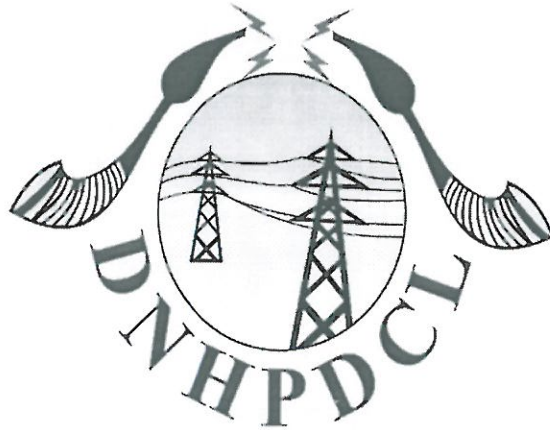


REQUEST FOR PROPOSAL (RFP)
FOR
APPOINTMENT OF CA FIRM/LLPAS INTERNAL AUDITOR
OF DNH POWER DISTRIBUTION CORPORATION LTD FOR
FINANCIAL YEAR 2015-16



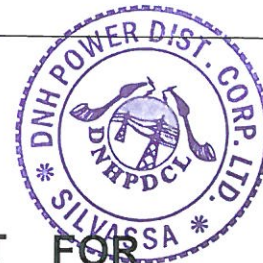
DNH POWER DISTRIBUTION CORPORATION LTD

(A Government Undertaking)

VidhyutBhavan, Opp. Secretariat, Silvassa, Dadra & Nagar Haveli-396230

Tel/Fax: 0260-2642338 Website: www.dnhpdcl.in

CIN:U40100DN2012GOI000405



REQUEST FOR PROPOSAL (RFP) DOCUMENT FOR APPOINTMENT OF CA FIRM/LLP AS INTERNAL AUDITOR OF THE CORPORATION FOR THE FINANCIAL YEAR 2015- 16

1. INTRODUCTION:-

DNH Power Distribution Corporation Ltd (DNHPDCL) is a Government Company registered on 13th July 2012 under the Companies Act, 1956. The registered and head office of the Company is situated at Vidhyut Bhavan, Opp. Secretariat, Silvassa, Dadra & Nagar Haveli-396230.

The Corporation was incorporated with the consent and approval of the Ministry of the Home Affairs and Ministry of Power with an objective to corporatize Distribution and allied division of Electricity Department, Dadra & Nagar Haveli.

The Administration of UT, DNH has notified the scheme for transferring the assets, liabilities, personnel, functions etc of the Distribution and allied division of Electricity Department of DNH vide notification No.1-1(594)/ELE/2013/697 dt 07.03.2013. The Corporation started its commercial operations w.e.f. 1st April 2013 i.e. effective date of transfer.

The Corporation is engaged in the business of distribution of electricity in UT of Dadra & Nagar Haveli to around 65,000 consumers. The annual turnover of the Corporation during the last financial year was about Rs. 2200 crore. The authorised share capital of the Corporation is Rs. 100 crore and paid-up share capital is Rs. 80 crore.

DNHPDCL intends to appoint the Internal Auditor for the financial year 2015-16. The role of the Internal Auditor is to conduct the audit in terms of the scope of work and submit the quarterly audit report to the Management of the Corporation.

The appointment will be initially for a period of one year i.e. for 2015-16 which can be extended for further period of two years on mutually agreed terms.



2. AVAILABILITY OF RFP:-

The RFP document is available at DNHPDCL's website www.dnhpdcl.in

Prospective CA Firm/LLP desirous of participating in this RFP may view and download the RFP document free of cost from the above website.

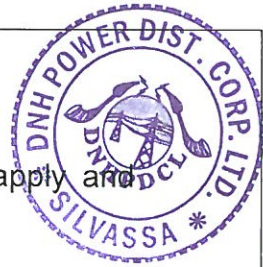
3. IMPORTANT DATES:-

Date of issue of RFP	02.06.2015
Last date for submission of Technical and financial bid	20.06.2015

4. ELIGIBILITY CRITERIA:-

Chartered Accountants Firms/LLP must qualify the following minimum criteria:-

Sr. No	Particulars	Minimum criteria
1	Number of full time partners associated with the firm/LLP for not less than 3 years and shall be member of the Institute of Chartered Accountants of India	2
2	Turnover of the firm/LLP (Average of last three years i.e. 2011-12, 2012-13& 2013-14)	Rs. 25 Lacs
3	No. of years of Firm/LLP existence	Not less than 5 years
4	No of assignment of Internal/Statutory Audit of Corporation/PSUs/Limited companies having turnover of not less than Rs. 50 crore. The experience of the firm preceding 5 years shall only be considered. The experience of the CA firm/LLP in Internal Audit/ Statutory Audit in one company/PSU/Corporation for more than one year will be considered as one assignment only.	At least 3 nos
5	The Firm/LLP should have head office/branch office at Surat/Mumbai/Vapi	For at least 2 years



Any firm/LLP not qualifying these minimum criteria need not apply and their proposal shall be summarily rejected.

Supporting documents for eligibility criteria:-

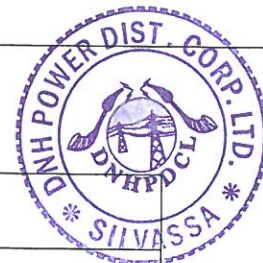
1. For Sr. No. 1, the firm/LLP must submit an attested copy of certificate of Institute of Chartered Accountants of India with respect to its constitution.
2. For Sr. No.2, the firm must submit a copy of the balance sheet and profit and loss account for the last three financial years as mentioned.
3. For Sr. No.3, the firm shall submit a declaration for no of years in existence and certificate from ICAI
4. For Sr. No.4, the firm must submit a copy of the appointment letters from the auditee organisations and annual reports evidencing the turnover of the auditee organisations.
5. For Sr. No.5, a declaration from the firm in the letterhead stating that they have head office/branch office at Surat/Mumbai/Vapi for at least two years

5. EVALUATION CRITERIA FOR SELECTION OF INTERNAL AUDITORS:-

A. TECHNICAL EVALUATION:-

The evaluation criteria for selecting the auditor are mentioned below:-

Sr. No	Evaluation criteria	Maximum marks
1	Number of partners (Partners should necessarily be a member of Institute of Chartered Accountants of India) (1.5 marks for each additional partner above 2 partners)	15
2	The firm have adequate staff to undertake audit work. The staff includes Articles, Audit clerks and semi-qualified personnel. The Marking shall be: 5-10 staff (3 marks) 11-15 staff (6 marks) More than 15 staff (10 marks)	10
3	Number of professionally qualified staff (with associate/fellow membership of ICAI/ICWA) 3-5 staff (3 marks) 5-10 staff (6 marks) More than 10 staff (10 marks)	10



4	Turnover for last three years of the firm/LLP More than Rs. 25 lacs and upto 50 lacs per annum- 4 marks for each year. More than Rs. 50 Lacs per annum :- 5 marks for each year	15
5	Number of internal/statutory audit undertaken during the last 5 years in Corporation/PSUs/Limited Companies whose turnover is more than Rs. 50 crore. The experience of the CA firm/LLP in Internal Audit/ Statutory Audit in one company/PSU/Corporation for more than one year will be considered as one assignment only. (5 marks for each assignment, maximum 10 assignments)	50
Total marks = ST (Score Technical)		100

The minimum qualifying mark is 75% on technical evaluation.

Minimum Technical score of 75% may be relaxed by the Managing Director if less than 3 firms score 75 or more out of 100.

B. FINANCIAL EVALUATION:-

The formula for determining the financial scores (FS) is as below;-

$FS = 100 \times FM/F$ where FS is financial score, FM is the lowest price quoted by any firm/LLP and F is the price quoted by the firm.

The weights given to the Technical and financial proposal are:

T= 0.8 and F=0.2

Total of all the score=ST × 0.8 + FS × 0.2



6. SUBMISSION OF THE PROPOSAL:-

- a) The interested firm shall submit the Technical and Financial Proposal separately duly bound and containing the index/table of content with all the pages numbered
- b) The proposal in the prescribed format should be submitted on or before 5.00 p.m. on 20/06/2015
- c) i) The outer envelope cover shall be addressed to:

“For appointment of Internal Auditor for FY 2015-16”

To,
The General Manager (Fin & HR)
DNH Power Distribution Corporation Ltd
VidhyutBhavan, Opp. Secretariat, Silvassa, Dadra & Nagar Haveli-
396230

This envelope/cover shall contain:

- ii) The Cover 1- Technical Proposal (Super scribed) containing all the relevant formats duly filled in, **Demand Draft of Rs.5000/- in favour of DNH Power Distribution Corporation Ltd and other relevant enclosures- duly sealed**
- iii) The Cover2 -Financial Proposal (Super-scribed) containing the relevant formats duly sealed.
- iv) Both these covers-Cover 1 & Cover 2 shall be put in outer envelope/cover as stated above in (ci) and submitted duly sealed.

7. SCOPE OF THE INTERNAL AUDIT:-

The scope of the Internal Audit will be as per Annexure-I enclosed. The Board or the Audit Committee reserves the right to alter the scope of the audit if need arises.

8. PERIODICITY OF INTERNAL AUDIT:-

The Internal Auditor shall quarterly conduct audit and submit audit report within 30 days from end of each quarter.

9. REPORTING:-

The Internal Auditor should report to the Audit Committee any serious weakness, significant fraud or major accounting breakdown discovered during the normal course of audit through General Manager (Finance).

The manner and intervals in which the internal audit shall be conducted and

Reported to the Board shall also be in compliance with the Companies Act 1956/2013 and other applicable statutory norms and provisions.



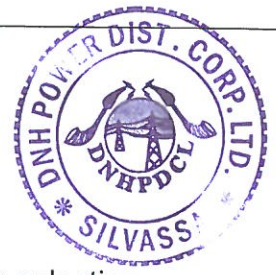
10. TERMINATION OF CONTRACT:-

DNHPDCL reserves its right to terminate the contract without assigning any reasons by giving 30 days' notice.

11. ARBITRATION

In case of any dispute, it shall be referred to Arbitration. The sole arbitrator will be appointed by the Managing Director. The Arbitration shall be as per Indian Arbitration and Conciliation Act, 1996 as amended up to date. The place of Arbitration shall be Silvassa and the language will be English.

12. The Corporation reserves its right to reject any firm/LLP without assigning any reasons.



On letterhead of CA Firm/LLP
TECHNICAL PROPOSAL

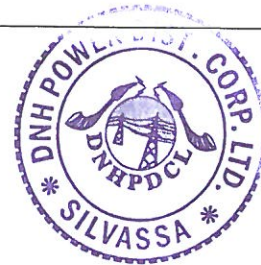
Format for submission of information of the Chartered Accountant firm for selection
as Internal Auditor of DNHPDCCL

Sr. No	Particulars	Details
1	Name of the CA Firm/LLP	
2	Regi. No. & Date of Registration of CA Firm/LLP	
3	Registered Address	
4	Name of Partners with membership No. & No. of years for which associated with firm	
5	Details of qualified CA/CWA staff	
6	Details of Articles/Audit Clerk/Semi-qualified staff	
7	Turnover of the firm/LLP for last three years	
8	Details of assignment of Internal/Statutory Audit of Corporation/PSUs/Limited companies having an average turnover of not less than Rs. 50 crore in last five years. The experience of the preceding 5 years shall only be considered. The experience of the CA firm/LLP in Internal Audit/ Statutory Audit in one company/PSU/Corporation for more than one year will be considered as one assignment only.	
9	Details of PAN, Service Tax No. of the Firm/LLP	

Signature of Authorised signatory
Name & Designation
Seal of CA Firm/LLP

Date:
Place:
Note:

1. Copies of certificates/documents in support of above details shall be attached.
2. EMD of ₹ 5000/- shall be attached with the technical proposal



(On the letter of CA firm/LLP)

PROFORMA OF FINANCIAL BID

Financial bid for engagement as Internal Auditor for financial year 2015-16

Particulars	Amount in Rs
Fees for engagement of Internal Auditor for financial year 2015-16	
Service tax and any other applicable expenses	
Total	

Note:

1. Taxes and other statutory levies will be paid on actual basis. However, present rates of applicable taxes and levies may be indicated by the tenderer.
2. The tenderer is deemed to have thoroughly studied and examined the technical specification, important instructions and general terms and conditions of the tender documents and fully informed as to nature of the work and conditions related to its performance.

**Signature of Partner
Name of Partner
Seal of Firm
Firm Reg. No.**

**Date:
Place:**

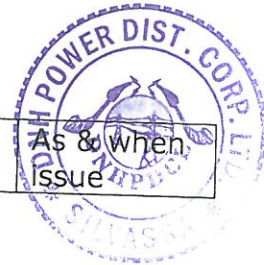


ANNEXURE - I

SCOPE OF THE INTERNAL AUDIT

Sr. No.	Scope of Work	Nature & Extent of Post Audit 100%	Frequency of Audit
<u>A) ACCOUNTS & FINANCE DEPTT.</u>			
1	The audit of all bank receipts & other receipts & payment vouchers	100%	Quarterly
2	Returned cheques / dishonoured cheques	-do-	-do-
3	Audit of all payment vouchers relating to supply, works, statutory payments,	-do-	-do-
4	Refundable vouchers of development charges, EMD, Guarantee period payment	-do-	-do-
5	Verification of Cash Book & Bank Book	-do-	-do-
6	Bank Reconciliation	-do-	-do-
7	Scrutiny of ledgers / sub-ledger accounts	-do-	-do-
8	Scrutiny of Journal vouchers	-do-	-do-
9	Depreciation accounting / work in progress	-do-	-do-
10	Debts outstanding and realization report with ageing analysis	-do-	-do-
11	Determination of bad and doubtful debts and its provision	-do-	-do-
12	Reconciliation of sundry debtors accounts.	-do-	-do-
13	Post Audit of all purchase orders/work orders and purchase procedure compliance.	-do-	-do-
14	Revenue and Capital Exp.	-do-	-do-
15	Post Audit of Purchase order / Work order covering quotation, tender, enquiry with comparative statement for supply and works / limited tender advertisement / single tender (proprietary items) with comparative statement relates with works and supply as per established procedures of the Company.	-do-	-do-
16	Audit of EMD / Security Deposit	-do-	-do-
17	Bank Guarantees, Securities & validation period thereof	-do-	-do-
18	Guide and advice on implementation / adoption of accounting standards, guidelines and statutory changes and requirements.	-do-	-do-
19	Checking of income tax return and tax audit statements, VAT & Sales Tax return.	-do-	-do-
20	Compliance of TDS requirement & other statutory requirements including Income Tax, Sales Tax, Wealth Tax, Service Tax etc. as applicable from time to time.	-do-	-do-
21	Advice on new provisions and circulars issued by CBDT	-do-	-do-

22	Assist & advise in tax planning	-do-	As & when Issue
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C. TECHNICAL DEPARTMENT.

1.	Feeder wise study of T & D losses	Review	Quarterly
2.	Audit of high rate T & D losses and reporting such feeder	All	-do-
3.	Application processing system till connection is given	Review	-do-
4.	Compliances of JERC Regulations & Tariff orders.	-do-	-do-

D. BILLING DEPARTMENT.

1	Checking of Electricity bills of HT/LT	100%	Quarterly
2	Random basis checking of energy bills of other categories	-do-	-do-

D) PROCUREMENT DEPARTMENT.

1.	Indenting process	100%	Quarterly
2.	Procedure followed for inviting quotations / offers	-do-	-do-
3.	Negotiation procedures	-do-	-do-
4.	Order placement system	-do-	-do-
5.	Capital Purchase	-do-	-do-
6.	Review of key engineering procurements.	-do-	-do-

E) SECRETARIAL DEPARTMENT.

1.	Review of Board Minutes in support of the agenda papers	100%	Half Yearly
2.	Compliance of Company Law and procedures and other applicable enactments statutorily required	-do-	-do-

F) ESTABLISHMENT SECTION:

1.	Audit of all records relating to salary and wages accounting system.	100%	Half Yearly
2.	Audit of all staff benefit payments, T.A. Bills, medical reimbursement, pay fixation, advance to staff,	-do-	-do-
3.	Checking of Service Book retired person right, payment of death & accident cases entries of service books, leave records etc.		
4.	Audit of Income Tax vouchers deducted from salary pay bills.	-do-	-do-
5.	Attendance records and leave records.	-do-	-do-
6.	Casual and contract labour details / records.	-do-	-do-
7.	Payment of minimum wages, bonus etc.	-do-	-do-



8.	Audit of compliance of various labour laws.	-do-	-do-
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<u>H) Checking of Inventories</u>	100%	Yearly
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I) GENERAL.

The Internal Auditor shall examine and report whether:

1. Proper approvals of Management are obtained for writing off of loss / wastage / shortage / debts.
2. Adherence to rules, procedures and provisions prescribed under the relevant laws, rules, requirements, guidelines etc. and to internal delegation of powers.
3. There is a regular reconciliation of accounts of debtors, creditors, contractors etc.
4. Profit & Loss Account and Balance Sheet prepared are in time with the provisions of the Companies Act, 2013, the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of The Companies Act, 2013.
5. The prevailing systems of internal checks and controls are properly followed.
6. Suggestions should be made to strengthen the internal checks and controls if there are inadequacy and identifying any duplication of procedures / work of unnecessary paper work and suggest the steps to eliminate the same without compromising the safe practice.
7. Assist in resolving queries of CAG Audit.

Any other activity of audit which may require Internal Auditor's comments at the discretion of the DNHPDCL.