

CHENNAI METRO RAIL LIMITED



TENDER DOCUMENT

FOR

CMRL INTERNAL AUDIT

Pre-Bid Meeting	: 27 th January 2020 at 15:00 hrs
Opening Date of submission of tender	: 20 th February 2020
Last Date & Time of submission of tender	: Upto 14:00 hrs on 26th February 2020
Opening Date & Time of tender	: 27 th February 2020 at 14:30 hrs

NOTICE INVITING TENDER

CHENNAI METRO RAIL LIMITED

TERMS OF REFERENCE FOR OUTSOURCING OF INTERNAL AUDIT

1. BACKGROUND

Chennai Metro Rail Limited (CMRL) is a joint venture of the Government of India (GoI) and the Government of Tamil Nadu (GoTN) for the construction of Metro Rail in the city of Chennai city with loan assistance from Japan International Co-operation Agency (JICA).

The total length is 54.1km (Phase 1 of the Chennai Metro Rail Project). Chennai Metro Phase 1 with Extension comprises of two corridors — Corridor I from Wimco Nagar to Airport covering a distance of 32.1 kilometers and the Corridor II from Central to St. Thomas Mount covering 22.00 kilometers. There will be 40 stations of which 21 will be underground and 19 will be elevated.

CMRL undertook the construction for Metro Rail and presently the Corridor-I from Chennai Central to St. Thomas Mount and Corridor-I from Washermanpet to Airport stations of Phase -1, stations are operational from February 2019.

Phase I extension is being carried out in full swing and is expected to be completed by June 2020.

Phase II of the project covering 119 Kms is currently under initial stages of implementation.

The project aims to alleviate the traffic problems of the city and reduce vehicular pollution. The Company intends to invite Tenders to carry out an Internal Audit function for both the project activity as well as the operations activities. The period of audit shall be for a period of 2 years.

2. PURPOSE

The Internal Audit service is responsible for providing an independent audit of the entire project and operational activities, 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 Audit Committee through Director

Finance and thereby providing assurance on the arrangements for risk management, control, governance & quality of data.

Based on above, CMRL invites tenders from audit firms to conduct risk based assessment, identifying the potential risk areas and agree on an annual concurrent internal audit plan for the period of 2 years from 01/04/2020.

3. ELIGIBILITY CRITERIA:

Firms must qualify in the following minimum criteria:

Sl. No.	Particulars	Minimum Criteria
1	Number of Full Time Partners associated with the firm for not less than 3 years and shall be a member of ICAI/ ICMA.	3
2	Turnover of the firm (Annual turnover of the firm in each of last three financial years i.e 2016-17, 2017-18 & 2018-19.)	Rs. 1 crores
3	No. of Years of Firm Existence (Experience in Infrastructural project for a minimum period of 2 years)	5 years
4	No. of assignments of Statutory Audit of Corporate/PSUs entities [except Bank / Branch Audit] having an average turnover of not less than Rs 100 crores in the last 3 years.	2 Assignments
5	The firm should have Head Office / Branch Office in Chennai	3 Years

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

Supporting Documents for Eligibility Criteria:

Following supporting documents must be submitted by the firm along with the technical proposal:

- i. For Sl. No. 1 above, the firm must submit an attested copy of Membership Certificate of Institute of Chartered Accountants / Cost Accountants of India.
- ii. For Sl. No. 2, the firm must submit a copy of the balance sheet & Income & Expenditure Account for the last three years.
- iii. For Sl.No.3, the firm shall submit a declaration for no of years in existence.
- iv. For Sl. No. 4, the firm must submit a copy of the appointment letters from the auditee organizations and Annual reports evidencing the turnover of the auditee organizations. Bank/Branch Audit of any Bank shall not be considered while taking into account the total number of assignments.
- v. For Sl. No.5: A declaration from the audit firm in the letter head stating that they have Head Office / Branch Office in Chennai atleast for 3 Years.

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.

1. To monitor the achievement of organizational objectives.
2. To identify, assess and suggest to manage risks to those objectives.
3. To advise on, formulate and evaluate policy within the responsibilities of the Board of Directors.
4. To ensure compliance with manuals, policies, delegation of powers, laws and regulations including all statutory requirements.
5. To ascertain the integrity and reliability of financial and other information provided to management and stakeholders, including that used in decision making.
6. To review the efficacy, adequacy and application of accounting, financial and operating controls and thereby ensure the accuracy of the books of accounts;
7. Verify that the system of internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcations, frauds, misappropriations and misapplications;
8. Identify areas of significant inefficiencies in existing systems and suggest necessary remedial measures;
9. To ensure that capitalization of assets is done accurately.
10. To provide all requisite information and support for implementation of suitable ERP system and also to ensure adequate controls are developed within the ERP system to be procured to serve the above objectives.
11. 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 CMRL.
12. To assist the Finance & Accounts Department of CMRL in finalization of Accounts.
13. To involve in physical verification of assets of the company twice in a year by 30th September and 31st March.
14. To ensure adequacy of various manuals in the Company and advice suitable modifications to the Management from time to time.

This assignment of Internal Audit will be done on concurrent basis on a full time basis by at least one qualified Chartered / Cost Accountant who can be replaced

only with prior approval of CMRL. The audit compliance includes the pre-pay audit of running bills and final bills of the contractors for the project activity within the time frame as per CMRL existing policy & procedures.

- 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 in respect of mobilization & other advances, Statutory deductions, etc. 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 conduct pre audit of all the payments to Operations & Maintenances contractors wherein formal agreements have been entered into with the respective contractors.
- iv) To conduct post audit of Payroll and employees payments.
- v) To check that adjustments for returns, shortages, damages and unserviceable stores and materials at sites are properly made.
- vi) To ensure that various statutory tax returns should be timely filed with all the direct and indirect tax authorities and also verify the facts and figures given in the tax returns.
- vii) To review terms and conditions of tender documents and agreements, verification of bank guarantees, insurance policies and specific emphasis to be given on final payments.
- viii) To plug loopholes, which might have crept in the system due to passage of time and complacency on the part of persons particularly, engaged in financial concurrences, release of payments, updating accounting records, authorizations as per Financial Accounting System etc.

All work done by the Internal Audit Service should be properly documented, evidenced and filed for any reference. The documentation shall comply with the guidelines prescribed by the ICAI. A detailed scope of work is enclosed in Annexure.

5. PERIOD OF INTERNAL AUDIT

The period of internal audit would be two years 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. An audit report will be submitted in four phases of three months each ending on 30th June, 30th September, 31st December and 31st March in respect of any issues to be resolved. The appointment letter of auditors shall contain the details of date commencement of audit, completion of audit work in each phase, the date by which reports are to be submitted and phase-wise fees payable.

6. INTERNAL AUDIT REPORTS

The report should be structured in a manner to provide the following:

(a) audit observations; (b) implications of the observations; (c) suggested recommendations; (d) management's comments/agreed actions and (e) status of actions on the previous recommendations. 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 CMRL. The reports should be submitted to CMRL within 30 days of the close of each quarter. The auditor should discuss results of audit with the Director Finance of CMRL and the Audit Committee. The report in respect of CMRL shall be submitted in triplicate for each phase along with a soft copy on CD.

Submission of interim audit report in respect of Contractor's bills / non Routines/ Expert opinions.

Interim report on scrutiny of Contractors bills shall however be submitted within 3 working days as and when referred by Finance Division of CMRL so as to release payments to contractors' bill within the time frame. The interim pre audit report of contractor's bill shall also be issued in three sets along with a soft copy on CD. The Audit Report will also be supported with the certificate from the Audit Firm that they have thoroughly checked required number of records / package as per terms of reference and their findings are based on the same.

7. RIGHTS OF THE INTERNAL AUDITOR

The Internal Auditors has rights of access to all CMRL 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 and the Audit Committee.

8. RESPONSIBILITY

The responsibility of the Internal Auditor would be:

- Develop a flexible annual internal audit plan using an appropriate risk based methodology, including any risks or control concerns identified by management, and submit that plan to the audit committee for review and approval as well as periodic updates.
- Implement the annual internal audit plan, as approved, including as appropriate any special tasks or projects requested by management and the audit committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- 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.

- Issue periodic reports to the audit committee and management summarizing results of audit activities, including significant audit issues and management action plans.
- Keep the audit committee informed of emerging trends and successful practices in internal auditing.
- 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.
- 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.
- In turn, the Internal Audit Service agrees to comply with any requests from the external Auditors from CMRL's Internal Audit Division for access to information, files or working papers obtained or prepared during the audit work that they need to discharge their responsibilities.

9. REPORTING

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.

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 the relevant rules made thereunder.

10. OTHER TERMS AND CONDITIONS:

1. Firms selected by CMRL shall maintain ethics of faith and the information provided by CMRL 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 minimum 4 personnel of which one shall be a senior member 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 CMRL audit with details before commencement of audit. The list shall be reviewed and approved by CMRL with or without modification. Except as CMRL may otherwise agree, no change shall be made in the approved list of personnel. 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 with the prior approval of CMRL.

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 the relevant rules made thereunder.

3. In case of any dispute, the decision of MD, CMRL shall be final and binding.
4. All assignments shall be carried out with due diligence maintaining quality of work done and in least possible time.

5. All reporting including MIS shall be done on concurrent basis as required by CMRL from time to time.
6. CMRL reserves the right to cancel selected firms, if it considers necessary.
7. The Audit work being conducted by the firm will be subject to supervision by Internal Audit Division of CMRL as and when required to ensure that the work is progressing as per agreed plan.
8. In case of non-fulfillment of any instructions issued by CMRL, CMRL will be entitled to cancel the audit work without any obligations.
9. The successful firm shall not be entitled to claim any additional amount for any reason whatsoever for the above audit work.
10. The CMRL reserves the right to reject any or all offers received without assigning any reasons.
11. These are only proposed draft terms and conditions and can be modified at any time by the CMRL at its sole discretion.
12. The Audit party will consist of sufficient number of experienced and qualified professionals in relevant field.

11. CONTENTS OF THE TENDER PROPOSAL

This is a two bid open tender. Tenderer 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 tender No. CMRL/Internal Audit/2020. The tender shall be addressed to GENERAL MANAGER (F & A), CMRL Depot, Admin Building, Poonamallee High Road, Koyambedu, Chennai 600 107.

- (i) Technical bid (Packet A) will be opened on due date (as per Notice for Invitation of Tender). This packet must contain the following:
 - a. A proposed plan of action to achieve the objectives of the internal audit function of CMRL. Such a plan should cover short- and medium-term steps to manage the internal audit function;
 - b. A list of references of internal audit appointments ;
 - c. The curricula vitae of the staff who will be available for the duration of the work;
 - d. An undertaking to ensure continuity of staff on the project;
 - e. Details of staff training and development policies and procedures, with specific mention of employment equity policies;
 - f. In so far as is possible, a comprehensive budget, showing the service Activities proposed, with charge-out rates and budgeted hours per activity, detailing all assumptions made in arriving at a proposed budget, including all costs factors such as travelling. Preference will be given to tenders which show ingenuity in conducting the work.
 - g. Finally, all the supporting documents as in clause. 2(a) as above & clause 13.2 & 13.5 to assess the eligibility criteria/technical evaluation may also be furnished.
- ii. Financial bid (Packet B) will be in the separate sealed envelope, which will contain
 - a) Price bid as per Forms Fin 1 to Fin 3
 - b) In case tenderer's bid disqualifies technically, bidders unopened financial

bid will be kept in the office under intimation to the bidder, who can have it collected through authorised representative within 15 days of intimation.

12. TENDER PRICE

The tender price is to be in Indian currency and must include applicable taxes and the firm must complete the price table as in Fin 1 to Fin 3 for one year. The quoted tender price shall be valid for a period of 120 days from the opening date of tender. The price is firm and fixed throughout the agreement period of 3 years without any escalation.

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

The Evaluation Criteria for selecting the auditor are mentioned below:

<i>Sl No</i>	<i>Evaluation Criteria</i>	<i>Maximum marks</i>
<i>i</i>	Number of Partners (Partners should necessarily be a member of ICAI/ ICMAI) (2 marks up to 3 partners, 1 for each additional partner)	10
<i>ii</i>	Presence of the Firm in Chennai. The firm having HO/ Branch office and have adequate staff to undertake audit work at Chennai. The staff includes Articles, Audit clerks and professionals. The staff strength at Chennai up to 50 person will be given 5 marks above 50 persons will be given 10 marks**	10
<i>iii</i>	Number of Professionally Qualified Staff (with associate /fellow membership of ICAI/ ICMAI) Between 10-25 staff-(5 marks) More than 25 Staff-(10 marks)	10
<i>iv</i>	Turnover for the last five years of the firm More than 100 lacs and up to 200 Lacs-2 marks for each year More than 200 Lacs-4 marks for each year	20
<i>v</i>	Number of internal/statutory audit undertaken during the last 3 years in the listed corporate entity or PSUs (whose average turnover is more than Rs.100 crores in the last 3 years.)* (5 marks for each assignment, maximum ten assignments)	50
	Total Marks (Technical)	100

*evidence of turnover being more than Rs.100 cr 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 75%.

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 of the Proposal under consideration.

The weights given to the Technical & financial proposal are:

T = 0.6 & F= .4

Total of all the score = Sf×.4+St×.6

14. 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 CMRL. CMRL will not pay any advance to the selected audit firm under any circumstances.

Bill for Audit Fees will be submitted to the Internal Audit Division of CMRL along with a certificate indicating that audit work has been completed as per the agreed terms and conditions.

CMRL 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.

15. PENALTY

Penalty equivalent to 10% of the quarterly billing rate will be recovered for non-deployment of the Professional as per the agreed list of personnel. Replacement penalty shall be levied at 5% of the quarterly bill rate for replacement of any personnel from the approved list.

Chennai Metro Rail Limited

INTERNAL AUDIT – SCOPE OF WORK

A)	PROJECT SEGMENT	Frequency
	PROJECT RELATED VOUCHERS PROCESSED BY F&A	
	a. All Project contract payments of Phase I	On Event
	b. All Project contract payments of Phase I Extension	On Event
	c. All Project payments of Phase II works	On Event
	d. General Consultants payments	On Event
	e. Full & Final Settlement of contractors	On Event
	f. Providing all necessary information for arbitration process	On Event
	g. Validity and value of Bank Guarantees and Insurance policies	On Event
B)	REVENUE AND O&M SEGMENT	
	REVENUE/ OPERATION RELATED DOCUMENTS PROCESSED BY FINANCE	
	1.FAIR BOX REVENUE	
	a. Fair-box collections, deposit in to bank accounts and accounting.	Regular
	b. Daily Collection Reports verification	Regular
	c. Revenue collected in advance – unutilized fare box revenue/ smart card	Regular
	2.NON FAIR BOX REVENUE	
	Non – Fair box invoicing, recoveries and accounting in respect of	
	a. Rental Income from Property	Monthly
	b. Advertisement & Hoarding	Monthly
	c. Other Incomes – Advance	Monthly
	3. Interest Receivables	Monthly
	4. Other Incomes	
	a. Sale of tender Doc	Monthly
	b. Sale of other items	Monthly
	5. Interest Receivables	Monthly
	6. Other Incomes	Monthly
C)	ALL REGULAR AND ADMINISTRATIVE TRANSACTIONS	
	a. Cash	Daily
	b. Bank	Daily
	c. Journal entries	Daily
	d. All expenditures connected with project / O&M	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
D)	MONTHLY DISBURSEMENTS	
	a. Payroll payment	Monthly
	b. Recurring monthly vendor bills / all admin related transactions (Rent, Electricity, Utilities, Stationery etc)	Monthly

E)	BANK RECONCILIATION	
	a. Bank Reconciliation of all banks	Fortnightly
	b. Confirmation of balance	Monthly
	c. Fixed Deposit – Renewal / Closure	Monthly
	d. Cash Drawings	Monthly
F)	MANAGEMENT INFORMATION SYSTEM	
	JICA/ Financing Agencies (FA) related matters –	Monthly
	a. JICA / FA claims – Forecast Vs Actual	Monthly
G)	OTHER REPORTS	
	a. Physical Verification of cash in F&A and Stations	Surprise Check
	b. Physical Verification of Fixed Asset / Inventory	Half Yearly
H)	STATUTORY COMPLIANCE	
	1. Income Tax-Advance tax Projection	Quarterly
	2. Salaries – TDS – Planning	Annually
	3. Foreign Remittance Compliance & Form 15CA / 15CB	Event Basis
	4. Wealth tax	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- Remittance Filing	Monthly
	10.GST TDS – Remittance / Filing	Monthly
	11.Labour Cess – Remittance / Filings	Monthly
	13.Companies Act, 2013	Quarterly
	14.Foreign Exchange Management Act, 1999	Quarterly
	15.Labour Laws	Quarterly
	16.Indian Contract Act, 1872	Quarterly
I)	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 providing clarification to Statutory / CAG Auditors	On event
	4) Providing support in filing of XBRL returns by the Practicing Company Secretary	Annual
J)	AUDITING OF OTHER DEPARTMENT/DEPOT/STATIONS	
	Prime Consultants	Quarterly
	General Consultants	
	HR / Administration	
	Public Relations	
	DRO – Land related matters	
	Vigilance	
	All technical	
	Stores – Depot	
	Stations	
	Legal	
	Secretarial	
	Insurance claims lodged by / against the Company	

K)	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
L)	ORIENTATION PROGRAMS	
	Convene programs on	
	- Budget – Govt. of India, Govt. of Tamilnadu	Annually
	- Important amendments which have an impact on CMRL / Employees etc.	On event
	- Tax matters	Half yearly
	- Any other matters which are relevant to CMRL	On event
M)	Review of the final accounts	
	- Financial statement	Annually
	- Attachment to the financial statement	Annually
	- Depreciation policy and schedule	Annually
	- Accounting policies	Annually

CHECKLIST:

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

S.No.	Description	Yes	No
1.	An attested copy of Membership Certificate of Institute of Chartered Accountants / Cost Accountants of India as in Clause 3(i)		
2.	Copy of the balance sheet & Income & Expenditure Account for the last three Financial years as in Clause 3 (ii)		
3.	A declaration from the firm for no of years in existence as in Clause 3 (iii)		
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 / Branch Office in Chennai at least for 3 Years as in Clause 3 (v)		
6.	A proposed plan of action to achieve the objectives of the internal audit function of CMRL.		
7.	A list of references of internal audit appointments ;		
8.	The curricula vitae of the staff who will be available for the duration of the work		
9.	An undertaking to ensure continuity of staff on the project;		
10.	Details of staff training and development policies and procedures, with specific mention of employment equity policies		
11.	a comprehensive budget showing the service Activities proposed		
12.	Evidence of turnover being more than Rs.100 cr shall be furnished by the firm viz auditee's Annual report etc.		
13.	Declaration of staff strength be furnished along with technical bid		
14.	Any other document which the tenderer considers relevant		

Form FIN-1: Financial Proposal Submission Form

Date

To:
General Manager (Finance)
CMRL Depot- Admin Building
Poomallee High Road
Koyambedu
Chennai 600 107

Dear Sir:

We, the undersigned, offer to provide the Internal Audit Services for Chennai Metro Rail Limited in accordance with your Request for Proposal dated [*Insert Date*] & its addendum. Our attached Financial Proposal is for the sum of [*Insert amount(s) in words and figures*¹]. This amount is inclusive of all the taxes, cess duties and levies.

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. before the date indicated in Paragraph Reference 1.14 of the Data Sheet.

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: _____

Address: _____

Form FIN-2: Summary of Costs

<i>Item</i>	Costs	
	Unit ²	Indian Rupees
Costs of Financial Proposal inclusive all local taxes, duties, fees, levies ,other impositions except service tax for conduct of concurrent internal audit. (Total of 1A+1B in Fin.3)	C/o	
GST in INR ¹	—%	
Total cost inclusive of all taxes (i.e., local taxes, duties, fees, levies ,other impositions and service taxes included) ³	C/o	

Note :

1. GST shall be reimbursed separately at actuals. If there is any increase or decrease in the taxes due to change in applicable law during the currency of contract, such additional or reduced cost shall be paid by or credited to the Client.
2. C/o means carried over from Form FIN 3.
3. The audit firm shall indicate the local taxes, duties, fees levies etc except GST including percentage of taxes considered in their financial proposal in a separate format.

Form FIN-3: Breakdown of Costs by Activity

1. Internal Audit Team Cost Break down

A. Remuneration

Position	Name	Staff Months/Hours	Unit rate in INR	Amount in INR
Partners				
Managers				
Seniors				
Intermediates				
Juniors				
Others				

B. Reimbursable if any

	Description	Unit	Unit Cost in INR	Amount in INR
	Partners			
	Managers			
	Seniors			
	Intermediates			
	Juniors			
	Others			

C. GST

Description	Indicate percentage	Amount in INR
Goods and Service tax	___%	

Note: 1. The Remuneration & Reimbursable shall include all local taxes, duties, fees levies and other impositions except service tax. The service tax percentage applied on A & B shall be indicated and corresponding amount also be indicated in the above table. The total cost including all taxes, duties, fees levies and other imposition including service tax shall be carried over in the "Form Fin-2 :Summary of cost".