organisation 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 for the period from 01.04.2024 to 31.03.2025 (Assignment). **The term Internal Audit hereinafter means Internal Audit of both Financial Accounts and Internal Financial Controls.**

The Internal Auditor 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 Board of Directors of the Company. PFCCL wishes to avail services of a Chartered Accountants firm/ organisation on a lump sum basis to carry out Internal Audit of PFCCL for the period from 01.04.2024 to 31.03.2025.

## 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 01.04.2024 to 31.03.2025 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 Ind AS. .
- To suggest compliances of any other statutory provisions applicable to 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 standard procedure for award of consultancy assignment/appointment of consultant have been consistently 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.
- To examine the effectiveness and operation of such checks & controls throughout the period covered under audit

**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 – 75%**

- 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.
- 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 & 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 recognition.
- To report the cases where the payment is in arrear against invoices on monthly basis.
- To verify whether proper/reasonable course of action has been taken for timely recovery of amount against invoices raised.

**B. Other Income – Extent of Checking 100%**

- To verify whether the procedure in regard to placement/investment 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/ annual 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 Accounts of holding/subsidiaries are reconciled with the corresponding Accounts of PFCCL.
- 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.
- To verify that fixed assets have been physically verified on regular interval and the report of the same have been prepared and signed by the competent authority.

**iii) Bank Guarantees – Extent of Checking-100%**

- To verify that Bank Guarantees are received as per terms of contract.
- To verify that confirmation for issuance of Bank Guarantee has been obtained from Bank whenever required on case to case basis.
- Physical verification of Bank Guarantee.
- To verify the register for Bank Guarantee.
- To verify that the bank guarantee has been timely renewed/ extended wherever required as per the contract terms

**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 identify, examine, and 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

Note: Any other work not covered above but which is required for the compliance under the Companies Act, 2013, Applicable IND AS, Auditing Standards etc., should also be undertaken and performed by the Internal Auditor.

Further, it may be noted that the senior partner in internal audit team as referred in Para 7 (Team Composition and team members) must deploy minimum 40 man hours for each quarterly internal audit.

### 3. DELIVERABLES

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

#### **Deliverables in respect of Internal Audit of Financial Accounts:**

- i) Submission of Internal Audit Report for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Quarter by the end of the next month following the relevant Quarter or as directed by the Company.
- ii) Internal Audit report for 4<sup>th</sup> Quarter will be submitted by 15<sup>th</sup> of next month of quarterend or as directed by the Company.
- iii) Reporting on the issues/aspects referred along with recommendations.
- iv) Opinion on various issues, as may be referred.
- v) Replies of Audit paras and other Reports.
- vi) Coordination with Statutory Auditors for finalization of accounts and finalization of Financial Statement on quarterly/ half yearly / nine month/ annual basis.
- vii) 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.

Any other deliverables as may be required by PFCCL for completing the Assignment to its

satisfaction.

#### **4. ELIGIBILITY CRITERIA**

- i) The Chartered Accountants firm/ organisation (the Bidder) should be empanelled (as on the date of issue of tender) with PFCCL under area code 2(n). Further, immediate previous Statutory Auditors of PFC, subsidiary companies of PFC and PFCCL are also eligible for participating in the bid who have completed the cooling off period of two years as on the date of issuance of tender. Subsidiary companies of PFC and PFCCL for the above purpose shall be considered those companies disclosed as “Subsidiaries” in the “Related Party Disclosure” of financial statement of PFC & PFCCL as on 31<sup>st</sup> March, 2023.
- ii) The Bidder should be submitting the bid on its own and not in consortium with any other firm/ organisation.
- iii) The Bidder should have at least average Turnover of Rs. 50 lakh in immediate last three (03) financial years (i.e. FY 2020-21 to FY 2022-23) as per audited annual accounts. The bidder should submit documentary proof in support of the turnover in the form of CA Certificate along with copy of audited 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 organizations etc. having turnover of 50 Crore or more during last three (3) years i.e. FY 2020-2021 to FY 2022-23.
- v) Location of Firm’s Office: The Bidder should have the registered / head office / branch office in Delhi/NCR.
- vi) The Bidder should have undertaken/ handled Statutory Audit of Consulting Organisation/ Public Sector Undertaking/ Banks, during last three (3) years i.e. Indian FY 2020-2021 to FY 2022-23.
- vii) The Bidder should have atleast 5 partners on the date of issue of tender. Documentary proof in the form of self-certified latest copy of ICAI Firm Card should be given.

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

#### **5. PERIOD OF ENGAGEMENT**

The period of engagement would be till the completion of Internal Audit for the period from 01.04.2024 to 31.03.2025, which may be further extended on year-to-year basis (Maximum 3 years) upon satisfactory performance and on same terms & conditions subject to the approval of CEO, PFCCL. Price cannot be escalated.

## 6. BASIS OF OFFER

The price offer for the Assignment should be quoted on a lump sum basis for the assignment period inclusive of all taxes and duties etc. as may be applicable. Travelling expenses will be reimbursed separately as per clause 15 (b) of this bid document. 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 (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.

## 7. 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.
- c. 2 Support staff consisting of either paid employee of the firm/ organisation 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 CMA or CS.

## 8. CONTENTS OF BID DOCUMENTS

The bid document contains the following documents:

- Section -1 : Bid Invitation Letter**  
**Section -2 : Bid Forms**  
**Section- 3 : Contract Agreement**

## 9. SUBMISSION OF BID

9.1 The Bidder as per approved empaneled list of PFCCL and immediate previous Statutory Auditors of PFC, subsidiary companies of PFC and PFCCL who have completed cooling off period of two years as on the date of issuance of tender, 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://gem.gov.in/> online before the due date and time.

9.2 The "TECHNICAL PROPOSAL" should contain the details as per format provided at Form-1, Form-2, Form-3, Form-4 & Form-5.

Note: 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.

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

9.4 Bidders are instructed not to approach PFCCL 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 03-07-2024 at 12:30 Hrs in the presence of the authorized representatives of the Bidders, who wish to be present.

### **10.2 Technical Proposal Evaluation**

The Technical evaluation would be in two parts:

#### **A. RESPONSIVE CHECK OF BID**

- i) The Chartered Accountants firm/ organisation (bidder) should be empanelled (as on the date of issue of tender) with PFCCL under area code 2(n). Further, immediate previous Statutory Auditors of PFC, subsidiary companies of PFC and PFCCL are also eligible for participating in the bid who have completed the cooling off period of two years as on the date of issuance of tender. Subsidiary companies of PFC and PFCCL for the above purpose shall be considered those companies disclosed as "Subsidiaries" in the "Related Party Disclosure" of financial statement of PFC & PFCCL as on 31<sup>st</sup> March, 2023.
- ii) The Technical Proposal should contain Form-1, Form-2, Form-3 and Form-4 duly filled and signed by authorised signatory as per authority letter in 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) Details of key personnel proposed to be deployed are to be provided in Technical bid as per format provided at Form -4

Note: The bid of any firm/ organisation not meeting any or all the above criteria will not be considered responsive and the technical evaluation of the firm/ organisation will not be

carried out. Further, the bid shall be rejected outright.

**B. EVALUATION OF EXPERIENCE OF THE FIRM/ORGANISATION: MAXIMUM 100 MARKS**

Technical bid of the Bidders would be evaluated on the following basis:

- i) Experience/ age of the firm/ organisation till the date of issue of tender: Maximum Marks (20)  
(Age < 15 Years, 10 marks), (15 years ≥ Age < 20 Years, 15 marks) and (Age ≥ 20, 20 marks)
- ii) Number of Partners as on the date of issue of tender: Maximum Marks (10)  
(5 > No ≤ 7, 5 marks), (7 > No ≤ 10, 7 marks) and (No ≥ 10, 10 marks)
- iii) Experience in Statutory Audit of Consulting Organisation, Public Sector Undertaking and Banks from FY 2020-21 to FY 2022-23: Maximum Marks (20)  
(No = 1, 10 marks). (No = 2, 15 marks) (No ≥ 3, 20 marks)
- iv) Experience in Internal Audit of organization having turnover of 50 Crore or more from FY 2020-21 to FY 2022-23: Maximum Marks (20)  
(PSU 10 marks), (Financial Institutions/ Banks 5 marks) and (Others 5 marks).
- v) Average Turnover from FY 2020-21 to FY 2022-23: Maximum Marks (20)  
(Rs 50 Lakh > Turnover ≤ 1 Crore, 10 marks), (Rs 1 Crore > Turnover ≤ Rs 2 Crore, 15 marks), and (Turnover > Rs2 Crore, 20 marks)
- vi) Empanelment with C&AG: 10 marks

Note:

- 1) Audit of each financial year has been considered as separate audit.
- 2) For the purpose of iv) above, concurrent audit of banks will be considered as Internal audit.

Documentary evidence, like

- for sl.no. i) & ii): Self certified latest copy of ICAI Firm Card will have to be submitted.
- for sl.no. iii) & iv): Client's certificate or Copies of LoI/LoA/appointment letter or Completion Certificate or Proof of final payment, will have to be submitted in support of past experience.
- for sl.no. v): CA Certificate along with copy of Audited Balance Sheet and Statement of Profit & Loss account.
- For sl.no. vi): Letter for empanelment with C&AG

The bids of Bidders which are responsive and the Bidders who have obtained 70% marks or more would qualify for the opening of financial proposals. Financial Proposal of other Bidders will be returned unopened.

PFCCCL reserves the discretion to seek clarifications during the evaluation process of the Technical bid. **Only those papers/supporting documents shall be considered which were initially submitted with the bid documents.**

**The bids of Bidders which are responsive and the Bidders who have obtained 70% 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” will be intimated to 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**

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/ organisation having the highest average turnover.

## **12.0 CONTRACT AGREEMENT**

**12.1** In the event of award, the selected firm/ organisation will be required to enter into a “Contract Agreement” with the PFCCL within 30 (thirty) 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** “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 bidder.

**12.3** The Agreement will be signed in two originals and the selected firm/ organisation 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 binding contract between the selected bidder and PFCCL.

### 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 CONTRACT PERFORMANCE GUARANTEE (CPG)

In the event of an award, the selected bidder, within ten (10) days of receipt of Letter of Award (LoA) from PFCCL, will be required to arrange submission of CPG in the form of a Bank Guarantee (BG) of Five (05) Percent of the Contract value. The CPG/ BG should be as per performa (will be given to the successful bidder) and should be kept valid up to fifteen (15) months from the date of issue of Letter of Award (LoA).

### 15.0 TERMS OF PAYMENT

- a) On completion of audit of 1<sup>st</sup> Quarter 20% (Twenty percent) of quoted price)
- b) On completion of audit of 2<sup>nd</sup> Quarter 20% (Twenty percent) of quoted price)
- c) On completion of audit of 3<sup>rd</sup> Quarter 20% (Twenty percent) of quoted price)
- d) On completion of audit of 4<sup>th</sup> Quarter 40% (Forty percent) of quoted price)

The Auditor shall submit the bills in duplicate to PFCCL addressed to CFO, PFCCL, indicating the stage achieved, out of the ones indicated above. The payment shall be made within 45 days of submission of Bills to PFCCL 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 selected bidder would be reimbursed to & fro journey fare, accommodation expenses, dearness allowance and local conveyance at the destination as below 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:

Particulars	Travel Class by Air/Rail	Hotel/DA (as per the entitlement of)
Partner	Economy Class	General Manager
Chartered Accountant	Economy Class	Deputy General Manager
Article clerks/ Others	2 <sup>nd</sup> A.C. – Rail	Assistant Manager



No claim for journey fare/accommodation expenses/local conveyance for travel within Delhi NCR limits will be admissible.

- c) The selected bidder 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/ organisation as per the terms of payment after being due, and would be accepted for payment based on satisfactory progress, stage achieved and quality of work at the sole discretion of the Competent Authority.
- e) In case there is a delay by the selected firm/ organisation in accomplishing the work as per scope of work which in the opinion of PFCCL is attributable to the selected Internal Auditor, PFCCL reserves the right to get such specific work(s) done through any other firm(s)/ organisation(s) at the risk and cost of the selected Internal Auditor 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 may 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 firm/ 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 firm/ organisation will be liable for termination.
- i) If due to any reason or decision of the Govt./PFC/PFCCL, the services of firm/ organisation is dropped and the firm/ organisation is directed to discontinue work, the "Drop Dead Fee" would be limited to the payments received by the firm/ organisation 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: Firm/ organisations would not be hired for any work whose interests are in conflict with their prior or current obligations to the other firm/ 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, firm/ organisations would not be hired, under the circumstances set forth below:

- k) The firm/ organisation who have business or family relationship with member(s) of PFC's / PFCCL's and/or subsidiary's employees or persons positioned in or on the Board of these companies by whatever process, would not be engaged. A declaration to this effect would be taken from the firm/ organisation when being engaged, and if found incorrect, the firm/ organisation would be debarred from any further engagement by PFC/PFCCL or subsidiary of PFC/PFCCL ever.
- l) The firm/ organisation which have been blacklisted by PFC/ PFCCL shall be debarred from any further engagement by PFC/ PFCCL or subsidiary of PFC/ PFCCL ever.
- m) The firm/ organisation 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.
- n) No offer should be sent by Fax or E-mail.
- o) PFCCL reserve the right to accept or reject any or all proposals/offers or annul the bid process or modify/ change the content of the bid document without assigning any reason.
- p) 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**

**(Milind M Dafade)  
CFO**

Encl.: As Above

**SECTION- 2**  
**BID FORMS**

**FORM – 1: COVERING LETTER**

From:	To:
Name:	CFO
Designation:	PFC Consulting Ltd., 7 <sup>th</sup> Floor, A
Address:	Wing, Statesman House, 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 01.04.2024 to 31.03.2025.**

We \_\_\_\_\_ (Name of Chartered Accountant Firm/ organisation) herewith enclose Technical & Financial proposal for selection of our firm/ 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 01.04.2024 to 31.03.2025.

1) We are submitting our bid consisting of:

i) Technical Bid consisting of:

- (1) The Covering Letter (Form-1) in which the firm/ organisation 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/ organisation 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 inclusive of all taxes and duties etc. as may be applicable excluding GST 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/ organisations interested in this proposal as principal or principals are named herein and that no other company, person or firm/ organisation 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. 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 for 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 firm/ organisations/clients and also do not have business or family relationship with member(s) of PFC's/PFCCL's and/or its subsidiaries and subsidiary's employees or persons positioned in or on the Board of these companies by whatever process and if found incorrect, we may be debarred from any further engagements by PFC/PFCCL and/or subsidiary 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 PFC/PFCCL and/or subsidiary for a period of maximum three years from the date of such disqualification or as decided by the management of PFC/ PFCCL.
- 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 FIRM/ ORGANISATION

1. Brief Description of the Firm/ organisation :
- Year of Incorporation :
- Total no. of years of experience of Firm/ organisation :
- No. of Partners (In Delhi/NCR) :
- Turnover of the Firm/ organization (FY 2020-21, 2021-22 & 2022-2023) :
- Empanelment with PFCCL :
- Empanelment with C&AG :
- Association with PFC Ltd/Subsidiary Companies of PFC Ltd/ Subsidiaries of PFCCL :

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	Turnover of the Client	Date of Commencement	Date of Completion	Scope in brief
1							
2							
3							
4							
5							

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/work order/ LoI/LoA or iii) Completion Certificate or iv) Proof of final payment in support of past or any other representative documents etc.

- 2) CA certificate or Copy of Audited Balance Sheet and Statement of Profit & loss of Client in support of turnover of the Client.
- 3) The firm/ organisation's relevant experience from Indian FY 2020-21 to FY 2022-23 will be considered for evaluation.
- 4) Self-certified copy of ICAI firm card in support of no. of partners of the Bidder.
- 5) Empanelment letter issued by PFCCL/ CAG will be considered for evaluation.



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

	<b>Name</b>
1	<u>Team Members</u>
2	Team Leader
3	Other Members

Signature of Authorised Signatory

Full Name \_\_\_\_\_

Address \_\_\_\_\_

**FORM -4: CURRICULUM VITAE FOR EACH MEMBER OF THE 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/ organisation.

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/ ORGANISATION)

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

**Contact Details of Authorised Person:**

**Name:**

**Designation:**

**Mobile Number:**

**Email Id:**

Signature:

Full Name:

Address:

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

***Sub: To carry out the Internal Audit of PFCCL for the period from 01.04.2024 to 31.03.2025***

***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 01.04.2024 to 31.03.2025.***

**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 PFCCL for the period from 01.04.2024 to 31.03.2025 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 all inclusive (Travelling expenses will be reimbursed separately for tours made beyond NCR Limits) as per bidding document. 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 PFCCL as per the applicable law and regulation and TDS certificate shall be issued to the internal auditor by PFCCL
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**

## DRAFT 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 01.04.2024 to 31.03.2025.

- (A) the Client has appointed M/s \_\_\_\_\_ as Internal Auditor to **carry out the internal audit of PFCCL for the period from 01.04.2024 to 31.03.2025** 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 **01.04.2024 to 31.03.2025** 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:**

**Deputy General Manager (F&A)  
PFC Consulting Ltd., 7<sup>th</sup> Floor, A Wing,  
Statesman House, Connaught Place,  
New Delhi – 110 001  
Telefax : 011-23443713**

**For the Internal Auditor:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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 **Deputy General 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 Auditor 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 PFCCCL 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 Auditor 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. CONTRACT PERFORMANCE GUARANTEE**

**3.1.1** The Internal Auditor within 10 days from the date of issue of Letter of Award would furnish a Performance Guarantee in the form of Bank Guarantee as per Performa attached as Section-2 of bid document, from any Bank towards performance of the Contract. The guarantee amount would be equal to five (05) percent of the contract price in accordance with the terms and conditions specified in the contract and in the Bid Documents. The guarantee would be valid until after expiry of a period fifteen (15) months from the scheduled date.

**3.1.2** The Contract Performance Guarantee is intended to secure the performance of the entire contract and shall not be construed as limiting the damages stipulated in other clauses in the Bid Documents.

**3.1.3** The Performance Guarantee will be returned to the Internal Auditor without any interest at the end of the Guarantee Period.

### **4. OBLIGATIONS OF THE INTERNAL AUDITOR**

#### **4.1. General**

#### **3.1.4 Standard of Performance**

The Internal Auditor shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted consulting standards recognized by professional bodies, and shall observe sound management methods. The Internal Auditor 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.

#### **3.1.5 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 Auditor, 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 Auditor 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 Auditor**

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 Auditor 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 Auditor 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 Auditor 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 Auditor 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 Auditor under this Contract, the Client shall make to the Internal Auditor 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 CFO of the Client or any other official authorised by CFO 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 CFO 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 CFO of the Client or any other official authorised by CFO 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 bidder would be reimbursed To & Fro journey fare, Accommodation expenses, Dearness Allowance and local conveyance at the destination as below 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:

<b>Particulars</b>	<b>Travel Class by Air/Rail</b>	<b>Hotel/DA (as per the entitlement of)</b>
Partner	Economy Class	General Manager
Chartered Accountant	Economy Class	Deputy General Manager
Article clerks/ Others	2 <sup>nd</sup> A.C. – Rail	Assistant Manager

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

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

- 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 **Deputy General Manager (F&A)**  
Authorized Representative

FOR AND ON BEHALF OF \_\_\_\_\_  
By \_\_\_\_\_

Authorized Representative

For any assistance regarding the Tender Document and/or term and conditions the bidders may contact at PFCCL:

<b>Contact Person</b>	Mr. Milind Madhusudan Dafade (CFO) Mr. Sandeep Kumar (DGM)
<b>Telephone</b>	011-23443701 011-23443713 [between 9:00 hrs to 17:30 hrs on working days]