

REQUEST FOR PROPOSAL

FOR

APPOINTMENT AS AUDITORS FOR FINANCIAL AUDIT OF

DEBT DUE OF

**HARYANA MASS RAPID TRANSPORT CORPORATION LIMITED VS
RAPID METRO GURGAON LIMITED/ RAPID METRO GURGAON
SOUTH LIMITED**

**TO BE SUBMITTED ON OR BEFORE
12 PM ON 02 DECEMBER 2019**

**OFFICE OF COMPTROLLER AND AUDITOR GENERAL OF INDIA
9, DEEN DAYAL UPADHYAY MARG
NEW DELHI – 110 002**

BRIEF INFORMATION ON LIMITED TENDER ENQUIRY

CRITICAL DATES

| Sl. No. | Particulars | Date | Time |
|---------|--|------------|------------|
| 1 | Date of issue of limited tender enquiry | 22.11.2019 | 2000 hours |
| 2 | Closing date of submission of bid along with requisite documents | 02.12.2019 | 1200 hours |
| 3 | Opening date of Technical bid | 02.12.2019 | 1500 hours |
| 4 | Opening date of financial bid | 03.12.2019 | 1500 hours |

| | |
|--|---|
| Tender No. | 134/2019/01 |
| Total Number of pages of Tender Document | 15 pages |
| Address and Venue of submission of bids | Sr. Administrative Officer (NR), Office of the Comptroller and Auditor General of India, Pocket 9, Deen Dayal Upadhyaya Marg, New Delhi-110124. |

Notice inviting tender

To

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Office of the Comptroller and Auditor General of India, New Delhi invites limited tender enquiry in sealed bids in two parts (Technical and Financial) for appointment as auditors for financial Audit of Debt Due as per the requirements specified in the Bidding Document.

The description of works is given in the tender document.

The Competent Authority reserves the right to reject any or all the bids without assigning any reason and the decision of the competent authority of the office of the Comptroller and Auditor General of India, shall be final and binding.

Sr. Administrative Officer (NR)

BID SUBMISSION FORM

(To be printed on Bidder's letterhead, signed, stamped)

Date:

LETTER OF BID

To

Sr. Administrative Officer (NR),
Office of the Comptroller and Auditor General of India,
Pocket 9, Deen Dayal Upadhyaya Marg,
New Delhi-110124.

Ref: Invitation for Tender No. **Dated.....**

We, the undersigned, declare that:

1. We have examined and have no reservations to the Bidding Documents issued in accordance with Instructions to Bidders.
2. We undertake to provide the professional services in conformity with the Bidding Document.
3. We also declare that our Firm, its associates and/or their partners is/was not associated at any stage at present or during the currency of the present assignment with M/s. IL&FS Limited or any of its group companies for which they will have to give an undertaking.
4. We also declare that our firm has not received adverse comments on their performance from the CAG/ Management/Audit Committee of the audited entities during the last 5 year.
5. We undertake, to enter into agreement as per the terms and conditions of the bidding document and bear all expenses including charges for stamps etc and agreement will be binding on us.

Yours sincerely,

Authorised Signatory

(Authorised person shall attached a copy of Authorisation for signing on behalf of Bidding CA firm)

Full Name and Designation

(To be printed on Bidder's letterhead)

Terms of reference

1.Introduction

Haryana Shahari Vikas Pradhikaran (HSVP), erstwhile Haryana Urban Development Authority (HUDA) had entered (December 2009 and January 2013) into two concession agreements with Rapid Metro Gurgaon Ltd. (RMGL) and Rapid Metro Gurgaon South Ltd. (RMGSL), subsidiaries of IL&FS Ltd group for construction and operation of two Metro links (i.e 1. Sikanderpur to NH-8 Gurugram and 2. Sikanderpur to Sector 56 Gurugram) under Public Private Partnership (PPP) mode. The projects were financed under consortium lending arrangements with debt-equity ratio of 70:30. These two projects were completed and started commercial operations in November 2013 and March 2017 respectively. In February 2015, HSVP transferred these two projects to Haryana Mass Rapid Transport Corporation Ltd (HMRTC). The details of the projects can be accessed at HMRTC website i.e. <http://hmrtc.org.in>

Notice for termination of the above two concession agreements were issued on 7 June 2019 by the concessionaires and the matter is sub-judice. HMRTC/HSVP has taken (22.10.2019) the operation and maintenance of the projects. The Hon'ble High Court, Punjab & Haryana (CWP no 24949 and 24951 of 2019-O&M) in these two cases of HMRTC v/s RMGL and RMGSL respectively, has directed the Comptroller and Auditor General of India (CAG) to appoint a team of auditor/auditors for the financial audit of Debt Due in terms of the concession agreements. The appointed firm has to carry out the financial audit of debt due.

2 Scope of work

The Scope of work for the Auditor would be as follows:

- 2.1 Verify that the Debt Due has been arrived at with reference to the terms & conditions of respective Concession Contracts and all Financing Agreements/Documents which may have bearing on the computation of Debt Due.
- 2.2 Verify that all funds constituting the financial package (debt and equity) for meeting the concessionaire's capital cost has been credited / received in the Escrow Account, as per the quantum/ratio/priority/procedure prescribed in Common Loan Agreement and assessing the impact on the amount of debt due.
- 2.3 Verify that the funds of financial package, deposited in the Escrow account, were used for the project assets as defined in the Concession Contract and assess the impact on the amount of debt due.

2.4 Verify receipt and check that all non-fare revenues were duly accounted for referring to the agreements governing such revenues. Similarly, verify receipt and deposit of all fare revenues in the Escrow account including reconciliation with DMRC/other relevant document assessing the impact on the amount of debt due.

2.5 Verify that all amounts standing to the credit of Escrow Account has been appropriated and dealt with in the order prescribed in the Concession Contract and Escrow Agreement assessing the impact on the amount of debt due.

2.6 Verify that all other receipts and payments have been routed through Escrow Accounts. Review all other bank accounts maintained/operated by the concessionaire during concession period with a view to assess the impact of the operation of such account on the amount of Debt Due.

2.7 Verify that the information contained in Annual Reports (i.e. Audited Financial Statements, Directors Reports and Statutory Audit Reports) of the concessionaire, to the extent this information has a bearing on the amount of Debt Due, has been arrived at by following the applicable Accounting Standards and Guidelines in particular, Ind_AS 11 on Construction Contracts, Ind_AS 23 on Borrowing Costs, Ind_AS 38 on Intangible Assets, Ind_AS 115 on Revenue from Customer Contracts.

2.8 Audit would cover verification of other aspects as may be considered necessary, during the course of audit, to verify the amount of Debt Due.

2.9 **Above Audit would be conducted for the concession period, since inception of the projects**, by following the applicable standards of Auditing issued by CAG/ICAI (inter alia 200-299 on General Principals and Responsibilities, 300-499 on Risk Assessment and Response to Assessed Risks, 500-599 on Audit Evidence with emphasis on SA 530 on Audit Sampling and 600-699 on Using Work of Others)

2.10 Nature, timing and extent of audit procedure will be impacted by the audit evidence obtained. A risk assessment or problem analysis may be conducted and the scope may be revised as necessary in response to the audit findings. Any delay in getting records would be recorded so as to maintain Audit trail.

3. Schedule for completion of task and deliverable timeline

3.1 Within two weeks from date of award, the Auditor shall submit Inception Report indicating results of risk assessment, audit methodology for conducting audit and constraints, if any.

3.2 Draft Audit Report to be submitted by Auditor to the Accountant General (Audit) Haryana, Plot No. 5, Sector 33-B, Chandigarh within two months from date of award of audit.

3.3 Fortnightly appraisal meetings will be held by O/o CAG of India, New Delhi / AG (Audit), Haryana at Gurugram / New Delhi / Panchkula / Chandigarh to review the audit progress.

3.4 Place of audit will be at Gurugram and Panchkula in Haryana.

Details to be supplied by CA firms

4.1 The bidders shall supply the following information / documents:

4.1.1 In the last five years (a) experience of the CA firm as the Statutory Auditors of a listed Company; (b) Central statutory Auditor of PSU Bank.

4.1.2 In the last five years experience of the CA firm as statutory auditor of a firm involved in carrying out infrastructure projects.

4.1.3 Age of the firm.

4.1.4 No. of full time Chartered Accountants including partners exclusively associated with the firm for at least three years (at least two should be FCAs having 10 years' experience).

4.1.5 No. of staff/ partners qualified in ICAI Certification course of forensic audit and fraud examination

4.1.6 No. of professional staff (professional staff consists of CAs, ICWAs or CA-Inter and Audit & Article Assistants that may be engaged in on-site audits at the place of audit).

4.2 The firm should also provide contact details (name of contact person, contact number, e-mail etc. for receiving communication from O/o The C&AG of India. No additional field should be added in the above details. In case the CA firm wants to share any additional information, the same can be enclosed separately.

4.3 All the necessary attachments, proofs in support of above requirements must be enclosed duly signed by the authorized signatory. The firm should attach documents like PAN number, GST Registration details, etc.

4.4 Sealed bids complete in all respects should be sent in person/or by post before 12:00 pm of 2.12.2019 to Senior Administrative Officer, Northern Region, O/o The C&AG of India, 9 DDU Marg, New Delhi – 110124. Ph: 011- 23509410, 011-23509438

4.5. Any bid received after expiry of the deadline for submission as mentioned will be summarily rejected and retained unopened.

4.6. The O/o The C&AG of India shall not be responsible for any postal delay or non receipt / non delivery of the documents. The technical bids will be opened at 03:00 PM on 2 December 2019 and financial bids will be opened on 3 December, 2019 at 3 PM.

Bid Evaluation

5. The bids will be evaluated on combined score based on technical and financial selection criteria. 70% weightage will be given to technical bid and 30% weightage will be given to financial bid. The bidder with highest score will be selected. Technical score will be given as per criteria given below.

5.1. Eligibility Criteria and marks to be awarded for each qualification/ experience:

5.1.1 In the last five years (a) experience of the CA firm as the Statutory Auditors of a listed Company (5 marks for each appointment); (b) Central statutory Auditor of PSU Bank (5 marks each appointment).

(Maximum 20 marks)

5.1.2 In the last five years, experience of the CA firm as statutory auditor of a private sector firm involved in carrying out infrastructure projects. (one mark for each audit assignment)

(Maximum 5 marks)

5.1.3 Age of the firm. (1 mark for each 5 year period)

(Maximum 5 marks)

5.1.4 No. of full time Chartered Accountants including partners exclusively associated with the firm for at least three years (at least two should be FCAs having 10 years' experience).

(2 marks for each partner subject to maximum of 20 marks).

5.1.5 No. of staff/ partners qualified in ICAI Certification course of forensic audit and fraud examination (1 mark/ 2 marks for each staff and partner respectively).

(Maximum of 5 marks).

5.1.6 No. of professional staff (professional staff consists of CAs, ICWAs or CA-Inter that may be engaged in on-site audits at the place of audit).

(1 mark for each, subject to maximum of 15 marks).

(Total Maximum marks: 70)

5.2 Proposal with lowest cost quoted will be given a score of 30 and other proposals will be given a score which is inversely proportional to their prices.

5.3A bid determined as not substantially responsive will be liable to be rejected. An evaluation committee shall conduct bid evaluation. Decision of the competent authority shall be final and binding on all bidders.

Instructions to the bidders

- 6.1 The bids – technical and financial - should be submitted in two separate sealed envelopes marking it clearly with the type of bid viz. technical or financial, name of the bidder, address and seal of the bidder firm. The bidder should put these two sealed envelopes in a bigger envelope duly sealed and submit the same. The formats for application for technical (**Annexure-I**) and financial part (**Annexure-II**) are given as Annexures to this RFP.
- 6.2 Firm, its associates and/ or their partners should not be associated at any stage during the currency of the present assignment or in the past with M/s. IL&FS Limited or any of its group companies for which they will have to give an undertaking.
- 6.3. The firm should not have received adverse comments on their performance from the CAG/ Management/Audit Committee of their audited entities during the last 5 years.
- 6.4. The bid received from the CA firm should receive minimum 35 marks in the technical part for being considered technically responsive.
- 6.5. The intending bidder may note that once the letter of award is issued, the bidder will be bound to fulfill the assignment at the quoted professional fee.
- 6.6. Audit firm shall maintain utmost good faith and confidentiality about the information gathered by them during the course of Audit.
- 6.7. Place of audit will be at Gurugram and Panchkula, Haryana.
- 6.8. All the disputes arising out of engagement shall be subject to New Delhi Court only.

Payment schedule

- 7.1 10 per cent of the award amount on submission of the inception report
- 7.2 30 per cent of the award amount on submission of the draft audit report
- 7.3 40 per cent of the award amount on acceptance of the report to the satisfaction of the Comptroller and Auditor General of India
- 7.4 Balance 20 per cent to be fee payable on acceptance of the Report by the High Court.

Annexure I

Detailed proposal for bid for 'Audit of Debt due' (Technical)

1. General Information

Name and address of the firm

Name of the key person

Contact address of the key person – (phone number, email, fax)

PAN number of the firm

2. Experience of the firm

- a. In the last five years (a) experience of the CA firm as the Statutory Auditors of a listed Company; (b) Central statutory Auditor of PSU Bank.

| Year | Experience | Any adverse remark on performance by auditee/ Audit committee of the auditee or CAG |
|------|------------|---|
| | | |

- b. In the last five years experience of the firm as statutory auditor of a firm involved in carrying out infrastructure projects.

| Year | Experience | Any adverse remark on performance by auditee/ Audit committee of the auditee or CAG |
|------|------------|---|
| | | |

- c. Age of the firm (in years).

d. Details of full time Chartered Accountants including partners exclusively associated with the firm for at least three years (at least two should be FCAs having 10 years' experience).

| Name of full time CAs working with the firm | ICAI membership number | Year of qualifying | Year when joined the firm |
|---|------------------------|--------------------|---------------------------|
| | | | |

e. No. of staff/ partners qualified in ICAI Certification course of forensic audit and fraud examination.

f. Details of professional staff (professional staff consists of CAs, CMAs or CA-Inter and Audit & Article Assistants that may be engaged in on-site audits at the place of audit).

| Name of CAs/ ICWAs working with the firm and proposed to be engaged in the audit. | ICAI/ Instt of Cost Accountants of India membership number | Year of qualifying (if qualified) | Year when joined the firm |
|---|--|-----------------------------------|---------------------------|
| | | | |

g. Additional information, if any.

Signature of the Authorised signatory

Annexure II

Detailed proposal for bid for Audit of Debt due (Financial)

1. General Information

Name and address of the firm

Name of the key person

Contact address of the key person – (phone number, email, fax)

PAN number of the firm

2. Amount of Fees proposed to be charged (in figures and words)

Please note that the bid price is inclusive of all statutory taxes and levies, etc. The audit fees will be paid equally by the HMRTC and the concessionaires.

Signature of the Authorised signatory

Annexure-III

UNDERTAKING

(Notarized Affidavit to be executed on non judicial stamp paper of Rs.10/-).

The Affidavit should be delivered alongwith other documents as per the timelines of the tender document.

1. I, the undersigned certify that I have gone through all the terms and conditions mentioned in the tender document No..... dated..... and undertake to comply with them unconditionally.
2. That I/we also declare that Government of India or any other Government body has not declared us ineligible or black listed or debarred us on charges of engaging in corrupt, fraudulent, collusive or coercive practices or any failure/lapses of any nature.
3. That I/ we declare that the firm, its associates and/ or their partners do/ does not have any association at any stage during the currency of the present assignment or in the past with M/s. IL&FS Limited or any of its group companies

Date:

Place:

Dated Signature of Bidder along with Stamp.....

Name of the Bidder.....