



Uttar Pradesh Metro Rail Corporation Limited

(A Joint Venture of Govt. of Uttar Pradesh and Govt. of India)
Administrative Building,
Near Dr. Bhimrao Ambedkar Samajik Parivartan Sthal,
Vipin Khand Gomti Nagar, Lucknow - 226010

EOI No: UPMRCL/Internal Audit/2022/003 Dated 02.09.2022

Sealed offers are invited in 2 packet system from Chartered Accountant firms/LLPs empanelled with C&AG, for the Internal audit of Uttar Pradesh Metro Rail Corporation Limited on concurrent basis.

Please visit www.upmrcl.com for details of the EOI and for downloading of EOI documents.

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UTTAR PRADESH METRO RAIL CORPORATION LIMITED



EOI DOCUMENT FOR UPMRCL INTERNAL AUDIT

EOI No: UPMRCL/Internal Audit/2022/003 Dated 02/09/2022

Date and time of Publication of Tender	-	02/09/2022	18:00 Hrs
Date and time of Pre bid meeting	-	15/09/2022	15:00 Hrs
Start date and time of submission of Tender	-	24/09/2022	11:00 Hrs
End date and time of submission of Tender	-	03/10/2022	15:00 Hrs
Open date and time of Tender	-	04/10/2022	15:00 Hrs

Sealed offers are invited in 2 packet system from Chartered Accountant firms/LLPs empanelled with C&AG, for the Internal audit of Uttar Pradesh Metro Rail Corporation Limited on concurrent basis.

UTTAR PRADESH METRO RAIL CORPORATION LIMITED

TERMS OF REFERENCE FOR OUTSOURCING OF INTERNAL AUDIT

1. BACKGROUND

Uttar Pradesh Metro Rail Corporation Limited (referred to as "the Company"), formerly Lucknow Metro Rail Corporation Limited, is domiciled and incorporated in India (CIN: U60300UP2013SGC060836) with 50:50 equity participation of the Government of India (GOI) and the Government of Uttar Pradesh (GoUP). The registered office of the company is located at Administrative Bhawan, Vipin Khand, Gomti Nagar, Lucknow, Uttar Pradesh PIN - 226010.

It was formed as a special purpose vehicle (SPV) on 25th November 2013 to execute Mass Rapid Transit System (MRTS) in Lucknow city by providing Metro Rail. The Corporation successfully implemented Phase 1A –North South Corridor (23Km) of Lucknow Metro Rail Project within strict timelines and commenced commercial operations on 8th March 2019. The Government further mandated it to implement the upcoming projects in other cities of Uttar Pradesh. Hence forth the constitution and name of the Company was changed to Uttar Pradesh Metro Rail Corporation Limited (UPMRCLL) on 23rd October 2019. Presently the Company, apart from running Metro Rail services in the Lucknow, has commenced construction activity in Kanpur (32.385 Kms) and Agra (30.45 Kms). Work of Priority Section for Corridor – 1 of Kanpur Metro Rail Project (IIT Kanpur to Motijheel) has been completed ahead of its schedule. Shri Narendra Modi, Hon'ble Prime Minister of India inaugurated the project on 28th December, 2021.

The project aims to alleviate the traffic problems of the city and reduce vehicular pollution. The Client intends to invite expression of interest to carry out an Internal Audit function for the project and operations activities. The period of audit shall be of 3 years starting from 01/07/2022, renewable every financial year on mutually agreed terms.

2. PURPOSE

The Internal Audit service is responsible for providing an independent audit of the entire project and operational activities of Lucknow Metro, Kanpur Metro and Agra Metro, financial or otherwise. It should provide a service to the whole organization, including all the levels of management. It is not an extension of, nor a substitute for, good management, although it can have a role in advising management. The Internal Audit service is responsible for evaluation and reporting to Board through Director Finance and thereby providing assurance on the arrangements for risk management, control, governance & quality of data.

Based on above, UPMRCL invites expression of interest from Chartered Accountant firms / LLPs empaneled with C&AG to conduct risk based

assessment, identifying the potential risk areas and agree on an annual concurrent internal audit plan for the period of 3 years starting from 01/07/2022, renewable every financial year on mutually agreed terms.

3(a). Minimum Qualifying Criteria:-

Chartered Accountants Firms/LLP should be empanelled with C&AG.

3(b). ELIGIBILITY CRITERIA:

Chartered Accountant firms/LLP in addition to empanelment with C&AG, must qualify the following minimum criteria.

Sl. No.	Particulars	Minimum Criteria
(i)	Number of Full Time Partners continuously associated with the firm/LLP for not less than 5 years , who shall be a member of Institute of Chartered Accountants of India	5 Nos.
(ii)	Turnover of the firm/LLP (Average Annual turnover of the firm in last three financial years i.e 2019-20, 2020-21 & 2021-22.)	Rs. 50 Lacs.
(iii)	No. of Years of Firm/LLP Existence (At least One Existing partner should be continuing for last 10 years with the Firm) See Note Below*	Not less than 10 Years
(iv)	No. of assignments of Internal/ Statutory Audit of Corporate / PSUs entities except Bank / Branch Audit having an annual turnover of not less than Rs. 100 crores in the year of audit. Experience in PSU particularly infrastructure sector as Statutory / Internal Auditors and ERP environment is desirable. The minimum experience in such assignments should be three(3) preceding financial years.	At least 5 Nos. of which minimum 2 Nos. should be PSU entities.
(v)	The firm/LLP should have existence of its Head office in Lucknow for atleast 5 years.	5 Years

*Note- The firm/LLP should have minimum staff strength of at least 5 personnel. The staff would include Articles/ Audit clerk, Semi- qualified and qualified personnel.

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

Supporting Documents for Eligibility Criteria:

The letter from C&AG for empanelment of the firm should be enclosed. Following supporting documents must be submitted by the firm along with the technical proposal:

- i. For Sl. No. 1 above, the firm / LLP must submit an attested copy of Certificate of the Institute of Chartered Accountants of India (ICAI) with respect to its constitution.
- ii. For Sl. No. 2, the firm must submit a copy of the balance sheet &

- Profit and Loss Account for the last three financial years as mentioned.
- iii. For Sl.No.3, the firm shall submit a declaration for no of years in existence and certificate from the Institute of Chartered Accountants of India (ICAI).
 - iv. For Sl. No.4: A declaration from the audit firm in the letter head stating that they have Head Office in Lucknow at least for 10 Years.
 - v. For SI. No.5: The firm must submit a copy of the appointment letters from the auditee organizations and Annual reports or any other document evidencing the turnover of the auditee organizations.

4. SCOPE OF THE WORK

The Internal Audit Service will consider the adequacy of controls, necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that management have taken the necessary steps to achieve these objectives and manage the associated risks.

The scope of Internal Audit work should cover all project, operational and management control and should not be restricted to the audit of systems and controls necessary to form an opinion on the financial statements.

The audit will be carried out in accordance with the relevant standards of auditing, and will include such tests and controls as the auditor considers necessary under the circumstances. The scope & responsibilities of the Internal Audit function includes the following both in the project phase and the operational phase.

Scope of work and functions to be performed by the Internal Auditors :-

A. Common Functions

Periodical review in the finance & accounts activities is very important. It assures that there are proper checks and balances in operation. It is therefore, advised that total activity framework of finance & accounts department should be reviewed thoroughly to insulate against possibility of any mistake or fraud. In particular, the following areas should be examined in detail.

- There are proper delegated authority at every level and the same are being strictly adhere to in practice.
- The decisions/approvals provided by competent authority, as per Schedule of Power (SOP) needs to be reviewed.
- The expenditure are sanctioned and booked as per the authorization.
- All the important documents including tax return, bank guarantees, cheque books (if any) etc. are kept under proper safe custody.
- There is a proper mechanism that the bank guarantees are extended well before the expiry dates.
- Review of Property Business (PB) accounting control system for the invoices raised and timely recovery of the dues and reconciliation thereof.

- Review of various lease agreements and compliance thereof during operation of lease.
- All statutory compliances relating to GST and other taxes and duties.
- Appropriate changes in accounting as required by Companies Act 2013 and Ind AS.
- Reconciliation of traffic earnings with AFC system and matching of cash collection with traffic earnings.
- Recognition and accounting of revenue on account of receipt of traffic earnings in line with accounting policy of the company.
- Compliance of Labour laws.
- Review of Internal Financial Control (IFC) system and its operating effectiveness.
- Physical verification of cash available at all stations at the end of financial year.
- To ascertain the integrity and reliability of financial and other information provided to management and stakeholders, including that used in decision making.
- Identify areas of significant inefficiencies in existing systems and suggest necessary remedial measures.
- Conducting special assignments and investigations on behalf of the Audit Committee/Managing Director/Director (Finance) into any matter or activity affecting the probity, interests and efficiency of the UPMRCLL, if required separately.\
- To be involved in physical verification of assets of the company once in a year. However, the physical verification of assets is done by another entity.
- To ensure adequacy of various manuals in the Company and advice suitable modifications to the Management from time to time.

B. Other areas of Internal Audit should include the following:

1. Statutory Compliances:

To ensure compliance of Companies Act 2013 with particular reference to the accounting functions and the Indian Accounting Standards (Ind-AS) and Guidance Notes issued by The Institute of Chartered Accountants of India from time to time and also other statutory provisions applicable to the company. To assist and advise the company in formulation/revision of accounting policies and in establishing proper accounting practices and procedures as per the changing needs.

2. Vouching:

To verify all accounting transactions so as to ensure that booking have been made to the appropriate head of accounts.

3. Ledger Scrutiny:

Scrutiny of trial balance, groupings and periodicals scrutiny of General ledger, subsidiary records of the company including open and parked entries, review of sundry debtors, creditors and loan advances outstanding entries.

4. Scrutiny of Bank Transactions and Reconciliation:

a. Scrutiny of Bank transaction

To verify that cash and Bank transactions are recorded properly. Entries in the deposits statement should tally with the term deposit

certificates. Also to verify that interest on deposits and TDS thereon has been correctly calculated and accounted for in the books of the company.

b. Bank Reconciliation

Verify the monthly bank reconciliation statement of various bank accounts and report for old/unadjusted items requiring special attention.

5. Capital work-in-progress and capitalization:

To verify capitalization of assets and accounting of capital expenditure as per Accounting policy of the company for capitalization.

6. Works Accounting:

- i) To verify and scrutinize payments to contractors with reference to respective agreements and adjustment thereof while accounting for the work done by them and ensure that deductions made in respect of mobilization and other advance. Statutory deductions are correctly made from the bills. Also verify that all accounts are reconciled from time to time.
- ii) To verify work in progress with reference to field records such as Interim payment certificates and certification of progress issued by the executive. Quantum of work in progress recorded should be compared with work orders/contracts and subsequent approvals for variations to ensure that payments are duly authorized.
- iii) To check that adjustments for returns, shortages, damages and unserviceable stores and materials at sites are properly made.
- iv) To ensure that various statutory tax returns should be timely filed with the all direct and indirect tax authorities and also verify the facts and figure given in the tax returns.
- v) To review of terms and conditions of tender documents and agreements, verification of bank guarantees and specific emphasis to be given on final payments of contracts.

7. Fixed Assets:

- i) To verify that proper records of Assets of the company which are required to be maintained as per provisions of Companies (Auditor's Report) Order issued in terms of sub section (11) of section 143 of the Companies Act 2013.
- ii) To review the system regarding accounting, custodianship and safeguarding of monetary and non-monetary assets of the company.
- iii) To see that the Assets of the company are reasonably and adequately protected against loss.
- iv) To check that the outward transfer of each asset is immediately and properly accounted for and applicable depreciation rates with calculation of depreciation.

8. Income Recognition:

- i) To verify that Income recognition is being made in conformity to accounting policy/procedure and the transactions are recorded accordingly.
- ii) Traffic earnings: Timely recognition of the traffic earnings and reconciliation with AFC to be conducted and matching of cash collection with traffic earnings.

- iii) Rental and Feeder bus earning: Review of terms and conditions of lease agreements and accounting thereof.
- iv) Review of agreements for advertisements and parking incomes and any other operational income to verify the timely accounting of the revenue.

9. Scrutiny of Books of Accounts & Financial Statements:

To scrutinize the accounts and review of various financial statements of the company to ensure that they should reflect the true and fair view of its statement of affairs and of its working results.

10. Strengthening of Internal Control System:

To identify weaknesses in financial and non-financial controls which can lead to errors & frauds.

11. Stores, Transactions and valuation thereof:

To verify the vouchers pertaining to store receipts, issues and the valuation of stores and spares for the purpose of inventory. To evaluate internal control procedures operative within the enterprise for efficient materials Management.

12. Verification of secured/unsecured advances and securities given/received on behalf of the company:

- i) Documents/agreement relating to secured and unsecured advances to parties/ government bodies shall be verified on test basis.
- ii) The scope includes verification of securities deposited by the company with government authorities, including customs authorities and clients. To check and examine the purpose and the duration of such deposits and whether the deposit certificates are in safe custody for presentation at the time of claiming refund. Security deposit received from other parties shall also be verified to ensure that the company does not retain these beyond prescribed period.

13. A) Insurance and other claims lodged by the company:

To see that losses to the company giving rise to claims are properly lodged and proper follow up action is taken for realization of overdue claims and the claims are properly accounted for after settlement.

B) Claim lodged against the company:

To ascertain that the passed claims are with the approval of Competent authority and are properly accounted for after settlement.

14. Employee payments:

To verify that accounting for salary, statutory dues related to employees (such as PF, ESI etc) and benefits admissible to employees and directors are being done properly and all subsidiary records for loan/advances and other deductions related to employees are Reconciled properly. Requirements of Ind-AS should be complied with.

15. Other Matters:

Keeping in view the above requirements, it is also required to contribute for following activities:

- i) Review and guidance in the finalization of accounts.
- ii) To report any other matters coming to notice during verification in order to strengthen internal control system and for improving MIS.
- iii) Review of opening & closing liabilities and provisions and

- movement thereof during the year.
- iv) Proper accounting of expenditure and incomes accruing to the company and adherence to matching principle.
 - v) Review the adequacy of the insurance cover for the various risks involved.
16. To inform well before time the audit programme to the concerned incharge of the section/site and with intimation to GM(F) so that necessary arrangement may be made for availability of staff and documents/records.
17. Draft paras may be issued for verification of facts and figures before putting in the report and also discuss conclusions and recommendations at appropriate levels of management and final report shall be drawn after giving due consideration to the explanations offered by the management.
18. To submit audit plans in advance to enable the management to take appropriate steps for finalization of various tasks as per pre decided matching schedule.

19. Issue of Internal Audit Report:

Internal Audit report must be issued as per schedule given below, and it is to be ensured that concerned person in –charge of the division/unit must be consulted before any observation is included in the main report.

An item wise list of scope of work is given as per ANNEXURE-A. As it is a pilot project in the State of Uttar Pradesh, the Scope of work given below is illustrative and not exhaustive. There might be addition or deletion depending on the circumstances which shall have to be factored in the scope of work. Further it is subject to modification on the advice of the internal auditor to incorporate the best and qualitative prevalent auditing practices and any other applicable statutory norms/provisions.

5. PERIOD OF INTERNAL AUDIT

The period of internal audit would be three years commencing from 01/07/2022, renewable for second financial year on mutually agreed terms and it shall be running concurrently with the year during which the audit is done. Audit observations noticed during concurrent audit shall be rectified immediately.

6. INTERNAL AUDIT REPORTS

- a) The report should be structured in a manner to provide the following:
 - (i) audit observations;
 - (ii) implications of the observations;
 - (iii) suggested recommendations;
 - (iv) management’s comments/agreed actions and
 - (v) status of actions on the previous recommendations and discussion notes duly signed by both auditor and auditee. In addition, the internal auditor should prepare and submit a consolidated report on a quarterly basis, summarizing the individual contract package wise interim reports and

highlighting the critical issues which require the immediate attention of UPMRCL. The reports should be submitted to UPMRCL within 15 days of the close of each quarter. The auditor should discuss results of audit with the Director (Finance) of UPMRCL and the Audit Committee. The report in respect of UPMRCL shall be submitted in triplicate for each phase along with a soft copy.

- (vi) The Internal Auditor shall submit a summary to management, listing the errors got corrected out of Internal audit. The Internal auditor shall also recommend suitable modifications and improvements particularly that based on emerging trends and successful practices in Infrastructure and Metro PSUs.
- b) Submission of pre-audit observations in respect of Contractor's bills / non routines for the cases referred for pre-audit. Pre-audit observations on scrutiny of Contractors bills shall however be submitted within a working day as and when referred by Finance Division of UPMRCL so as to release payments to contractors bills within the time frame. The pre audit observations of contractor's bills shall be made in the respective files of the relevant note file.
- c) The Internal Audit should report to the Audit Committee any serious weakness, significant fraud or major accounting breakdown discovered during the normal course of audit through Director (Finance).
- d) 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 2013 and other applicable statutory norms and provisions

7. RIGHTS OF THE INTERNAL AUDITOR

The Internal Auditors has rights of access to all UPMRCL records, information and assets which considers necessary to fulfill the responsibilities. The Head of Internal Audit shall have a right to direct access to the Director (Finance) / Managing Director and the Audit Committee.

8. RESPONSIBILITY

The responsibility of the Internal Auditor would be:

- a) Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- b) Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- c) Issue periodic reports to the audit committee and management summarizing results of audit activities, including significant audit issues and management action plans.
- d) Keep the audit committee informed of emerging trends and successful practices in internal auditing.
- e) Assist in the investigation of significant suspected fraudulent activities within the organization and notify management, the external auditors and the audit committee of the results.

- f) Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.

9. OTHER TERMS AND CONDITIONS:

1. Firms selected by UPMRCL shall maintain ethics of faith and the information provided by UPMRCL shall be kept 'strictly confidential'. The firm shall execute "Confidentiality Non-Disclosure Agreement" before commencement of the Internal Audit Assignment.
2. The selected audit firm shall deploy required personnel who must be at least Semi-qualified of which one shall be a qualified member (Chartered Accountant) to administer the day-to-day audit activity. The audit firm shall employ such more qualified and experienced Personnel as and when required for internal audit. The firm shall furnish the list of personnel deputed for UPMRCL audit with details before commencement of audit. If for any reason beyond the reasonable control of the Audit Firm, it becomes necessary to replace any of the Personnel, the Audit Firm shall forthwith provide as a replacement, a person of equivalent or superior qualification. The Audit party will consist of sufficient number of experienced and qualified professionals in relevant field.
3. The company can determine the manner and intervals in which the Internal Audit shall be conducted and reported to the Board to comply with the Companies Act 2013 and other statutory norms and provisions.
4. In case of any dispute, the decision of MD, UPMRCL shall be final and binding.
5. All assignments shall be carried out with due diligence maintaining quality of work done and in least possible time.
6. All reporting including MIS shall be done on concurrent basis as required by UPMRCL from time to time.
7. UPMRCL reserves the right to cancel selected firms, if it considers necessary.
8. The Audit work being conducted by the firm will be subject to supervision by Finance and Accounts Division of UPMRCL as and when required to ensure that the work is progressing as per agreed plan.
9. In case of non-fulfillment of any instructions issued by UPMRCL, UPMRCL will be entitled to cancel the audit work without any obligations.
10. The successful firm shall not be entitled to claim any additional amount for any reason whatsoever for the above audit work.
11. The UPMRCL reserves the right to reject any or all offers received without assigning any reasons.
12. These are only proposed draft terms and conditions and can be modified at any time by the UPMRCL at its sole discretion.

12. CONTENTS OF THE EOI PROPOSAL

This is a two-bid open EOI. The firm / LLP has to submit the offer in two different packets. One packet will be for technical bid packet 'A' and another packet will be for financial bid as packet 'B'. The packet 'A' shall be superscripted as "Technical & Commercial Cover" and the packet 'B' shall be superscripted as "Financial Bid". Both the covers should be in sealed condition and placed in a larger cover which should be superscripted with the EOI No. UPMRCL/Internal Audit/2022/003. The EOI shall be addressed to General Manager (Finance), UPMRCL.

- (i) Technical bid (Packet A) will be opened on due date (as per mentioned in EOI). This packet must contain the following:
 - a. A proposed plan of action to achieve the objectives of the internal audit function of UPMRCL. Such a plan should cover short- and medium-term steps to manage the internal audit function;
 - b. The name of the staff who will be available for the duration of the work;
 - c. An undertaking to ensure continuity of staff on the project;
 - d. Finally, all the supporting documents as in clause 3 as above to assess the eligibility criteria/technical evaluation may also be furnished.
 - e. The document should be indexed and each page of the documents is required to be numbered and signed by one Partner of the firm. The documents / certificates in support along with the tender shall also be signed by one Partner.
- ii. Financial bid (Packet B) will be in the separate sealed envelope, which will contain
 - a) Price bid as per Forms Fin 1
 - b) In Case the bidder disqualifies technically, bidders' unopened financial bid will be returned in sealed intact condition.

13. "PROFESSIONAL CHARGES/PRICE"

The professional charges/ price is to be in Indian currency (INR) which shall be furnished in the Form Fin 1 for one year. The quoted price shall be valid for a period of 120 days from the opening date of EOI. The quoted Professional charges / price excluding Goods & service tax shall remain fixed for 3 years in case the audit assignment is renewed for second year. However, Goods & service tax shall be paid at actuals as applicable. If there is any increase or decrease in the Goods & Service Taxes due to change in applicable law etc. during the currency of contract, such additional or reduced cost shall be paid by or credited to the Client.

12. EVALUATION CRITERIA FOR SELECTION OF AUDITOR (Expression of Interest)

a) Technical evaluation:

The Evaluation Criteria for selecting the auditor are mentioned below:

<i>Sl No</i>	<i>Evaluation Criteria</i>	<i>Maximum marks</i>
1	Number of Partners (Partners should necessarily be a	10

	member of Institute of Chartered Accountants of India (4 marks up to 5 partners,1 for each additional partner)	
2	Head office and have adequate staff to undertake audit work at Lucknow. The staff includes Articles, Audit clerks semi qualified professionals and qualified professionals. The marking Shall be Upto 5 staff (3 Marks) More than 5 Staffs -Article/Audit Clerk (1 mark) -Semi-Qualified Staff (2 Marks) -Qualified Staff (3 Marks)	15
3.	No. of assignments in ERP environment in preceding 7 years. 5 Marks upto 5 assignments, 1 mark each for additional assignments.	10
4.	No. of internal / statutory audit undertaken during last 7 years of corporate entities or PSU (whose annual turnover is more than Rs.100 crore in the year of audit) (4 marks for each assignment, maximum 10 assignments)	40
5.	No. of years of firm in existence (to be counted from the years from which one of the existing partners is with the firm) (5 Marks for 10 years, 1 mark each for additional year)	10
6.	Turnover for the last three years of the Firm / LLP More than Rs. 50 Lacs – 5 marks for each year.	15
	Total Marks = S_T	100

**evidence of turnover being more than Rs.100 Crores shall be furnished by the firm viz auditee's Annual report etc.*

*** declaration of staff strength be furnished along with technical bid*

The Minimum qualifying mark is 65% on technical evaluation.

b) Financial evaluation:

The formula for determining the financial scores is as below:

$S_F = 100 \times F_m / F$ where S_F is the financial score, F_m is the lowest price quoted by any consultant and F the price quoted by the firm.

The weights given to the Technical & financial proposal are:

$T = 0.7$ & $F = .3$

Total of all the score = $S_T \times 0.7 + S_F \times 0.3$

13. REGULATION OF AUDIT FEES

The payment of Audit Fees as fixed will be made only after completion of Audit Work and submission of Audit Report for every quarter on pro rata basis. Completion of Audit includes conduct of audit, submission and discussion of report with UPMRCL. UPMRCL will not pay any advance to the selected audit firm under any circumstances.

Bill for Audit Fees will be submitted to the Finance & Accounts Division of UPMRCL along with a certificate indicating that audit work has been completed as per the agreed terms and conditions along with discussion note.

UPMRCL shall cause payment to the Audit Firm to be made in quarterly basis within 30 days from the date of receipt of the bill along with supporting documents. Tax as applicable will be deducted at source and tax deducted certificate will be issued as per the law in force.

14. PENALTY

Penalty shall be recovered from fees/amount payable to CA/LLP firm on late submission of Audit Reports. The penalty shall be levied @ Rs. 1000/- (One thousand only) per week or part of the week of the delay in submission of the Audit Report, subject to maximum 10% of the quarterly billing.

15. TERMINATION

Any party of the Contract may terminate the Contract at any time by one month's written notice to the other party.

Upon termination of the contract, or at any time if so, requested in writing by UPMRCL, the audit firm will return or destroy within thirty (30) days all confidential information of UPMRCL and any copies thereof it may hold at such time.

16. 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 Lucknow and the language will be English.

Uttar Pradesh Metro Rail Corporation Limited

Annexure-A

INTERNAL AUDIT – SCOPE OF WORK

Project Phase

A)	ALL ROUTINE VOUCHERS PROCESSED BY F&A	Frequency
	1. All contract payments	On Event
	a. Underground Station Works	On Event
	b. System package Works	On Event
	c. General Consultants	On Event
	d. Civil/ Elevated Station Works	On Event
	e. Any other packages related to the project	On Event
	f. Full & Final Settlement of contractors	On Event
	g. Providing all necessary information for arbitration process	On Event
	h. Validity and value of Bank Guarantees and Insurance Policies	On Event
B)	ALL REGULAR AND ADMINISTRATIVE TRANSACTIONS	
	a. Cash	Daily
	b. Bank	Daily
	c. Journal entries	Daily
	d. All expenditures connected with project	Daily
	e. Legal, Printing & Stationery, all utilities, courier, telephone, mobile, professional charges	Daily
	f. Any other regular/non-regular payments apart from the above list	Daily
C)	MONTHLY DISBURSEMENTS	
	a. Payroll payment	Monthly
	b. Recurring monthly vendor bills / all admin related transactions (Rent, Electricity, Utilities, Stationery etc)	Monthly
D)	BANK RECONCILIATION	
	a. Bank Reconciliation	Fortnightly
	b. Confirmation of balance	Monthly
	c. Fixed Deposit – Renewal / Closure	Monthly
	d. Cash Drawings	Monthly
E)	MANAGEMENT INFORMATION SYSTEM	
	a. Fortnightly Reports	Fortnightly
	b. Monthly Budgets / Variance Report	Monthly
	c. JICA related matters – JICA claims – Forecast Vs Actual	Monthly
	d. Externally aided project – Report to GoUP	Monthly
	e. Package-wise cost allocation / utilization	Monthly
F)	OTHER REPORTS	
	a. Physical Verification of cash	Surprise Check
	b. Physical Verification of Fixed Asset / Inventory	Half Yearly
G)	STATUTORY COMPLIANCE	
	Income Tax	
	1. Advance tax Projection	Quarterly
	2. Salaries – TDS – Planning	Annually

	3. Foreign Remittance Compliance & Form 15CA / 15CB	Event Basis
	4. Wealth tax (if applicable)	Annually
	5. TDS remittance in all respect (194C - 194LA)	Monthly
	6. E - TDS compliance	Monthly/Quarterly/ Annually
	7. PF remittance / filing	Monthly
	8. ESI compliance / Remittance & Filing	Monthly
	9. GST (various forms filing, as applicable)	Monthly
	10. GST TDS - Remittance / Filing	Monthly
	11. Labour Cess - Remittance / Filings	Monthly
	12. Companies Act, 2013	Quarterly
	13. Foreign Exchange Management Act, 1999	Quarterly
	14. Labour Laws	Quarterly
	15. Indian Contract Act, 1872	Quarterly
H)	REVENUE SEGMENT - (PROJECT PHASE AND O&M PHASE)	
	1. Interest Receivables	Monthly
	2. Other Incomes	Daily
	a. Sale of tender Doc	Monthly
	b. Sale of other items	Monthly
	3. Fare Box Revenue	Daily
	a. Daily Collection Reports verification	Regular
	b. Revenue collected in advance - unutilized fare box revenue/ smart card	Fortnightly
	4. Non-Fare box revenue	Daily
	a. Rental Income from Property	Monthly
	b. Advertisement & Hoarding	Monthly
	c. Other Incomes - Advance	Monthly
I)	O&M RELATED EXPENDITURES	
	a. Stores items	Daily
	b. Capital Expenditures	Daily
	c. Energy - Electricity / Diesel / Solar	Daily
	d. Water procurement	Daily
	e. Salary	Daily
	f. All vendors payments related to O&M - House Keeping, Facility management, Security, CRM etc	Daily
	g. Imprest Management - Depot / Stations	Daily
	h. Repairs & Maintenance	Daily
	i. Insurance	Daily
	j. Any other recurring and non-recurring expenses relating to O&M	Daily
J)	FINALIZATION OF ACCOUNTS	
	1) Providing all necessary support to F&A team for finalization of accounts	Half yearly / Annually
	2) Obtaining confirmation of balances from various parties - Debtors / Creditors/ banks / Others	Annual
	3) Providing all support in preparation of annual accounts and	On event

	providing clarification to Statutory / C&AG Auditors	
	4) Providing support in filing of XBRL returns by the Practicing Company Secretary	Annual
K)	AUDITING OF OTHER DEPARTMENT/DEPOT/STATIONS	
	Prime Consultants	Monthly
	General Consultants	
	HR / Administration	
	Public Relations	
	DRO – Land related matters	
	Vigilance	
	All technical	

	Stores – Depot	Monthly
	Stations	
	Legal	
	Secretarial	
	Insurance claims lodged by / against the Company	
L)	REPORTING	
	1. Internal Audit Program – Annual	March
	2. Quarterly reports	
	Qtr I – April – June	July 15 th
	Qtr II – July – Sep	Oct 15 th
	Qtr III – Oct – Dec	Jan 15 th
	Qtr IV – Jan – Mar	Apr 30 th

CHECKLIST:

The following checklist is intended to help the bidders in submitting offer which are complete. An incomplete offer is liable to be rejected. Firms/LLPs are advised to go through the list carefully and take necessary action.

S.No.	Description	Yes	No
1.	A declaration containing list of all partners and the period for which they have associated with the firm. An attested copy of Certificate of Practice of all partners issued by ICAI must be enclosed as in Clause 3(i)		
2.	Copy of the balance sheet & Profit & Loss Account for the last three years as in Clause 3 (ii)		
3.	A declaration from the firm for no of years in existence as in Clause 3 (iii) with documentary support		
4.	Copy of the appointment letters from the auditee organizations and Annual reports as in Clause 3 (iv)		
5.	A declaration from the audit firm in the letter head stating that they have Head Office in Lucknow atleast for 5 years as in clause 3(v) with supporting document.		
6.	A proposed plan of action to achieve the objectives of the Internal audit function of UPMRCL.		
7.	Undertaking that the name of the staff who will be available for the duration of the work.		
8.	An undertaking to ensure continuity of staff on the project.		
9.	Details of staff training and development policies and procedures, with specific mention of employment equity policies		
10.	Evidence of turnover being more than Rs.100 Cr shall be furnished by the firm viz auditee's Annual report, document, etc.		
11.	Declaration of staff strength be furnished along with technical Bid		
12.	Letter from C&AG for empanelment of the firm/LLP.		
13.	Declaration supported by documents that atleast one existing partner should be continuing with the firm for last 10 years as in clause 3(iii)		
14.	Any other document which the firm/LLP considers relevant		

Form FIN-1: Financial Proposal Submission Form

Date

To

General Manager (F)
UTTAR PRADESH METRO RAIL CORPORATION LIMITED
Administrative Building,
Near Dr. Bhimrao Ambedkar Samajik Parivartan Sthal,
Vipin Khand Gomti Nagar, Lucknow - 226010

Dear Sir,

We, the undersigned, offer to provide the Internal Audit Services for M/s Uttar Pradesh Metro Rail Corporation Limited in accordance with your EOI dated [*Insert Date*] & its addendum. Our attached Financial Proposal is for the sum of [*Insert amount(s) in words and figures*]. This amount is exclusive of Goods & Service Tax.

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.

No Commissions and gratuities paid or to be paid by us to agents relating to this Proposal and Contract execution.

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

We remain,

Yours sincerely,

Authorized Signature [*In full and initials*]: _____

Name and Title of Signatory: _____

Name of Firm/LLP: _____

Address: _____