

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

**Andhra Pradesh Industrial Infrastructure Corporation
Limited**

(A Govt. of Andhra Pradesh Undertaking)



**Request for Proposal (RFP) for appointment of Chartered
Accountant Firm / Cost Accountant Firm for conducting
Internal Audit of Head Office and its Zonal Offices for FY
2024-25, 2025-26 & 2026-27.**

Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)

10th floor, APIIC Towers, Plot No-1, IT Park, Mangalagiri, Guntur (Dist.), AP-522503

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

NOTICE INVITING TENDER (NIT)

1.	Name of the consultancy assignment	Request for Proposal (RFP) for appointment of Chartered Accountant Firm / Cost Accountant Firm for Internal Audit of APIIC. a. For the Financial Year 2024-25- Annual Audit. b. For FY 2025-26 & 2026-27- Monthly Audit.
2.	NIT/RFP Issue Date	23.06.2025
3.	Proposal documents downloadable from	23.06.2025
4.	Last date & time for submission of Proposal (Proposal Due Date) (PDD)	On or before 16.07.2025 by 3:00 PM
5.	Date & time for opening of Technical Proposal	At 3:30 PM on XX.XX.2025
6.	Procedure for Proposal submission	The interested Chartered Accountant Firm / Cost Accountant Firm are requested to submit their application along with technical bid and financial bid in compliance with eligibility criteria in a sealed cover on or before 16 th July 2025 to the below-mentioned address. Technical and Financial bids should be provided in two separate envelopes. To, The Vice Chairman & Managing Director Andhra Pradesh Industrial Infrastructure Corporation Limited, APIIC Towers, Plot No-1, IT Park, Mangalagiri, Guntur (Dist.), AP-522503.

Communications

- All communications including the submission of Proposal should be addressed to:
Sri. I.L.Ram
Chief General Manager (Internal Audit)
10th Floor, APIIC Towers, Plot No.1, IT Park Layout,
Mangalagiri, Guntur, AP – 522503
Phone: (+91) 7337064777
Email: "cgm-lac@apiic.in"
The Official Website of APIIC is www.apiic.in.
- For issues Website of APIIC contact:
Sri. D.Murali Mohan
Mobile – 9951101400

1.Background

Andhra Pradesh is one of the most forward-looking states in the country in terms of infrastructure development. Andhra Pradesh Industrial Infrastructure Corporation Limited (the “**APIIC**”), fully owned by the GoAP, is a progressive organization responsible for development of Industrial Infrastructure in the state of Andhra Pradesh. APIIC is known for creating landmark industrial infrastructure projects in the state, which are fueling the economic growth in the state. APIIC has so far developed more than 470 industrial parks / estates and created land banks for the future industrial development.

APIIC is inviting the Bids from the interested Chartered Accountants firms / Cost Accountant firms to conduct an internal audit

- a. **For the Financial Year 2024-25 – Annual Audit**
- b. **For FY 2025-26 & 2026-27- Monthly Audit**

2.Scope of Work:

The selected Chartered Accountant firm / Cost Accountant firm should conduct the Internal and submit audit reports monthly. The detailed Scope of Work is indicated in **Schedule -1**.

3.Terms & Conditions:

- 3.1) The audit period is for the Financial Years 2024-25, 2025-26 and 2026-27. The performance will be reviewed from time to time. If the performance is not satisfactory, the agreement may be terminated with given two weeks' Notice.
- 3.2) The scope of the engagement is as per **Schedule - I**.
- 3.3) The registered office/branch of the Firm shall be located within Head Office and Zonal office.
- 3.4) Minimum number of Partners in the firm should be 5.
- 3.5) The team shall consist of one qualified chartered accountant/cost accountant with at least ten (10) years of experience and two other team members. Suppose the Engagement Leader or Partner is not a member of the engagement team, in that case, one senior partner shall associate with the team to finalize and supervise the deliverables/ reports.

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3.6) The audit team shall conduct an audit as per the audit scope given in **Schedule -1** and any other matters connected there and incidental.

3.7) The audit report shall be submitted covering all aspects shown in the audit scope **for FY 2024- 25 (One time) and once in a month for FY 2025-26 and 2026-27 within 15 days from the completion of the month.**

3.8) In case, Audit team fails to comply with this condition, in that case, the remuneration shall be reduced proportionately and continuous failure for three consecutive occasions, the agreement will be terminated giving two weeks' Notice.

3.9) The Audit shall be conducted as per the internal audit standards specified by professional bodies and shall cover all areas without any omission. Any other point which Internal Auditors would like to cover during their Audit may be mentioned in the report.

3.10) The audit team shall suggest necessary rectifications in accounting aspects if any.

3.11) Reports shall not only point out defects/irregularities but also give positive suggestions to overcome defects.

3.12) The audit team shall attend to the review/discussion of the Audit Reports submitted with the Finance team for suggestions and action to be taken on the points brought in the report. If required, they have to attend audit committee meetings.

3.13) The Audit firm shall quote remuneration exclusive of GST applicable. The GST will be paid along with remuneration.

3.14) The payments shall be made at the end of every quarter for each of the Financial Year for which the Internal Audit is performed by the Internal Auditor and that the report for each month is submitted with the Vice Chairman and Managing Director, APIIC

3.15) The Company has the right to cancel the Work Order for the following reasons:

- If the Firm obtains the Work Order based on false information/statement.
- If the Firm does not take up Audit in terms of the Work order and Scope of Work.

3.16) In case of discontinuing the work, no fee will be paid for the work done.

3.17) The audit work shall be carried out within the premises of Head Office and its Zonal Office, and the records shall not be taken outside the APIIC premises.

4. Evaluation of Technical Proposals

4.1) In the first stage, the Technical Proposal will be evaluated based on Applicant's experience, its understanding of TOR, proposed methodology, Work Plan and the experience of the Key Personnel. Only those Applicants whose Technical Proposals get a score of 60 (sixty) marks or more out of 100 (one hundred) shall qualify for opening of their Financial Proposal

4.2) The scoring criteria to be used for evaluation shall be as follows:

No.	Parameter	Max. Marks	Marks
1.	Relevant experience of the applicant	30	
	➤ 10 to 15 years		20
	➤ 15 to 20 years		25
	➤ 20 years		30
2.	Internal Audit Experience with a similar Authority or Government Society/ Centrally Funded Institution / PSU / Central Autonomous Bodies in last three years	40	
	➤ 11-12		12
	➤ 13-15		20
	➤ 15		40
3.	Number of full-time partners / qualified senior professionals in employment and their experience, Lead Partner for the assignment	20	
	➤ 5 - 10		10
	➤ 11 – 15		15
	➤ 15		20
4.	Annual Turnover of the Firm	10	
	➤ Rs.50.00 Lakh to Rs.1.00 crore		5
	➤ Rs.1.00 crore		10
	TOTAL	100	

4.3 Short-listing of Applicants

Applicants ranked as aforesaid, shall be pre-qualified and short-listed for financial evaluation in the second stage. However, if the number of such pre-qualified Applicants is less than two, APIIC may, in its sole discretion, pre-qualify the Applicant(s) whose technical score is less than 60 (sixty) marks even if such Applicant(s) do(es) not qualify in terms of Clause 4.1; provided that in such an event, the total number of short-listed Applicants shall not exceed two.

4.4 Evaluation of Financial Proposal

4.4.1) In the second stage, the financial evaluation will be carried out as per this Clause 3.3. The Selected Applicant shall be chosen through the **Least Cost Selection (LCS)** method.

4.4.2) For financial evaluation, the total cost indicated in the Financial Proposal, will be considered.

4.4.3) APIIC will determine whether the Financial Proposals are complete, unqualified and unconditional. The cost indicated in the Financial Proposal shall be deemed as final and reflecting the total cost of services. Omissions, if any, in costing any item shall not entitle the firm to be compensated and the liability to fulfill its obligations

5.FRAUD AND CORRUPT PRACTICES

5.1) The Applicants and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Selection Process. Notwithstanding anything to the contrary contained in this RFP, APIIC shall reject a Proposal without being liable in any manner whatsoever to the Applicant, if it determines that the Applicant has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice (collectively the "Prohibited Practices") in the Selection Process. In such an event, APIIC shall, without prejudice to its any other rights or remedies, forfeit and appropriate the Proposal Security or Performance Security, as the case may be, as mutually agreed genuine pre-estimated compensation and damages payable to APIIC for, inter alia, time, cost and effort of APIIC, in regard to the RFP, including consideration and evaluation of such Applicant's Proposal.

5.2) Without prejudice to the rights of APIIC under Clause 4.1.1 hereinabove and the rights and remedies which APIIC may have under the LOA or the Agreement, if an Applicant or Consultant, as the case may be, is found by APIIC to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Selection Process, or after the issue of the LOA or the execution of the Agreement, such Applicant or Consultant shall not be

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eligible to participate in any tender or RFP issued by APIIC during a period of 2 (two) years from the date such Applicant or Consultant, as the case may be, is found by the APIIC to have directly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as the case may be.

5.3) For the purposes of this Section, the following terms shall have the meaning hereinafter respectively assigned to them:

5.3.1) “corrupt practice” means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of any person connected with the Selection Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of APIIC who is or has been associated in any manner, directly or indirectly with the Selection Process or the LOA or has dealt with matters concerning the Agreement or arising therefrom, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of APIIC, shall be deemed to constitute influencing the actions of a person connected with the Selection Process); or (ii) save as provided herein, engaging in any manner whatsoever, whether during the Selection Process or after the issue of the LOA or after the execution of the Agreement, as the case may be, any person in respect of any matter relating to the Project or the LOA or the Agreement, who at any time has been or is a legal, financial or technical consultant/ adviser of APIIC in relation to any matter concerning the Project;

5.3.2) “fraudulent practice” means a misrepresentation or omission of facts or disclosure of incomplete facts, in order to influence the Selection Process;

“coercive practice” means impairing or harming or threatening to impair or harm, directly or indirectly, any persons or property to influence any person’s participation or action in the Selection Process;

5.3.3) “undesirable practice” means (i) establishing contact with any person connected with or employed or engaged by APIIC with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Selection Process; or (ii) having a Conflict of Interest; and

5.4.4) “restrictive practice” means forming a cartel or arriving at any understanding or arrangement among Applicants with the objective of restricting or manipulating a full and fair competition in the Selection Process

6 PRE-PROPOSAL CONFERENCE

6.1) No Pre-proposal conference shall be held.

7.MISCELLANEOUS

7.1) The Selection Process shall be governed by, and construed in accordance with, the laws of India and the State of Andhra Pradesh and Court at Vijayawada/ Guntur only shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Selection Process.

7.2)APIIC, in its sole discretion and without incurring any obligation or liability or assigning any reason, reserves the right, at any time, to:

- A. suspend, withdraw and/or cancel the Selection Process and/or amend and/or supplement the Selection Process or modify the dates or other terms and conditions relating thereto;
- B. consult with any Applicant in order to receive clarification or further information;
- C. retain any information and/or evidence submitted to APIIC by, on behalf of, and/or in relation to any Applicant;
- D. independently verify, disqualify, reject and/or accept any and all submissions or other information and/or evidence submitted by or on behalf of any Applicant

7.3)It shall be deemed that by submitting the Proposal, the Applicant agrees and releases APIIC, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/or performance of any obligations hereunder, pursuant hereto and/or in connection herewith and waives any and all rights and/or claims it may have in this respect, whether actual or contingent, whether present or future.

7.4)All documents and other information supplied by APIIC or submitted by an Applicant shall remain or become, as the case may be, the property of the APIIC. APIIC will not return any submissions made hereunder. Applicants are required to treat all such documents and information as strictly confidential.

7.5) APIIC reserves the right to make inquiries with any of the clients listed by the Applicants in their previous experience record.

8.SCHEDULE-1: TERMS OF REFERENCE (ToR)

The Consultant shall perform its tasks under this assignment in accordance with the Terms of Reference described herewith in Schedule – I.

The detailed stages of services to be rendered are given below:

8.1) Scope of Work:

The successful Applicant shall provide the following services:

- a) Conducting Internal Audit of APIIC for Three years, viz. FY2024-25, 2025-26 and 2026-27 in accordance with the accounting principles generally accepted in India, including the accounting standards prescribed by the Institute of Chartered Accountants of India and notified by Government of India.
- b) Expressing an opinion on whether the financial statements of APIIC are prepared, in all material respects, in accordance with the applicable financial reporting standards and frameworks and whether APIIC has maintained proper books of accounts
- c) Reviewing and evaluating the internal control and risk management system of APIIC and advising the management on adequacy / effectiveness of the system and advising on actions to be taken for its improvement.
- d) Reviewing adequacy of Information Systems of APIIC and related infrastructure.
- e) Providing any other value-addition services consistent with the audit of APIIC.

8.2) Coverage and Methodology of Internal Audit:

8.3) Coverage

Internal audit should play a role in assisting the management in bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the internal control system. The Internal Audit will include such tests and controls which the firm considers necessary under the circumstances. In conducting the Internal Audit, special attention should be paid to assessing whether adequate controls have been established with a view to ensure that:

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8.4) Areas of Audit Scope and Periodicity of Audit:

I) Finance related:

- a) Whether adequate internal control system exists for monitoring the day-to-day operations.
- b) Review of all payment vouchers/Journals Verified have adequate supporting documents.
- c) Whether the books of accounts as required by the Companies Act, Income Tax Act, and GST Act are maintained by the Company.
- d) Whether all major expenses are duly approved by competent authorities.
- e) Review of Bank reconciliation Statement.
- f) Review of the compliance to TDS and withholding tax provisions like Deduction of TDS from various payments made as per rules and deposit of such TDS within the stipulated time.
- g) Verification of computation of income and TDS made from salaries.
- h) Whether the filing of the returns under GST, TDS, Income Tax and other applicable laws have been made in time and the figures shown match with the figures in the books and the taxes have been paid within time to the respective authorities.
- i) Review of the income tax calculations made and the payments of installments of advance tax in respect of Head Office.
- j) Whether proper register and records maintained for advance bank guarantee and performance bank guarantee provided project wise.
- k) All project funds have been used in accordance with the conditions of the relevant legal agreements and for the purposes for which the financing was provided.
- l) Verification of all fixed assets capitalized including physical verification of assets, documentation, approvals, and disposal of assets.
- m) Verification of ERP systems and processes for adequate coverage, built-in controls and approval matrix, audit trails etc.
- n) Verification of Variations in utilization of funds released from Head office and weekly transfers of collections to Head office.
- o) Review of imprest account and temporary advances to staff like tour advance, Miscellaneous advances for works etc.,
- p) Review and Scrutiny of Deposit works and accounting of centage charges recovered from deposit works.

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- q) 100% Scrutiny of agreements with contractors in respect of Engineering works, scrutiny of measurement books, work bills, completion reports for the administrative sanctions and Technical sanctions and source of data for preparation of Estimations.
- r) Review of capital expenditure incurred with reference to the administrative approval and technical sanction.
- s) Monthly review of Vouchers, general ledger and Trail balance from the FY 2025-26, and review of Schedules once in a year from FY 2024-25.
- t) Monthly review of Bank Reconciliation statements of all Bank accounts including.
- u) Any other items as specified by Management based on the requirement.

II. Administration:

- a) Whether the Purchase Procedure as prescribed is being followed in tendering.
- b) Procedure on receipt and issue of materials, consumables & stationery
- c) Whether all Expenses incurred/handled by the Administration Department (viz. stationery, telephone, mobile phone, electricity, dispatch, manpower contract, purchase of stamp papers, courier, hospitality charges etc.) are at reasonable level
- d) Whether the records as applicable are maintained and report on compliance of extant rules i.e., due approval of Competent Authority obtained by the Administration Department.
- e) Whether updated proper fixed asset register is maintained with details Additions/ Deletions with full particulars, including quantitative details and situation of fixed assets. Whether the fixed assets details are in agreement with Accounts Records. Differences if any, and suggestions to rectify the same.
- f) Whether there is adequate compliance of procedures and approval of Competent Authority on additions/ deletions of fixed assets.
- g) Whether the assets are insured and insurance is timely renewed as per Company policy.
- h) Scrutiny of bills passed for payment of fees to hire vehicle contractors, consultants, local purchase of store, repairs and maintenance etc. by concerned officials and confirmation that the same is submitted to finance for payments after being duly approved by the Competent Authority.
- i) Whether all major expenses are duly approved by appropriate authorities
- j) assets are adequately safeguarded and used solely for their intended purposes;
- k) Ensure compliance with APIIC IT policies, adequate insurance coverage, AMCs, cyber security and disaster recovery protocols.

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III. Establishment:

- a) Whether all the Policies & Procedures are adequately documented
- b) The auditors to verify the area of pay- fixation on appointments, promotions and pay revision etc., communication from the Competent Authority in relation to the increments., and indicate in their Report on correctness, statutory compliance, apart from on the internal control systems, which are in place, in such areas.
- c) Checking / Verification of Salary and other allied matters including Provident Fund, Gratuity etc. and other deductions for all Officers and Staff.
- d) Auditors to verify that the Bills (Medical, T.A., LTC etc.) are processed as per prevailing policy/ Circulars and duly approved by the Competent Authority.
- e) Review of Maintenance of Files and records of each employee.
- f) Check the carry forward leave balances; leave encashments / availments by the employees as per service rules.
- g) Whether the calculation for allocation of fund for CSR projects has been calculated correctly and fund allocated accordingly.
- h) Whether CSR activities are carried out as per the approval of Board.
- i) Whether unspent / uncommitted amount in CSR allocation has been transferred as per the provisions of Companies Act.

IV. Imprest:

- a) Whether any requisition for imprest advance is forwarded after approval of competent authority.
- b) Whether the employee has settled the imprest advance on fortnightly basis. At the end of the year, in case any advance is pending with the employee, he should furnish a certificate of the advance pending with him to Accounts Department.
- c) Whether all the employees who are handling cash has submitted the account of expenditure incurred duly approved before March 31st .

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V. Asset Management Related:

- a) Preparation of party-wise (IP wise) schedule of arrears due from allottees, subsidiary (party wise ledgers for sale deeds, rentals, water charges, hire purchase, outright sale of land etc.
- b) 100% review collection and remittance statements, review of receipts relating to rentals, water (plot & shed), water (housing), HP(housing), maintenance charges, cost of additional facilities, interest, penalty etc were properly recorded, documented and vouched.
- c) 100% verification of allotments in respect of SEZs was properly accounted.
- d) 100% scrutiny of allotments, agreements and Sale Deeds. Review of interest and penalty calculations etc. with reference to APIIC allotment regulations, delegation powers and provisions.
- e) Report on loss of revenue on account of delay in issue of notices, loss of interest due to non adherence of allotment regulations and loss of revenue due to deviations or discrepancy in the layouts or site plans.
- f) Review of collection of GST.
- g) Verification of Legal and taxation matters.
- h) Review and analysis of the Age wise Debtors report.
- i) Review of project implementation status, EoT Sanctions, necessary incorporation of demands for EoT dues e.t.c.

VI. Land Acquisitions:

- a) Review of deposits with land acquisition officers, receipt of utilization certificates and copy of acquaintances and adjustment of amount deposited against the utilization.
- b) Review of Utilization Certificate from the Departments with Capitalization of land cost.
- c) Preparation of Schedule of deposit with Land Acquisition Officers at the end of every quarter.

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VII. Legal & Secretarial:

- a) Whether Board/Committee directions has been complied with.
- b) Whether the Board Minutes Book, Minutest of General Meeting and other Committee Minutes have been recorded and updated.
- c) Compliance of MCA requirement / other statutory requirements as per Companies Act 2013 as amended from time to time and filing of returns done within the due date.
- d) Review on Legal / Arbitration cases under litigation, pending tax issues from GST, income tax and any other applicable laws and report on the same and the provisions as appearing in the books and the adequacy thereof.
- e) Whether the loans and advances made by the Company are as per the Policies laid down and are settled within the respective dates.
- f) Whether various registers prescribed under the Companies Act are maintained and updated
- i) Whether the loans and advances made by the Company are as per the Policies laid down and are settled within the respective dates.

VIII. Engineering Work Bills:

- a) To verify the quantities and rates indicated in the bill abstract with the rates and quantities of agreement / Work Order
- b) To verify the approvals for the authorized extracts and supplemental items with rates and quantities of supplemental agreement. Without supplemental agreement the bills for the above are supposed to be paid.
- c) To verify the arithmetical accuracy of bill abstract and gross amount payable.
- d) To verify the pass order of the bill with gross amount arrived in bill abstract and adding the necessary components. To verify the earlier payments made and statutory recoveries effected in the pass order as per the terms of agreement.
- e) To verify whether the expenditure is within the approved administrative sanction & technical sanction limits or not.
- f) To verify the transfer of PS Charges amount as per the estimate to head office at least before the release of first and part bill.
- g) To verify the submission of completion reports to the head office soon after release of final bill. No expenditure is to be changed to a work which was not covered in the general abstract of the estimate amount.
- h) Savings if any in one work should not be used to any another work under any circumstances. Expenditure not related to the subject work is not supposed to change.

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- i) To verify the quotations, comparative statements and work orders issued by the Zonal managers are in accordance with the delegations/HO orders or not.
- j) To Verify the releases of all Advances relating to the works are made as per the approval of the competent authority or not.
- k) To verify the recovery of the above advances within the stipulated time by recovery / adjustment by obtaining necessary documents such as USs, Bills etc.,
- l) No deposit work bill has to be paid without available funds for the said work. However bills may be paid basing on the orders of the VC&MC / Competent authority.
- m) Verification of transfer of PS charges provision amounts & IALA deposit work amount to HO from time to time.
- n) Verification of approvals and execution of supplement agreement for the AEs & SEs executed by the contractor, without SA, the payment for the AEs & SEs should not be released.
- o) To verify whether the work is completed within the stipulated time or not. If not completed in time, whether EoT is granted or not and recovery of LDs if any imposed for granting EoT.
- p) Any other aspect which is connected with and incidental to the above mentioned points.

IX. Any other item:

- a) Any other specific areas as per the requirement of APIIC Management that may arise from time to time.

8.5. Methodology

The Internal Auditor shall ensure the following:

- a) Internal Audit (IA) shall be carried out under the direct supervision of one of the partners i. e. at least one partner from the firm should personally visit the Office of APIIC for IA.
- b) The auditor shall give prior intimation of dates of audit to the Executive Director of APIIC or any other officer authorized by him on that behalf.
- c) The auditor shall have a meeting with the Executive Director or any other officers authorized by him on that behalf before commencing the audit process and finalize the audit plan and schedule of audit.
- d) The auditor should have a final meeting with Executive Director before closing the audit and discuss the audit observations with him.

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e) The Internal Auditor shall work in a friendly manner and as a guide to develop and motivate the staff of APIIC as it shall be an important support in the hands of the management in strengthening internal controls. The Auditor may seek required information and explanations from the concerned staff for the accomplishment of his / her task. The Internal Auditor shall have requisite access to Unit Heads. The Auditor shall lay emphasis on compliance of all rules, regulations, policies, procedures, accounting standards, manuals, statutory obligations etc. The Internal Audit will inter alia cover the following operational activities of APIIC.:

- i. Vouching
- ii. Audit of transactions which involves examination of supporting documents to ensure that funds are spent for the purpose of the program with appropriate financial concurrence and approval from the Competent Authority.
- iii. Checking of expenditures incurred with reference to the laid down rules & procedures, delegation of powers and budgetary provisions. Whether realistic annual work plans and procurement plans are prepared and expenditures are incurred as per approved plans and variances if any are monitored, analyzed and the learning used for preparing plans for subsequent years.
- iv. Checking of calculations and payments of statutory dues and all tax related matters as applicable to APIIC from time to time
- v. To check annual financial statements i. e. Balance Sheet and Receipt & Payments Accounts with reference to accounting standards and verifying whether the records have been properly maintained so as to safeguard the assets of APIIC
- vi. Insurance of all assets
- vii. To see whether the stocks / assets acquired / purchased are in quantities required for the smooth operation of APIIC
- viii. To check whether physical verification of assets / stocks has been carried out at the close of financial year and variations, if any, have been accounted for and recorded properly
- ix. To check the bank reconciliation statements
- x. To check whether the surplus funds of APIIC are judiciously invested to get the maximum possible return
- xi. To check the cash book to ascertain whether cash in hand has been independently verified at regular intervals
- xii. To check the listing of contingent liabilities, if any, in the notes to Balance Sheet
- xiii. To check the calculations of salary and reimbursement bills of staff to ascertain the legitimacy of payments and deductions thereof
- xiv. To review compliance with laid down policies and procedures in respect of calling of tenders, related approvals, budgetary provisions made etc.

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- xv. To verify whether the procurements have been made after completion of all formalities prescribed by APIIC and whether approvals of competent authorities have been obtained.
- xvi. Whether the instructions contained in the Procurement Manual have been followed. Deviations from the Procurement Manual, cases of undue favor and irregular procurement may specifically be reported.
- xvii. To check whether the stationery & stocks have duly been accounted for as per accounting standards and whether records have been properly maintained to ensure safeguard of such stocks of APIIC.
- xviii. To verify whether the funds have been unnecessarily blocked due to procurements in excess of requirement
- xix. To ensure that the TDS has been deducted at applicable rates and deposited with Income Tax Authorities within the prescribed periods. Further, to verify whether TDS returns have been submitted in time to the Income Tax Authorities.
- xx. To suggest modifications to the delegation of powers if shortcomings are noticed during audit.
- xxi. To verify whether GST has been properly charged, wherever applicable, and whether proper returns have been filed with the Authorities.

8.6 Timelines of Deliverables: The firm will have to start and complete the assigned work with regard to Internal Audit of APIIC as per time schedule laid down by the APIIC.

8.7 Payment Milestone: The payments shall be made at the end of every quarter for each of the Financial Year for which the Internal Audit is performed by the Internal Auditor and that the report for each quarter is submitted with the Vice Chairman and Managing Director, APIIC

9. SCHEDULE - II: DRAFT CONTRACT

I. CONTRACT

CONTRACT FOR APPOINTMENT OF CHARTERED ACCOUNTANT FIRM /COST ACCPIMTAMT FORM FOR INTERNAL AUDIT OF APIIC

THIS CONTRACT (hereinafter called the "Contract" is made on the _____ day of the month of _____ between Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) a wholly owned undertaking of the Government of Andhra Pradesh having it's office at APIIC Towers, Plot No-1, IT Park, Mangalagiri, Guntur, AP-522503 (hereinafter called "APIIC" which expression shall, unless excluded by or repugnant to be context be deemed to include its administrators, successors and assigns) of the one part.

And

{Name of the Chartered Accountants Firm/Cost Accountants Firm} having its office at _____ (hereinafter called the "CA Firm" which expression shall, unless excluded by or repugnant to be context be deemed to include its successors, legal assigns, executors or administrators) of the second part

Whereas

- a) the CA Firm, having represented to the "APIIC" that he has the required professional skills, personnel and technical resources, has offered to provide in response to the RFP No. _____ dated _____ issued by the APIIC;
- b) the "APIIC" has accepted the offer of the CA firm to provide the services on the terms and conditions set forth in this Contract

NOW, THEREFORE, IT IS HEREBY AGREED between the parties as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - a. The General Conditions of Contract;
 - b. The Special Conditions of Contract
 - c. The following Appendices (to be completed at the time of contract signing):
 - Appendix A: Letter of Award (LoA)
 - Appendix B: Financial Quote submitted by the firm
 - Appendix C: Performance Bank Guarantee (PBG)
2. The mutual rights and obligations of the "APIIC" and the CA Firm shall be as set forth in the Contract, in particular:
 - a. the CA Firm shall carry out and complete the Services in accordance with the provisions of the Contract; and
 - b. the "APIIC" shall make payments to the CA Firm in accordance with the provisions of the Contract

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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.

All other terms and conditions of the RFP, proposal document, clarifications, corrigendum and addendum if any shall form integral part of this Contract.

For and on behalf of APIIC Limited

For and on behalf of

{Chartered Accountants Firm /
Cost Accountants Firm}

II. GENERAL TERMS AND CONDITIONS

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 for the time being.
- b) "CA Firm" means any professional/ firm that will undertake the activities pertaining to Internal Audit of APIIC under the Contract.
- c) "Contract" means the Contract signed by the Parties and all the attached documents listed in its Clause 1, that is this General Conditions (GC), the Special Conditions (SC), and the Appendices.
- d) "Day" means calendar day.
- e) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Clause GC 2.
- f) "GC" means these General Conditions of Contract.
- g) "Government" means the Government of India.
- h) "Party" means the "APIIC" or the "CA Firm", as the case may be, and "Parties" means both of them
- i) "Personnel" means professionals and support staff provided by the CA Firm or by any Sub-Contractor of CA Firm and assigned to perform the Services or any part thereof;
- j) "SC" means the Special Conditions of Contract by which the GC may be amended or supplemented.
- k) "Services" means the work to be performed by the CA Firm pursuant to this Contract, as described in Appendix A hereto.
- l) "Third Party" means any person or entity other than the "APIIC", or the CA Firm.
- m) "In writing" means communicated in written form with proof of receipt.

1.2. Relationship Between the Parties

Nothing contained herein shall be construed as establishing a relationship of master and servant or of principal and agent as between the APIIC and the CA Firm. The CA Firm, subject to this Contract, has complete charge of Personnel and Sub-Contractors, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

1.3. Law governing the Contract

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the applicable laws of India, for time being in force as amended from time to time.

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1.4. Subletting

The CA Firm shall not sublet, transfer or assign this contract or any part thereof without the prior written consent/approval of the APIIC. In the event of the CA Firm contravening this condition, the contract is liable to be terminated and APIIC will be free to get the balance work or services under the contract executed at the risk and cost of the CA Firm. The CA Firm shall be liable for all the losses, damage which the APIIC may sustain in consequence or arising out of such replacing of the Contract and/or personnel engaged by the CA Firm.

1.5. Headings

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

1.6. Notices

- a. 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 post to such Party at the address specified in the SC.
- b. A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the SC.

1.7. Taxes and Duties:

The CA Firm shall be liable to pay such direct and indirect taxes, duties, fees and other impositions levied under the applicable laws of India.

1.8. Fraud and Corruption:

1.8.1 Definitions: It is the APIIC's policy to require that APIICs as well as CA Firm observe the highest standard of ethics during the execution of the Contract. In pursuance of this policy, the APIIC defines, for the purpose of this provision, the terms set forth below as follows:

- 1.8.a.1. "corrupt practice" means the offering, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in contract execution.
- 1.8.a.2. "fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract;
- 1.8.a.3. "collusive practices" means a scheme or arrangement between two or more CA Firms, with or without the knowledge of the APIIC, designed to establish prices at artificial, non-competitive levels;
- 1.8.a.4. "coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract

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1.8.2 Measures to be taken by the APIIC

- a) The APIIC may terminate the contract if it determines at any time that representatives of the CA Firm were engaged in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of that contract, without the CA Firm having taken timely and appropriate action satisfactory to the Employer to remedy the situation;
- b) The APIIC may also sanction against the CA Firm, including declaring the CA Firm ineligible, either indefinitely or for a stated period, to be awarded a contract if it at any time determines that the CA Firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a APIIC- financed contract;

2. COMMENCEMENT, SCOPE OF WORK, COVERAGE, METHODOLOGY, 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 APIIC’s notice to the CA Firm instructing the CA Firm to begin carrying out the Services. This notice shall confirm that conditions as stipulated in clause 2 of the SC.

2.2. Commencement of Services and Scope of Work

The successful firm shall begin carrying out the Services not later than the number of days after the Effective Date specified in the SC

2.3. Scope of work: The successful Applicant shall provide the following services

- i. Conducting Internal Audit of APIIC for Three years, viz., FY2024-25, 2025-26 and 2026-27 in accordance with the accounting principles generally accepted in India, including the accounting standards prescribed by the Institute of Chartered Accountants of India and notified by Government of India.
- ii. Expressing an opinion on whether the financial statements of APIIC are prepared, in all material respects, in accordance with the applicable financial reporting standards and frameworks and whether APIIC has maintained proper books of accounts
- iii. Reviewing and evaluating the internal control and risk management system of APIIC and advising the management on adequacy / effectiveness of the system and advising on actions to be taken for its improvement.
- iv. Reviewing adequacy of Information Systems of APIIC and related infrastructure
- v. Providing any other value-addition services consistent with the audit of APIIC.

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2.4. Coverage and Methodology of Internal Audit:

a. Coverage

Internal audit should play a role in assisting the management in bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the internal control system. The Internal Audit will include such tests and controls which the firm considers necessary under the circumstances. In conducting the Internal Audit, special attention should be paid to assessing whether adequate controls have been established with a view to ensure that:

Areas of Audit Scope and Periodicity of Audit: As mentioned under 8.1 Scope of work in 8.Schedule -1 (Terms of Reference (ToR)).

b. Methodology

The Internal Auditor shall ensure the following:

- a) Internal Audit (IA) shall be carried out under the direct supervision of one of the partners i. e. at least one partner from the firm should personally visit the Office of APIIC for IA.
- b) The auditor shall give prior intimation of dates of audit to the Executive Director of APIIC or any other officer authorized by him on that behalf.
- c) The auditor shall have a meeting with the Executive Director or any other officer authorized by him on that behalf before commencing the audit process and finalize the audit plan and schedule of audit.
- d) The auditor should have a final meeting with Executive Director before closing the audit and discuss the audit observations with him.
- e) The Internal Auditor shall work in a friendly manner and as a guide to develop and motivate the staff of APIIC as it shall be an important support in the hands of the management in strengthening internal controls. The Auditor may seek required information and explanations from the concerned staff for the accomplishment of his / her task. The Internal Auditor shall have requisite access to Unit Heads. The Auditor shall lay emphasis on compliance of all rules, regulations, policies, procedures, accounting standards, manuals, statutory obligations etc. The Internal Audit will inter alia cover the following operational activities of APIIC.:
 - xxii. Vouching
 - xxiii. Audit of transactions which involves examination of supporting documents to ensure that funds are spent for the purpose of the program with appropriate financial concurrence and approval from the Competent Authority.
 - xxiv. Checking of expenditures incurred with reference to the laid down rules & procedures, delegation of powers and budgetary provisions. Whether realistic

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- annual work plans and procurement plans are prepared and expenditures are incurred as per approved plans and variances if any are monitored, analyzed and the learning used for preparing plans for subsequent years.
- xxv. Checking of calculations and payments of statutory dues and all tax related matters as applicable to APIIC from time to time
 - xxvi. To check annual financial statements i. e. Balance Sheet and Receipt & Payments Accounts with reference to accounting standards and verifying whether the records have been properly maintained so as to safeguard the assets of APIIC
 - xxvii. Insurance of all assets
 - xxviii. To see whether the stocks / assets acquired / purchased are in quantities required for the smooth operation of APIIC
 - xxix. To check whether physical verification of assets / stocks has been carried out at the close of financial year and variations, if any, have been accounted for and recorded properly
 - xxx. To check the bank reconciliation statements
 - xxxi. To check whether the surplus funds of APIIC are judiciously invested to get the maximum possible return
 - xxxii. To check the cash book to ascertain whether cash in hand has been independently verified at regular intervals
 - xxxiii. To check the listing of contingent liabilities, if any, in the notes to Balance Sheet
 - xxxiv. To check the calculations of salary and reimbursement bills of staff to ascertain the legitimacy of payments and deductions thereof
 - xxxv. To review compliance with laid down policies and procedures in respect of calling of tenders, related approvals, budgetary provisions made etc.
 - xxxvi. To verify whether the procurements have been made after completion of all formalities prescribed by APIIC and whether approvals of competent authorities have been obtained.
 - xxxvii. Whether the instructions contained in the Procurement Manual have been followed. Deviations from the Procurement Manual, cases of undue favor and irregular procurement may specifically be reported.
 - xxxviii. To check whether the stationery & stocks have duly been accounted for as per accounting standards and whether records have been properly maintained to ensure safeguard of such stocks of APIIC.
 - xxxix. To verify whether the funds have been unnecessarily blocked due to procurements in excess of requirement
 - xl. To ensure that the TDS has been deducted at applicable rates and deposited with Income Tax Authorities within the prescribed periods. Further, to verify whether TDS returns have been submitted in time to the Income Tax Authorities.

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- xli. To suggest modifications to the delegation of powers if shortcomings are noticed during audit.
- xl. To verify whether GST has been properly charged, wherever applicable, and whether proper returns have been filed with the Authorities.

2.5. Expiration of Contract

Unless terminated earlier pursuant to Clause GC 2.7 hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the SC. The contract period may be further extended subject to the approval accorded by Competent Authority, APIIC

2.6. 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 other statement, representation, promise or agreement not set forth herein.

2.7. Contract Price

The Contract Price for this Contract shall be the total cost of proposal submitted by CA Firm in the Financial Proposal. Contract price with applicable taxes and duties if any payable and is as set forth in the SC.

2.8. Modifications or Variations:

- a) Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties.
- b) In cases of substantial modifications or variations, the prior written consent of the APIIC is required.

2.9. Force Majeure:

2.9.1 Definition (a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable and not brought about by or at the instance of the Party claiming to be affected by such events and which has caused the non-performance or delay in performance, and which makes a Party's performance of 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 extreme 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 (i) any event which is caused by the negligence or intentional action of a Party or by or of such Party's Sub-contractors or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected both to consider at the time of the conclusion of this Contract and avoid or overcome in the carrying out of its obligations hereunder.

(c) Force Majeure shall not include insufficiency of funds or inability to make any payment

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required hereunder.

2.9.2 No Breach of Contract: The failure of a Party to fulfill any of its obligations hereunder shall not 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.

2.9.3 Measures to be Taken: (a) A Party affected by an event of Force Majeure shall continue to perform its obligations under the Contract as far as is reasonably practical and shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

(b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, providing evidence of the nature and cause of such event, and shall similarly give written notice of the restoration of normal conditions as soon as possible

(c) 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.

(d) During the period of their inability to perform the Services as a result of an event of Force Majeure, the CA Firm, upon instructions by the "APIIC", shall either:

i. Demobilize; or

ii. Continue with the Services to the extent possible, in which case the CA Firm shall continue to be paid proportionately and on pro-rata basis, under the terms of this Contract

(e) In the case of disagreement between the Parties as to the existence or extent of Force Majeure, the matter shall be settled according to Clause GC 8.

2.10. Termination:

The "APIIC" may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (g):

- a) If the CA Firm fails to remedy a failure in the performance of its obligations hereunder,
- b) If the CA Firm becomes insolvent or go into liquidation or receivership whether compulsory or voluntary.
- c) If the CA Firm fails to comply with any final decision reached because of arbitration proceedings pursuant to Clause GC 8 hereof.
- d) If the CA Firm, in the judgment of the "APIIC", has engaged in corrupt or fraudulent practices in competing for or in executing this Contract.
- e) If the CA Firm submits to the "APIIC" a false statement which has a material effect on the rights, obligations or interests of the "APIIC".
- f) If the CA Firm fails to provide the quality services as envisaged under this Contract.
- g) If the "APIIC", in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

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2.10.1 In such an occurrence the “APIIC” shall give a not less than seven (7) days’ written notice of termination to the CA Firm

2.10.2 **Cessation of Rights and Obligations:** Upon termination of this Contract pursuant to Clauses GC 2.7 hereof, or upon expiration of this Contract pursuant to Clause GC 2.3 hereof, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, and (ii) any right which a Party may have under the Law.

2.10.3 **Cessation of Services:** Upon termination of this Contract by notice of either Party to the other pursuant to Clauses GC 2.7 hereof, the CA Firm 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.

2.10.4 **Payment upon Termination:** Upon termination of this Contract pursuant to Clauses GC 2.7 hereof, the “APIIC” shall make the following payments to the CA Firm:

If the agreement is terminated, the CA Firm shall not be entitled to receive any agreed payments upon termination of the contract. However, the “APIIC” may consider making payment for the part satisfactorily performed on the basis of Quantum Merit assessed by it, if such part is of economic utility to the APIIC. Applicable Under such circumstances, upon termination, the client may also impose liquidated damages as per the provisions of Clause 9 of this agreement. The CA Firm will be required to pay any such liquidated damages to APIIC within 30 days of termination date.

3. OBLIGATIONS OF THE CA FIRM

3.1. General

- a. **Standard of Performance:** The CA Firm shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices. The CA Firm shall always act, in respect of any matter relating to this Contract or to the Services, as faithful adviser to the “APIIC”, and shall at all times support and safeguard the “APIIC’s” legitimate interests in any dealings with Sub-CA Firms or Third Parties.
- b. **Confidentiality:** Except with the prior written consent of the “APIIC”, the CA Firm and the Personnel shall not at any time communicate to any person or entity any confidential information acquired during the Services, nor shall the CA Firm and its Personnel make public the recommendations formulated in the course of, or as a result of, the Services.
- c. **Insurance to be Taken out by the CA Firm:** The CA Firm (i) shall take out and maintain and shall cause any Sub-contractors to take out and maintain insurance, at their (or the Sub-contractors, as the case may be) own cost, insurance against any risks.
- d. **Reporting Obligations:** The CA Firm shall submit to the “APIIC” the reports and documents specified in Appendix A, if applicable hereto, in the form, in the numbers and within the time periods as provided in the statute or by Management of APIIC.
- e. **Documents prepared by the CA Firm to be the property of the “APIIC”:** All data, reports and other documents prepared by the CA Firm for the “APIIC” under this Contract shall become the property of the “APIIC”, and the CA Firm shall, not later than upon termination or expiration of this Contract, deliver all such documents to the “APIIC”.

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4. CA FIRM's PERSONNEL

- 4.1. **General:** The CA Firm shall employ and provide such qualified and experienced Personnel as are required to carry out the Services.

Except as the "APIIC" may otherwise agree, no changes shall be made in the key Personnel. If, for any reason beyond the reasonable control of the CA Firm, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Personnel, the CA Firm shall forthwith provide as a replacement a person of equivalent or better qualifications.

(b) If the "APIIC" (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 CA Firm shall, at the "APIIC's" written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the "APIIC". Additional travel and other costs arising out of or incidental to any removal and/or replacement, and (ii) the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

The CA Firm shall not sub-contract any or part of the work without prior written permission of the APIIC.

5. OBLIGATIONS OF THE "APIIC"

- 5.1. **Assistance and Exemptions:** Unless otherwise specified in the SC, the "APIIC" shall use its best efforts to ensure that the Government shall:

- a) Provide the CA Firm, and Personnel with work permits and such other documents as shall be necessary to enable the CA Firm or Personnel to perform the Services.
- b) Issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services
- c) Provide to the CA Firm and Personnel any such other assistance as may be specified in the SC

- 5.2. **Change in the Applicable Law Related to Taxes and Duties:** If, after the date of this Contract, there is any change in the Applicable Laws of India with respect to taxes and duties, which are directly payable by the CA Firm for providing the services i.e. GST tax or any such applicable tax from time to time, which increases or decreases the cost incurred by the CA Firm in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the CA Firm under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause GC 6.1(b).

- 5.3. **Payment:** In consideration of the Services performed by the CA Firm under this Contract, the "APIIC" shall make to the CA Firm such payments and in such manner as is provided by Clause GC 6 of this Contract.

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6. PAYMENTS TO THE CA FIRM

6.1. Total Cost of the Services

- a. The total cost of the services payable to the CA Firm as per the Firm's proposal to the APIIC and as negotiated thereafter
- b. There is no separate/ additional payments will be made for any visits undertaken or incidental expenses incurred in compiling the documentation
- c. Except as may be otherwise agreed under Clause GC 2.5 and subject to Clause GC 6.1(c), payments under this Contract shall not exceed the final amount
- d. Notwithstanding Clause GC 6.1(b) hereof, if pursuant to Clause 5.2 hereof, the Parties shall agree that additional payments shall be made to the CA Firm to cover any necessary additional expenditures not envisaged in the cost estimates referred to in Clause GC 6.1(a) above, the ceiling or ceilings, as the case may be, set forth in Clause GC 6.1(b) above shall be increased by the amount or amounts, as the case may be, of any such additional payments.

1.2 Currency of Payment: All payments shall be made in Indian Rupees

1.3 Terms of Payment: For making payment to successful Applicant, its financial quote shall be bifurcated/ divided in four equal parts and partial payment shall be made after every quarter of FY 2024-25 on completion of Internal Audit and submission of Internal Audit Report at O/o APIIC.

- a) Performance Guarantee—equivalent to 3% of total value of the Contract in the form of Bank Guarantee shall be produced prior to signing of the Contract. The validity of the Bank Guarantee is valid 60 days beyond the completion of all contractual obligations
- b) If the deliverables submitted by the CA Firm are not acceptable to the APIIC, reasons for such non-acceptance should be recorded in writing; the APIIC shall not release the payment due to the CA Firm. This is without prejudicing the APIIC's right to levy any liquidated damages under clause 9. In such case, the payment will be released to the CA Firm only after it re-submits the deliverable and which is accepted by the APIIC.
- c) All payments under this Contract shall be made to the accounts of the CA Firm specified in the payments milestone table.

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 will use their best efforts to agree on such action as may be necessary to remove the cause

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or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause GC 8 hereof.

8. SETTLEMENT OF DISPUTES

- 8.1. **Amicable Settlement:** Performance of the contract is governed by the terms & conditions of the contract, in case of dispute arises between the parties regarding any matter under the contract, either Party of the contract may send a written Notice of Dispute to the other party. The Party receiving the Notice of Dispute will consider the Notice and respond to it in writing within 30 days after receipt. If that party fails to respond within 30 days, or the dispute cannot be amicably settled within 60 days following the response of that party, clause GC 8.2 shall become applicable.
- 8.2. **Arbitration:** In the case of dispute arising upon or in relation to or about the contract between the APIIC and the CA Firm, which has not been settled amicably, any party can refer the dispute for Arbitration under (Indian) Arbitration and Conciliation Act, 1996. Such disputes shall be referred to an Arbitral Tribunal consisting of 3 (three) arbitrators, one each to be appointed by the APIIC and the CA Firm, the third arbitrator shall be chosen by the two arbitrators so appointed by the parties and shall act as Presiding Arbitrator. In case of failure of the two arbitrators, appointed by the parties to reach a consensus regarding the appointment of the third arbitrator within a period of 30 days from the date of appointment of the two arbitrators, the Presiding arbitrator shall be appointed by the Secretary of the Ministry / Department. The Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof, shall apply to these arbitration proceedings.
- 8.3. Arbitration proceedings shall be held in Guntur, Andhra Pradesh and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English
- 8.4. The decision of a majority of arbitrators shall be final and binding upon both parties. The expenses of the arbitrators as determined by the arbitrators shall be shared equally by the APIIC and the CA Firm. However, the expenses incurred by each party about the preparation, presentation shall be borne by the party itself. All arbitration awards shall be in writing and shall state the reasons for the award.

9. LIQUIDATED DAMAGES

- 9.1. The amount of liquidated damages under this Contract shall not exceed 5% of the total value of the contract.
- 9.2. The liquidated damages shall be applicable under following circumstances:
- In the event of CA Firm's default in maintaining the agreed time frame/scheduled set of activities as detailed in this Contract, the CA Firm shall be liable to pay 1% of the total cost of the services for delay of each day or part thereof.

10. Jurisdiction of Courts

Jurisdiction of courts for dispute resolution shall be Guntur, Andhra Pradesh only.

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III. SPECIAL CONDITIONS OF CONTRACT

SCC Clause No.	Ref. of GC Clause No.	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
1.	1.6.a & 1.6.b	Addresses: APIIC Ltd. 10 th floor, APIIC Towers, Plot No. 1, IT Park Layout, Mangalagiri, Guntur - 522503
2.	2.1	Effective date of contract.....
3.	2.2	The time period shall be one week from the effective date.
4.	2.3	The time period/ duration of contract shall be up-to April' 23 for undertaking Internal Audit of APIIC for F.Y 2022-23 which may be further extended subject to the approval accorded by Competent Authority, APIIC.
5.	2.7	The Contract Price is Rs._____ (Rupees.....) inclusive of all applicable taxes and charges.
6.	6.3 (a)	The Performance Security amount equals to 3% of the contract value i.e., Rs._____ (Rupees _____). The validity of the Bank Guarantee is valid 60 days beyond the completion of all contractual obligations. In case the contract period is extended further, the validity of Performance Security shall also be extended by the Agency accordingly.
7.	6.3 (c)	Account Details of the CA Firm: Name and Address of the Beneficiary: Bank: Branch: Address of the Bank: Account Number: Account Type: RTGS/NEFT/IFSC CODE: MICR NO:

APPENDICES

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

APPENDIX-I: TECHNICAL PROPOSAL

Form-1: Letter of Proposal

(On Applicant's letter head)

(Date and Reference)

To,
The Vice Chairman & Managing Director
Andhra Pradesh Industrial Infrastructure Corporation Limited,
APIIC Towers, Plot No-1,
IT Park, Mangalagiri,
Guntur (Dist.), AP-522503

Sub: Request for Proposal (RFP) for appointment of Chartered Accountant Firm / Cost Accountant Firm for Internal Audit of APIIC

Dear Sir,

I/ We, the undersigned offer to provide service regarding subject matter and hereby submitting our proposal. I/We, hereby declare that:

- a) We are enclosing and submitting herewith our proposal with the details as per the requirements of the RFP, for your evaluation and consideration.
- b) I/We have read carefully the terms and conditions of RFP document attached hereto and hereby agree to abide by the said terms and conditions.
- c) The proposal is unconditional
- d) I/We undertake that documents submitted are genuine/ authentic and nothing material has been concealed. I/We understand that the contract is liable to be cancelled, if it is found to be having obtained, through fraudulent means/concealment of information.
- e) We shall make available to the APIIC any additional information it may find necessary or require to clarify, supplement or authenticate the Proposal.
- f) Until a formal agreement is prepared and executed, acceptance of this RFP document shall constitute a binding contract between APIIC and us subject to the modifications, as may be mutually agreed to, between APIIC and us.
- g) We agree to keep this Proposal valid for acceptance for a period of one hundred twenty (120) days from the date of opening the Proposal.

We understand that the APIIC is not bound to accept any tender that the APIIC receives.

Yours sincerely,

Authorized Signatory:

(With Name, Designation, Contact No. and Seal)

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

Form-2: Applicant's Authorization Certificate

(On Applicant's letter head)

(Date and Reference)

To,
The Vice Chairman & Managing Director
Andhra Pradesh Industrial Infrastructure Corporation Limited,
APIIC Towers, Plot No-1,
IT Park, Mangalagiri,
Guntur (Dist.), AP-522503

Sub: Request for Proposal (RFP) for appointment of Chartered Accountant Firm / Cost Accountant Firm for Internal Audit of APIIC

Dear Sir,

I/ We {Name/ Designation} hereby declare/ certify that {Name/ Designation} is hereby authorized to sign relevant documents on behalf of the company/ firm in dealing with RFP No.

_____ dated _____. He/ She is also authorized to attend meetings & submit technical & commercial information/ clarifications as may be required by you in the course of processing the Proposal. For the purpose of validation, his/ her verified signatures are as under.

Thanking you,

Name of the Applicant:

Authorized Signatory:

Verified Signature:

Seal of the Organization:

Date:

Place:

Note: Please attach the valid power of attorney in favor of person signing this authorization letter.

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

Form-3: Applicant's Authorization Certificate Proforma

Proforma for Affidavit

(on non-judicial stamp paper of Rs.100/-)

I _____ Proprietor/Director/Partner of the firm M/s _____ do hereby solemnly affirm that our firm M/s _____ has never been blacklisted/debarred by any organization/office and there has not been any work cancelled against them for poor performance in the last three years reckoned from the date of invitation of Proposal.

.....
Name of the Applicant

.....
Signature of the Authorized Signatory

.....
Name of the Authorized Signatory

Place: _____

Date: _____

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

Form-4: Information on Applicant's Organization

#	Particulars	Details
1.	Name of the Applicant	
2.	Address of the Applicant	
3.	Incorporation status of the Applicant (Company or Firm) (Relevant Certificate to be submitted in Technical Proposal)	
4.	Year of Establishment	
5.	Valid GST registration No. (Copy of certificate to be submitted)	
6.	Permanent Account No. (PAN) (Copy of PAN Card to be submitted)	
7.	Name and Designation of the contact person to whom all references shall be made regarding this Proposal	
8.	Telephone No. (with STD Code)	
9.	E-mail id of the Contact Person	
10.	Fax No. (with STD Code)	
11.	Website (if any)	

.....
Name of the Applicant

.....
Signature of the Authorised Signatory

.....
Name of the Authorised Signatory

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

Form-5: Form of Proposal Securing Declaration

Date: _____

Tender Reference No.: _____

Project Name: _____

To: _____

We, the undersigned, declare that:

We understand that according to your conditions, Proposals must be supported by a Proposal-Securing Declaration.

We accept that we will automatically be suspended from being eligible for Bidding, or submitting Proposals in any contract with the Employer for the period of time of 6 (six) months from the date of notification, if we are in breach of our obligation(s) under the RFP conditions, because we:

- a) have submitted a non-responsive proposal; or
- b) have withdrawn our Proposal during the period of Proposal validity specified in the Letter of Proposal; or
- c) having been notified of the acceptance of our Proposal by the Employer during the period of Proposal validity, (i) fail or refuse to execute the Contract, if required or (ii) fail or refuse to furnish the Performance Security in accordance with the Proposal conditions

We understand this Proposal-Securing Declaration shall expire if we are not the successful Applicant, upon the earlier of (i) notification of the name of the successful Applicant; or (ii) twenty-eight days after the expiration of our Proposal.

Name of the Applicant _____

Name of the person duly authorized to sign the Proposal on behalf of the Applicant* _____

Title of the person signing the Proposal _____

Signature of the person named above _____

Date signed _____ day of _____, _____

**Person signing the Proposal shall have the power of attorney given by the Applicant attached to the Proposal.*

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

Form-6: Completed Similar Nature of assignments during F.Y.2021-22, 2022-23 and 2023-24 with Central Autonomous Bodies (CAB) / Public Sector Undertakings (PSUs) etc.

S. No.	Description of Project / Scope of the work	Name of the Client	Location of work	Value of the Project	Financial Year
1.					
2.					
3.					
4.					
5.					
6.					

Supporting/ Relevant documents such as copies of documents as stipulated in the Eligibility Criteria to be attached. Assignments which are not supported by documentary evidence shall not be considered for evaluation.

.....

Name of the Applicant

Signature of the Authorized Signatory: _____

Name of the Authorised Signatory: _____

Date: _____

Place: _____

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

Form-7: Financial Information of Applicant's Organization

(In Rupees)

S. No.	Parameters	FY 2021 - 22	FY 2022 - 23	FY 2023 - 24
1	Annual Turnover			

Note:

The firm should have annual turnover of Rs. 50.00 Lakh in each of the last three financial years.

Copy of audited balance sheet and profit and loss account for the last three financial years must be submitted along with summary as cover page on Applicant's letter head

.....
Name of the Applicant

.....
Signature of the Authorised Signatory

.....
Name of the Authorised Signatory

Place: _____

Date: _____

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

Form-8: Format of Pre-proposal Queries

Date.....

To,

The Vice Chairman & Managing Director
Andhra Pradesh Industrial Infrastructure Corporation Limited,
APIIC Towers, Plot No-1,
IT Park, Mangalagiri,
Guntur (Dist.), AP-522503

Sub: Request for Proposal (RFP) for appointment of Chartered Accountant Firm / Cost Accountant Firm for Internal Audit of APIIC – Reg.

Dear Sir,

Following are the Clarifications and Comments from the Terms and Conditions and Scope of Work for the subject RFP:

S. No.	Clause No. & Page Reference	RFP Text	Query

Yours faithfully,

Authorized Signatory

(with Name, Designation, Contact no. and Seal)

Note:

On the Letter head of the Applicant

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

Form-9: Form of Performance Security

To,

The Vice Chairman & Managing Director
Andhra Pradesh Industrial Infrastructure Corporation Limited,
APIIC Towers, Plot No-1,
IT Park, Mangalagiri,
Guntur (Dist.), AP-522503

WHEREAS _____ [Name and address of Chartered Accountant Firm/Cost Accountant Firm] (hereinafter called the "Vendor") has undertaken, in pursuance of Letter of Award/Contract No. _____ dated _____ to provide the services on terms and conditions set forth in this Contract _____ [Name of contract and brief description of works] (hereinafter called the "the Contract").

AND WHEREAS it has been stipulated by you in the said Contract that the CA Firm shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the CA Firm such a Bank Guarantee;

NOW THEREOF we hereby affirm that we are the Guarantor and responsible to you, on behalf of the CA Firm up to a total of _____ [amount of Guarantee] _____ [in words], such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of _____ [amount of Guarantee] as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the CA Firm before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the Contract or of the services to be performed there under or of any of the Contract documents which may be made between you and the CA Firm shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

The liability of the Bank under this Guarantee shall not be affected by any change in the constitution of the CA Firm or of the Bank

"This guarantee shall also be operatable at our..... Branch at Vijayawada / Guntur, from whom, confirmation regarding the issue of this guarantee or extension / renewal thereof shall be made available on demand. In the contingency of this guarantee being invoked and payment there under claimed, the said branch shall accept such invocation letter and make payment of amounts so demanded under the said invocation."

Notwithstanding anything contained herein before, our liability under this guarantee is restricted to Rs. _____ (Rupees _____) and the guarantee shall remain valid till _____. Unless a claim or a demand in writing is made upon us on or before _____ all our liability under this guarantee shall cease.

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

Notwithstanding anything contained hereinabove:

- A. Our liability under this guarantee shall not exceed Rs._____ (Rupees_____).
- B. This bank guarantee shall be valid up-to _____.
- C. We are liable to pay the guarantee amount or any part thereof under this bank guarantee only and only if you serve upon us a written claim or demand on or before_____.

Signature and Seal of the Guarantor _____

In presence of Name and Designation

1. _____

(Name, Signature & Occupation)

Name of the Bank

Address

2. _____

(Name & Occupation)

Date

Request for Proposal (RFP) for appointment of Chartered Accountant Firm/Cost Accountant Firm for Internal Audit of APIIC

10.APPENDIX-II: FINANCIAL PROPOSAL

(On Applicant's letter head)

(Date and Reference)

To,

The Vice Chairman & Managing Director

Andhra Pradesh Industrial Infrastructure Corporation Limited,

APIIC Towers, Plot No-1, IT Park, Mangalagiri,

Guntur (Dist.), AP-522503

Sir,

Sub: Request for Proposal (RFP) for appointment of Chartered Accountant Firm / Cost Accountant Firm for Internal Audit of APIIC

We, the undersigned, offer to provide the Internal Audit services for the above in accordance with your Request for Proposal dated [date], and our Proposal (technical and Financial Proposals). Our attached financial proposal (annually) is for the sum of Rs. _____[Amount in words] excluding GST.

Our financial proposal shall be binding upon us subject to the modifications resulting from contract negotiations, up to expiration of the validity period of the proposal, i.e., [Date]

We undertake that, in competing for (and, if the awards are made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India namely "Prevention of Corruption Act 1988".

We understand you are not bound to accept any proposal you receive.

Thanking you,

Yours sincerely

Authorized Signature:

Name and Title of Signatory:

Name of Applicant:

Address:

Note: The Financial Proposal is to be submitted strictly as per forms given in the RFP.