



Lucknow Metro Rail Corporation Limited

1st Floor, Janpath Market, Hazratganj
LUCKNOW-226001, UTTAR PRADESH

RFP No: LMRC/Internal Audit/2014/001 Dated
22-01-2015

**Sealed offers are invited in 2 packet system from
Chartered Accountant firms/LLPs for the Internal
audit of Lucknow Metro Rail Corporation Limited**

Please visit www.lmrc.com for details of the RFP and for downloading
of RFP documents.

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LUCKNOW METRO RAIL CORPORATION LIMITED



RFP DOCUMENT FOR LMRC INTERNAL AUDIT

RFP No. LMRC/Internal Audit/2014/001 dt. 22.01.2015

Last Date & Time of submission of tender : Upto 17:00 hrs on 10th February 2015
Opening Date & Time of tender : 20th February 2015 at 14:30 hrs

**Sealed offers are invited in 2 packet system from Chartered
Accountant firms/LLPs for the Internal audit of Lucknow
Metro Rail Corporation Limited**

LUCKNOW METRO RAIL CORPORATION LIMITED

TERMS OF REFERENCE FOR OUTSOURCING OF INTERNAL AUDIT

1. BACKGROUND

Lucknow Metro Rail Corporation Limited (LMRC), hereinafter referred to as the Client, is the Special Purpose Vehicle of the Government of Uttar Pradesh for implementation of the Lucknow Metro Rail Project in Lucknow. It has got in principal approval of Government of India and is proposed to be a joint venture company of Government of India and Government of Uttar Pradesh. The project is planned to be commissioned in Phases based and the works in priority sector of North South corridor have commenced.

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 for a period of 2 years.

2. PURPOSE

The Internal Audit service is responsible for providing an independent audit of the entire project 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 Board through Director Finance and thereby providing assurance on the arrangements for risk management, control, governance & quality of data.

Based on above, LMRC invites expression of interest from Chartered Accountant firms/LLPs empanelled with CAG 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 01/04/2015 and renewable on mutually agreed terms.

3. ELIGIBILITY CRITERIA:

Chartered Accountants Firms/LLP empanelled with CAG must qualify in the following minimum criteria:

Sl. No.	Particulars	Minimum Criteria
1	Number of Full Time Partners associated with the firm/LLP for not less than 3 years and shall be a member of Institute of Chartered Accountants of India	3

2	Turnover of the firm/LLP (Average Annual turnover of the firm of last three financial years i.e 2011-12, 2012-13 & 2013-14.)	Rs. 25 Lacs
3	No. of Years of Firm/LLP Existence	Not less than 5 years
4	No. of assignments of Internal/Statutory Audit of Corporate/PSUs entities except Bank / Branch Audit having an average turnover of not less than Rs 50 crores in the last 3 years. Experience in PSU particularly infrastructure sector as Statutory/internal Auditors is desirable. The experience of the preceding 3 years shall only be considered.	At least 3 nos.
5	The firm/LLP should have Head Office / Branch Office in Lucknow	At least 3 years

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 CAG 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 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 ICAI.
- 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 Lucknow atleast for 5 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 LMRC.
12. To assist the Finance & Accounts Department of LMRC 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 under control of at least one qualified Chartered / Cost Accountant who can be replaced only with prior approval of LMRC. The audit compliance includes the 100% pre-audit of vendors' bill and complete & detailed pre audit verification of the final bill of the contractors for the project activity within the time frame as per LMRC 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 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 all the direct and indirect tax authorities and also verify the facts and figures given in the tax returns.
- v) 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.
- vi) 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 and standard auditing practices. A detailed scope of work is enclosed in Annexure which is only illustrative and not exhaustive.

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 of 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 and discussion note 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 LMRC. The reports should be submitted to LMRC within 15 days of the close of each quarter. The auditor should discuss results of audit with the Director Finance of LMRC and the Audit Committee. The report in respect of LMRC shall be submitted in triplicate for each phase along with a soft copy .

Submission of pre-audit observations in respect of Contractor's bills / non routines

Pre-audit observations on scrutiny of Contractors bills shall however be submitted within 3 workings days as and when referred by Finance Division of LMRC so as to release payments to contractors bills within the time frame. The pre audit observations of contractors bills shall be made in the respective files of the relevant note file.

7. RIGHTS OF THE INTERNAL AUDITOR

The Internal Auditors has rights of access to all LMRC 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:

- 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 LMRC'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 through Director (Finance).

The manner and intervals in which the internal audit shall be conducted and reported to the Board shall also be in compliance with the Companies Act 1956/2013 and other applicable statutory norms and provisions .

10. OTHER TERMS AND CONDITIONS:

1. Firms selected by LMRC shall maintain ethics of faith and the information provided by LMRC 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 atleast Semi-qualified and a senior qualified personnel (Chartered Accountant/ Cost Accountant) shall 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 LMRC audit with details before commencement of audit. The list shall be reviewed and approved by LMRC with or without modification. Except as LMRC 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 LMRC.
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 1956/ 2013 and other statutory norms and provisions.
4. In case of any dispute, the decision of MD, LMRC 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 LMRC from time to time.
7. LMRC 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 LMRC 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 LMRC, LMRC 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 LMRC 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 LMRC at its sole discretion.
13. The Audit party will consist of sufficient number of experienced and qualified professionals in relevant field.

11. CONTENTS OF THE RFP PROPOSAL

This is a two bid open RFP. 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 RFP No. LMRC/Internal Audit/2014/001. The RFP shall be addressed to General Manager (F), LMRC.

- (i) Technical bid (Packet A) will be opened on due date (as per mentioned in RFP). This packet must contain the following:
 - a. A proposed plan of action to achieve the objectives of the internal audit function of LMRC. 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 proposals which show ingenuity in conducting the work.
 - g. Finally, all the supporting documents as in clause (3) as above & clause 13 to assess the eligibility criteria/technical evaluation may also be furnished.
 - h. The document should be indexed and each page of the documents is required to be numbered and signed by the Nodal Partner of the firm. The documents / certificates in support along with the tender shall also be signed by the Nodal Partner.
- 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 the bidder disqualifies technically, bidders' unopened financial bid will be returned in sealed intact condition.

12. "PROFESSIONAL CHARGES/PRICE"

The professional charges/ 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 2 years without any escalation.

13. 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 member of Institute of Chartered Accountants of India (2 marks up to 3 partners,1 for each additional partner)	10
2	Presence of the Firm in Lucknow. The firm having HO/ Branch office and have adequate staff to undertake audit work at Lucknow. The staff includes Articles, Audit clerks and semi-qualified personnel. The marking shall be: Between 5-15 staff (12 marks) More than 15 staff (15 marks) person will be given 5 marks above 50 persons will be given 10 marks	15
3	Number of Professionally Qualified Staff (with associate /fellow membership of Institute of Chartered Accountants of India / Institute of Cost Accountants of India) Between 3 -10 staff-(7 marks) More than 10 Staff-(10 marks)	10
4	Turnover for the last three years of the firm/LLP More than 25 lacs and up to 50 Lacs-4 marks for each year More than 50 Lacs-5 marks for each year	15
5	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 preferably in infrastructure sector.)* (5 marks for each assignment, maximum ten assignments)	50
	Total Marks = S_T	100

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

The Minimum qualifying mark is 75% 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:

$T = 0.6$ & $F = 0.4$

Total of all the score = $S_T \times 0.6 + S_F \times 0.4$

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 LMRC. LMRC 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 LMRC along with a certificate indicating that audit work has been completed as per the agreed terms and conditions along with discussion note.

LMRC 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 or replacement of personnel as per the agreed list of personnel till the person is deployed. Replacement penalty shall be levied at 10% of the billing rate for replacement of any approved personnel during the audit period for each event.

16. 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 LMRC, the audit firm will return or destroy within thirty (30) days all confidential information of LMRC and any copies thereof it may hold at such time.

17. 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.

Lucknow Metro Rail Corporation Limited

Annexure

INTERNAL AUDIT – SCOPE OF WORK

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 in LMRC and any other applicable statutory norms/provisions.

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. Funding agency related matters –claims – Forecast Vs Actual	Monthly
d. Externally aided project – Report to GoTN	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	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. VAT / CST - Remittance Filing	Monthly
	10. VAT TDS - Remittance / Filing	Monthly
	11. Labour Cess - Remittance / Filings	Monthly
	12. Service Tax	Monthly
	13. Companies Act, 2013	Quarterly
	14. Foreign Exchange Management Act, 1999	Quarterly
	15. Labour Laws	Quarterly
	16. Indian Contract Act, 1872	Quarterly
H)	REVENUE SEGMENT - (PROJECT PHASE AND O&M PHASE)-This segment shall covered if the commercial operations commence in the proposed audit period)	
	1. Interest Receivables	Monthly
	2. Other Incomes	
	a. Sale of tender Doc	Monthly
	b. Sale of other items	Monthly
	3. Fare Box Revenue	
	a. Daily Collection Reports verification	Regular
	b. Revenue collected in advance - unutilized fare box revenue/ smart card	
	4. Non-Fare box revenue	
	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 providing clarification to Statutory / CAG Auditors	On event
	4) Providing support in filing of XBRL returns by the Practicing Company Secretary	Annual
K)	AUDITING OF OTHER DEPARTMENT/DEPOT/STATIONS	
	Prime Consultants	
	General Consultants	

	HR / Administration	Quarterly
	Public Relations	
	DRO – Land related matters	
	Vigilance	
	All technical	

	Stores – Depot	
	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
M)	ORIENTATION PROGRAMS	
	Convene programs on	
	- Budget – Govt. of India, Govt. of Uttar Pradesh	Annually
	- Important amendments which have an impact on LMRC / Employees etc.	On event
	- Tax matters	Half yearly
	- Any other matters which are relevant to LMRC	On event

Note: The transactions in the scope of work relating to operations after commencement commercial operation shall be covered only if the commercial operations start within the proposed audit period.

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.	An attested copy of Certificate of Institute of Chartered Accountants of India 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)		
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 Lucknow atleast for 5 Years as in Clause 3 (v)		
6.	A proposed plan of action to achieve the objectives of the internal audit function of LMRC.		
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 firm/LLP considers relevant		

Form FIN-1: Financial Proposal Submission Form

Date

To

General Manager (F)
LUCKNOW METRO RAIL CORPORATION LIMITED
1st Janpath Market,
Hazratganj,
Lucknow - 226001

Dear Sirs,

We, the undersigned, offer to provide the Internal Audit Services for M/s Lucknow Metro Rail Corporation Limited in accordance with your RFP dated *[Insert Date]* & its addendum. Our attached Financial Proposal is for the sum of *[Insert amount(s) in words and figures¹]*. 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.

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: _____

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	
Service tax 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. The service tax shall be reimbursed at actuals. If there is any increase or decrease in the service 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/LLP shall indicate the local taxes, duties, fees levies etc except service tax including percentage of taxes considered in their financial proposal in a separate format.

Signature with seal of the firm/LLP

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. Reimbursables if any

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

C. Service Tax

Description	Indicate percentage	Amount in INR
Service tax in INR	__%	

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 impositions including service tax shall be carried over in the "Form Fin-2 :Summary of cost".

Signature