



टीएचडीसी इण्डिया लिमिटेड

(भारत सरकार एवं उत्तर प्रदेश सरकार का संयुक्त उपक्रम)

THDC INDIA LIMITED

(A Joint venture of Govt. of India & Govt. of U.P.)

NOTICE INVITING EXPRESSION OF INTEREST FOR EMPANELMENT OF PARTNERSHIP/ LIMITED LIABILITY PARTNERSHIP FIRMS OF CHARTERED / COST ACCOUNTANTS FOR CONDUCTING INTERNAL AUDIT AND PHYSICAL VERIFICATION OF FIXED ASSETS/ STORES/SUB-STORES IN THDC INDIA LIMITED FOR THE FINANCIAL YEARS 2017-18, 2018-19 & 2019-20.

No: THDCIL/RKSH/F&A/IA/EOI/17-18/1

Dated. 24 April , 2017

EXPRESSION OF INTEREST (EOI)

THDC INDIA LTD. (A Joint Venture of Government of India & Government of U.P.), invites expression of interest (EOI) from reputed Indian Chartered Accountants / Cost Accountants Audit Firms (Partnership/ Limited Liability Partnership) for empanelment as Internal Auditors for carrying out internal audit & physical verification of fixed assets/ stores /sub-stores of corporate office at Rishikesh and its offices/ project sites located at Tehri, Koteshwar, NTT, Pipalkoti, Dehradun, Joshimath, Maleri Jhelam, Jhelam Tamak in the state of Uttarakhand and Kaushambi, Dhukwan, Lucknow, Khurja in the State of UP and Malsej Ghat in Maharastra and Patan in Gujarat.

The Format of Application, Terms of Reference, Selection Criteria etc. are available on the Website www.eprocure.gov.in , which can be downloaded. The same can also be obtained from the office of Sr. Manager (Internal Audit), Bhagirathi Bhawan, Bye-Pass Road, Pragatipuram, Rishikesh-249 201 (Uttarakhand) on all working days between 9.00 AM to 6.00 PM from 24/04/2017 to 23/04/2017. Any updates to the EOI documents shall be hosted on above website. The interested firms are requested to ensure that all updates are considered while submitting the EOI.

Firms may send their applications in the prescribed format along with Annexures in sealed envelope marked with **“APPLICATION FOR EMPANELMENT OF INTERNAL AUDITORS/ PHYSICAL VERIFIERS FOR 2017-18, 2018-19 & 2019-20”** thereon at the following address so as to reach this office latest by **24-05-2017 upto 2:00 P.M.**

Tender shall be opened on closing date at 3:00 P.M. in presence of the bidders who wish to be present at the above venue. The bids received after closing date and time will not be considered.

The application should be addressed to:-

The Sr. Manager (Internal Audit)

THDC India Limited, Bhagirathi Bhawan,
Bye-Pass Road, Pragatipuram, RISHIKESH – 249 201,
(Uttarakhand), E-mail: auditthdc@gmail.com
Phone: 0135-2473483/2473558

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NOTICE INVITING EXPRESSION OF INTEREST

TABLE OF CONTENTS

Sl. No.	DESCRIPTION	Page No.
1.	Format of Application	3-5
2.	Annexure- A, Selection Criteria for empanelment of Audit Firms and List of units with audit fees.	6-7
3.	Annexure- B ,Terms of Reference of Internal Audit/Physical Verification.	8-21
4.	Annexure-C , Instructions to Audit Firms and Document List	22-23

NOTICE INVITING EXPRESSION OF INTEREST

FORMAT OF APPLICATION

1. Name of the Firm:
2. Registration No. of the Firm:
(Institute of Chartered / Cost Accountants of India)
3. Date of Registration of the Firm:
4. Details of Head Office & Branch Office(s): Head Office:

Address	Date of Establishment	Contact No(s)/Fax	E- mail

Branch Office 1

Address	Date of Establishment	Contact No(s)/Fax	E- mail

Branch Office 2

Address	Date of Establishment	Contact No(s)/Fax	E- mail

Branch Office 3

Address	Date of Establishment	Contact No(s)/Fax	E- mail

(Insert further Branch office(s), if any)

5. Details of Partners in the Firm / Limited Liability Partnership:

Sl No	Name of the Partner	Membership No.	Membership Status ACA/ ACMA/ FCA/ FCMA/CISA/ DISA/ISA or equivalent qualification.	Date of joining the firm as Partner
1				
2				
3				

6. Details of Qualified Assistants:-

Sl. No.	Name of the Assistant	Membership No.	Whether ACA/ACMA/ FCA/ FCMA/CISA/DISA	Date of joining the firm as Qualified Assistant
1.				
2.				

7. Details of Semi-Qualified Assistants:-

Sl. No.	Name of the Assistant	Whether Cost/ Chartered Intermediate	Date of joining the firm as a Semi-Qualified Assistant
1.			
2.			
3.			

8. Details of other Experts :

Sl. No.	Name of the Expert	Qualification	Date of joining of the firm
1.			
2.			
3.			

9. Details of Experience in Power Sector:

Sl. No.	Name of the Company/ Unit	Year of Audit	Type of Audit - whether Statutory Audit/ Internal Audit/ Cost Audit
1.			
2.			

10. Details of Experience in other than Power Sector:

Sl. No.	Name of the Company/ Unit	Year of Audit	Type of Audit - whether Statutory Audit/ Internal Audit/ Cost Audit
1.			
2.			

11. Details of Experience in other assignments:

Sl. No.	Name of the Company/Unit	Year of Audit	Type of Audit – whether Physical verification of Fixed Assets/ Stores
1.			
2.			

12. Readiness for Audit under IFRS/ Ind AS compliance guidelines Yes/No

13. Income Tax PAN No. of the Firm:

14. Service Tax Registration No. :

15. Bank details for EFT:

1.	Bank Name, Address and Telephone No.	
2.	Branch Name, Address & Code	
3.	Bank Account number with style of account, Saving/Current	
4.	IFSC Code No. of the Bank	
5.	A cancelled cheque of the said Bank	

16. It is confirmed that all the requirements as per Annexure-C to the EOI documents have been complied with.

17. We confirm that we have not taken any deviation from the specified terms and conditions of the EOI documents. A copy of complete EOI document duly signed and sealed on all pages as a token of acceptance of all terms and conditions is attached.

18. Our firm is not debarred/disqualified/black listed by any regulatory/statutory body or Government entity or any International/National agency for corrupt or fraudulent practices.

Signature of Partner with
Name & Seal of the Audit Firm.

Place: -

Date: -

List of enclosures:

1. _____
2. _____
3. _____

NOTICE INVITING EXPRESSION OF INTEREST**Annexure- A**

SELECTION CRITERIA (POINT ALLOCATION) FOR EMPANELMENT OF AUDIT FIRMS WILL BE AS FOLLOWS

S. No.	PARTICULARS	Points to be allocated	Maximum points
1.	Year of Establishment of the Audit Firm/ Limited Liability Partnership Firm.	1(one) per year in existence (fraction of the year to be ignored)	15 (Fifteen)
2.	No. of Partners in the Firms/ Limited Liability Partnership Firm who are with the firm for a minimum period of one year as on date of application.	a. 3(three) for each Partner who is ACA/ACMA b. 5 (Five for each Partner who is FCA/FCMA	20 (Twenty)
3.	No. of Qualified Assistants (CA/ Cost Accountants) employed with the Firm	2 (Two) per Qualified Assistant.	10(Ten)
4.	No. of Semi-qualified Assistants(CA/Cost Intermediates) employed with the Firm	1(one) per Semi-qualified Assistant	5 (Five)
5.	Experience of the Firm in Power sector preferably under Central/ State Govt. as Statutory Audit/ Internal Audit/ Cost Audit/ Physical Verifiers.	5 (Five) per year of Statutory/ Cost/ Internal Audit (fraction of the year to be ignored). 2(Two) per year of Physical Verification Audit (fraction of the year to be ignored).	30 (Thirty)
6.	Experience of the Firm in sectors/ Industries other than Power sector under Central /State government as Statutory Audit/ Internal Audit/ Cost Audit/ Physical Verifiers.	2(Two) per year of Audit (fraction of the year to be ignored).	10 (Ten)
7.	Place of Registered Office/Branch office of Chartered Accountant/Cost Accountant firm	Delhi(NCR)/Uttarakhand = 10 Points UP/Haryana/Chandigarh = 6 Points Any other states/UT = 3 Points	10 (Ten)
	Total Points		100 (hundred)

NOTE:

*All eligible Audit Firms, those who will secure maximum marks on the basis of above marking pattern will be considered for short listing.

*This empanelment is for the purpose of short listing of firms only and would not carry any assurance of allotment of Internal Audit/ physical verification of fixed assets/stores/sub-stores assignments from THDCIL.

*THDCIL reserves the right to accept or reject any application without assigning any reasons thereof.

The decision of the Company for empanelment of the Firms will be final.

NOTICE INVITING EXPRESSION OF INTEREST

AUDIT UNIT PROPOSED FOR ALLOCATION OF INTERNAL AUDIT/ PHYSICAL VERIFICATION
OF FIXED ASSETS/ STORES/SUB-STORES

Unit	Audit	Fees (per annum)
Tehri including New tehri Unit Distt.- Tehri Garhwal, Uttarakhand	Internal Audit	1,04,000/-
	Physical verification of Fixed Assets	53,000/-
	Physical verification of main stores/sub-stores	53,000/-
Koteshwar Distt.- Tehri Garhwal, Uttarakhand	Internal Audit	79,000/-
	Physical verification of Fixed Assets	44,000/-
	Physical verification of main stores/sub-stores	44,000/-
Rishikesh including Dehradun Unit , Distt.- Dehradun, Uttarakhand	Internal Audit	79,000/-
	Physical verification of Fixed Assets	28,000/-
	Physical verification of sub-stores	28,000/-
VPHEP, Pipalkoti & Joshmath, Distt- Chamoli Uttarakhand	Internal Audit	35,000/-
	Physical verification of Fixed Assets	22,000/-
	Physical verification of main stores/sub-stores	12,000/-
Kaushmbi, including Wind Power Project (Patan in Gujarat) , Distt-Ghaziabad	Internal Audit	35,000/-
	Physical verification of Fixed Assets	22,000/-
Khurja thermal power Project, Khurja	Internal Audit	28,000/-
	Physical verification of Fixed Assets	
Lucknow including Dhukwan project, UP.	Internal Audit	32,000/-
	Physical verification of Assets	
	Physical verification of main stores/sub-stores	

- Note: - (I) Fees mentioned above are for both phases viz, Ph-I & Ph-II in the F.Y.
 (II) The name of audit unit for audit with location is mentioned above.
 (III) The unit for audit /assignment may be changed as per requirement of THDCIL.
 (IV) The Audit Firms that secure 70% and above marks as per criteria shall be considered for empanelment. The criteria for assigning marks is given in Annexure-A
 (V) Preference will be given to Audit Firms having offices near the Unit to be audited. However, depending on the requirement, any Audit firm can be assigned any type of audit anywhere in India.
 (VI) The internal Auditor will ensure that the information obtained in respect of the operation of the Unit is maintained in strict confidence and secrecy.

Annexure –B

Terms of Reference (TOR) for Internal Audit for the Year

About the Company:

THDC India Limited (formerly known as Tehri Hydro Development Corporation Ltd.), is a Joint Venture of Govt. of India and Govt. of Uttar Pradesh. The Equity is shared in the ratio of 75:25 between GOI and GOUP for the Power Component. The Company was incorporated in July'88 to develop, operate & maintain the 2400 MW Tehri Hydro Power Complex (comprising 1000 MW Tehri Dam & HPP, 1000 MW Tehri Pumped Storage Plant & 400 MW Koteshwar HEP) and other hydro projects. The Company has an authorised share capital of Rs 4000 cr. THDCIL is a Mini Ratna Category-I and Schedule 'A' CPSE.

THDCIL has successfully commissioned the Tehri HPP during the year 2006-07 and Koteshwar HEP during the year 2011-12. The 1000 MW Tehri Pumped Storage Plant, which would utilize the Tehri and Koteshwar reservoirs as the pre-requisite upstream and downstream reservoirs, is presently under implementation. In addition to the 2400 MW Tehri Hydro Complex, THDCIL is implementing the 444 MW Vishnugad Pipalkoti Hydro Electric Project (VPHEP) on river Alaknanda in Uttarakhand. THDCIL is also implementing 24 MW Dhukwan Small Hydro Project on Betwa river in Uttar Pradesh. In addition, there are various hydro projects of THDCIL under different stages of implementation i.e. Survey & Investigation and DPR preparation.

A) OBJECTIVES:

1. To ensure that the accounting and financial management systems are reliable and effective in design and to assess the extent to which they are being followed.
2. To review the efficacy, adequacy and application of accounting, financial and operating controls and thereby ensuring the accuracy of the books of account.
3. To verify that the system of Internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcation, fraud, misappropriation and misapplication, if any.
4. To identify areas of significant in-efficiencies in existing systems and to suggest necessary remedial measures.
5. To confirm the existence of financial propriety in all decisions and verify compliance of policies, rules, procedures of the Company and guidelines of Government and statutory requirements.
6. To review the budgetary system and suggest cost reduction measures.

B. PERIOD:

Internal Audit shall cover the period from 01.04.Year to 31.03. Year. The indicative schedule inter-alia furnishing commencement and completion of audit work in each phase, the dates by which the reports are to be submitted, shall be as detailed in the **Assignment Plan**. It is requested that the visits to the audit units may be planned well in advance in consultation with the concerned Finance H.O.D/ Contact Person as stipulated in L.O.A in order to complete the audit work and submit the reports within the time schedule given in the assignment plan. In case of any necessity the dates as mentioned in the assignment plan may undergo a change by THDCIL by a separate communication.

The Audit shall be carried out by Senior/ Junior Assistants having requisite experience and shall be supervised by at least a partner/ a qualified Professional. Auditors shall ensure that the size of the audit team is commensurate as per the assignment plan.

C. SCOPE AND EXTENT OF INTERNAL AUDIT:

1. The Auditor shall review the systems, transactions, sanctions and internal control of the areas covering Cash and Bank transactions, Loans, Contracts, Purchases, Establishment records both in F&A and HR, establishment expenses, other expenses, depreciation, provision of gratuity, ex-gratia/generation incentive, commercial billing & its realization/reconciliation, confirmation of balance from bank, fixed assets, capital work in progress, allocation of EDC (expenditure during construction) & IDC, mandatory spares, stores, inter unit accounts, books of accounts, Trial Balance, guest house, etc.

2. The Auditor while covering the above mentioned areas will ensure that the following records/documents as per prescribed percentage/period are checked and audited keeping in view the objectives as enshrined under Para (A) above:

S.No.	Area of Coverage	Coverage in each Phase
I.	Works Including O&M Contracts (Pre-award & execution) of different departments: 1. Contracts with value more than Rs. 20 lakh each. 2. Contracts with value each of Rs. 20 lakh or less.	100% 50%
II.	Procurement (Pre-award & execution)-Contracts of different departments. : 1. Contracts with value more than Rs. 10 lakh each. 2. Contracts with value each of Rs. 10 lakh or less.	100% 50%
III.	Accounts : i. Bank Payment vouchers ii. Bank Receipt Vouchers iii. Journal Vouchers iv. Review of Bank Reconciliation v. Inter Unit Reconciliation vi. General Ledger Scrutiny	100% 100% 100% 100% 100% 100%
IV.	Establishment – Accounts : i. Checking of off-Cycle payments w.r.t. rules and Proprietary Aspects (for 3 complete months other than those covered in III(i) above) ii. Review of Subsidiary Ledgers	50% 100%
V.	Assets : i. Fixed Assets and Depreciation. ii. Current Assets iii. Capital work in progress iv. Investment	100% 100% 100% 100%
VI.	Establishment – HR : i. Leave Records ii. Documentation for Advances (Vehicle Loan, House Loan, Furniture Loan, Multipurpose Loan, Education Loan) iii. Training Activities (HRD)	100% 50% 50%

VII.	Stores : i. Documentation & Procedures ii. Accounting including review of PSL & Claims iii. Accounting & Review of Suppliers Sub-Ledgers iv. Review of Gate Pass System v. Suppliers Bills vi. Ageing analysis of Stock vii. Disposal system of unused stock	50% 100% 50% 50% 25% 100% 100%
VIII.	Auto-pool and Construction Equipments : i. Proprietary Aspects ii. Logbook of Vehicles iii. Requisition system of vehicle (w.r.t. to policy & circulars) iv. Fuel Consumption	100% 50% 50% 50%
IX.	Township, Guest House and Hospital : i. Proprietary Aspects covering policies, procedures, guidelines etc. ii. Accounting of receipts, payments and adjustments.	50% 50%
X.	Commercial : i. Generation of Electricity Bills ii. Receipt of Payment and ageing analysis of debtors iii. Fund Transfer procedure of Banks Escrow Accounts iv. Reconciliation of Escrow Bank Accounts	100% 100% 100% 100%
XI.	Award of Contracts/POs on Single Tender/Nomination Basis : Compliance of Company's Rules, Procedure, Policy and CVC guidelines etc. on single tender awards shall be checked as under: i. Contracts/PO on single tender/nomination basis shall be checked by Internal Auditors ii. 3/4 th of 10% cases selected for Audit check shall be Contracts/Pos valued Rs.1.00 lakh and above and the balance from cases below Rs.1.00 lakh iii. List of such cases so audited shall be furnished in the internal audit report iv. All such cases, so audited shall be marked/stamped by the Auditor in the register maintained by the auditee containing the detail of all the contracts/POs awarded in the year for identification purposes	10%
XII.	Deduction & Deposit of Statutory Dues : In the cases of Income Tax, Service Tax, Works Contract Tax, Sales Tax and Royalty etc. following should be checked : i. Deduction of Tax (Timely deduction & as per law) ii. Timely deposit of Tax iii. Timely submission of Relevant Returns iv. Issuance of Tax Deduction Certificates	100% 100% 100% 100%
XIII.	The auditor should also check and comment whether the unit is maintaining proper cost records and its adequacy as per Section 148(1) of the Companies Act, 2013.	100%

Note:- In case of ‘Accounts’ at SL No. III above, the name of the months and the range of voucher numbers must be mentioned appropriately in the report while checking and vouching Cash, Bank and Journal transactions. In Phase-II vouching, verification of voucher of March, **Year** must be ensured. Revised DOP and voucher signing power may be taken into account while verifying the approval of each transaction.

- 3.** The auditors should pick up at least one system/ sub-system in each phase of audit & indicate how specific internal controls need to be strengthened in that area. Auditor shall also report whether:-
- I. Guidelines issued by Corporate F&A Deptt. from time to time have been complied with.
 - II. Internal audit/ Govt. audit/ statutory audit observations of previous year, which are outstanding as at the end of the year, have been complied with.
 - III. Maintenance of EMD/SD/Bank Guarantee (existing system and suggestion to improvement considering CVC guidelines and procurement policy of company).
 - IV. E-tendering (existing system and suggestion to improvement considering CVC guidelines / Instruction issued by Govt. of India and Procurement policy of Company).
 - V. Tax deduction at source is being made in all cases, as applicable under the Income Tax Act, 1961, at prescribed rates and that TDS deposits are being made within the prescribed time and also that the unit is complying with all statutory requirements under Tax and other laws.
 - VI. A register of procurement of Rs. 1, 00,000/- and below, where no FC is required, is maintained by the Procurement Deptt vide chapter 7 of Procurement Policy. 100% check of such procurements should be conducted by Audit to verify all compliance of Policies and Procedures of procurement.
 - VII. The units obtain confirmation of balances under advances, debtors, creditors and materials in transit/under inspection and with contractors, prepare statements of reconciliation of balances with confirmation and also carried out adjustments in the Books of Account upon such confirmation/reconciliation of balances under the above heads.
 - VIII. To check and report the adequacy and internal control checks in FMS (Financial Management System – Computer Software) and scope of its improvement.

4. Role of the Internal Auditor in Relation to Enterprise Risk Management:-

The role of the internal auditor in relation to Enterprise Risk Management is to provide assurance to management on the effectiveness of risk management.. The role of the internal auditor is to ascertain that risks are appropriately defined and managed.

(I) Internal auditor has to comment and advise on risk management and assisting in the effective mitigation of risk. The internal auditor has to review the structure, effectiveness and maturity of the enterprise risk management system.

(II) The internal auditor should review the maturity of an enterprise risk management structure by considering whether the framework so developed, inter alia:

- a) protects the enterprise against surprises;
- b) stabilizes overall performance with less volatile earnings;
- c) operates within established risk appetite;
- d) protects ability of the enterprise to attend to its core business; and
- e) creates a system to proactively manage risks.

(III) The scope of the internal auditor’s work in assessing the effectiveness of the enterprise risk management would, normally, include:

- (a) assessing the risk maturity level both at the entity level as well as the auditable unit level;
- (b) assessing the adequacy of and compliance with the risk management policy and framework; and
- (c) Assessing the efficiency and effectiveness of the risk response; and
- (d) Assessing whether the score of the residual risk is within the risk appetite.

D. AUDIT REPORT:

On completion of the Audit of the respective Auditee Unit in case of each phase, the preliminary observation shall first be discussed with the Finance Head of the Unit. Based on the outcome of the discussion, the Audit Report thus compiled shall be structured as outlined hereunder and be submitted as per the time schedule given in the assignment plan under Para-H.

Part – I: Compliance and Report:

This part of the Audit Report shall cover the point wise comments of the Auditors on the adequacy of the compliance and action taken for rectification of errors/discrepancies pointed out by previous auditor pertaining to earlier phase. It shall also contain the confirmation regarding implementation of policies, systems, controls etc. to avoid the recurrence of such irregularities in the future. It may be ensured that the compliance report on audit observations pointed out in the reports relating to earlier audit is made and corrective action taken on those points are furnished in the Audit Report. In other words it may be ensured while conducting the audit, compliance report of the audit observations pointed out in the earlier report of preceding period, is furnished along with the corrective action taken.

Part – II: Important Observations/ Findings:

This part of the Audit Report shall contain all such significant discrepancies observed during the current Audit which auditors feel, require immediate attention of the management specifying the financial implications, if any. In this part Auditor shall also bring out the important deviation/ observations, policies, systems and procedures of THDCIL. The Auditor shall furnish Part -II of Audit Report in following format:-

Format for Executive Summary:

Sl. No.	Ref no. of audit Para	Major observations	Financial Implication with risk involved	Recommendation for improvement	Auditee's comment/agreed Actions Time line.

Part – III: Detailed Report:

In this part of the audit report, the Auditor shall furnish the detailed observations of the Audit covering all the areas mentioned at point nos.1 to 3 of Para C (scope & extent of IA) & confirmation statement that whether

company's system/guideline/propriety has been adhered to in the areas viz. works including O&M contracts, procurement, operation, establishment records and related HR, establishment expenses, other expenses, depreciation, provision of gratuity, ex-gratia/ generation incentive, Commercial billing & its realization/reconciliation, maintenance of fixed assets register, investments, current assets, capital work in progress, expenditure during construction, IDC, mandatory spares, stores, inter units accounts, review of accounts, wherever applicable, township, guest house and provision of liabilities, etc.

The report should be supplemented, in each phase, by a statement indicating:

- I. Particulars of records checked with their volume (i.e. total no. of vouchers in each category for each phase) and value as compared to the total volume and value of transactions.
- II. A summary report indicating the important observation for each phase and each area.
- III. A statement indicating the audit personnel deployed, their designation and the period of deployment for each phase.
- IV. In case of "Works and Procurement" items a list of the cases audited with reference to Sl. No. I & II of Para-C-2 may please be mentioned in the report in following format:

Name of the deptt.	No. of Contracts awarded		*No. of Contracts selected for audit	
	Works & Service	Procurement	Works & Service	Procurement
Contracts				
C&MM				
Dam, Power House, Spillway				
PSP				
Administration				
Services				
O&M				
Design				
IT				
Any other				

* A detailed list indicating LOA no., date, value, name of the contractors' etc., be attached.

E. SUBMISSION OF INTERNAL AUDIT REPORT

The distribution of the Audit Report thus compiled and finalised shall be submitted as under:-

- (i) Head of Finance of the Unit:- one hard copy along with soft copy via e-mail **
- (ii) Sr. Manager (F)-Internal Audit, Rishikesh: - Four hard copies and soft copy (PDF) to be sent by e-mail at auditthdc@gmail.com

Before commencement of Audit, Auditors shall discuss the detailed Program of Audit with Head of Finance of the respective project/ unit.

During internal audit/ physical verification the auditor should finalize the draft report and discuss it with HOD of Finance and submit copy of the same to HOD Finance for further action/ compliance. **However, the Final Report must be sent as per the Assignment Plan of Para-H.**

*** E-mail id of concerned finance department to be taken during the audit.*

F. AUDIT FEE:

An amount of Rs./- (Rupees only) shall be payable as fee plus service tax as applicable and travelling, boarding & lodging expenses shall be reimbursed extra for the assignment of Internal Audit.

The disbursement of the fee payable for internal audit shall be made as per the following schedule:

50% of the fee shall be payable after submission of Phase – I report and balance 50% of the fee shall be payable after submission of the Final Phase report subject to the provisions of **Para G & Para-E** & compliance thereto.

Non start of Audit within stipulated period may attract a penalty of 1.0 % of total contracted value per week basis.

Further, based on the performance assessment, extension/ re-appointment letter shall be issued for the next year.

G. If progress /performance of the audit firm/ team is not found satisfactory, THDCIL's management reserves the right to terminate the appointment of the firm.

H. ASSIGNMENT PLAN:

The Internal Audit Programme shall be taken up immediately and shall be carried out in accordance with the following schedule:

S.No.	Period of Coverage	Commencement Date of audit at site.	Completion Date of audit	Last Date for Submission of Final Report
1	<u>Phase - I</u>			
	From 01.04.2017	16.11.Year	30.11.Year	07.12.Year
	To 30.09.2017			
2	<u>Phase - II</u>			
	From 01.10.2017	14.03.Year	06.04.Year	14.04.Year
	To 31.03.2018			

Minimum Manpower to be deployed for Audit shall be as under:-

Big Unit (TEHRI/RISHIKESH/PIPALKOTI/KOTESHWAR)

Category /Level	Nos.	Nos. of days to attend audit.
Qualified Staff/Partner	01No.	5 days
Semi-qualified/Others	2 Nos.	As given in the table above.

Small Unit (NCR , Lucknow including Dhukwan Project)

Category /Level	Nos.	Nos. of days to attend audit.
Qualified Staff/Partner	01No.	3 Days
Semi-qualified/Others	2 Nos.	As given in the table above

Minimum Manpower should be strictly deployed for Audit as per above assignment plan:

XXXXXXX

Terms of Reference (TOR) of Physical Verification for Main/ Sub Store for the F.Y. Year***About the Company:***

THDC India Limited (formerly known as Tehri Hydro Development Corporation Ltd.), is a Joint Venture of Govt. of India and Govt. of Uttar Pradesh. The Equity is shared in the ratio of 75:25 between GOI and GOUP for the Power Component. The Company was incorporated in July'88 to develop, operate & maintain the 2400 MW Tehri Hydro Power Complex (comprising 1000 MW Tehri Dam & HPP, 1000 MW Tehri Pumped Storage Plant & 400 MW Koteshwar HEP) and other hydro projects. The Company has an authorised share capital of Rs 4000 cr. THDCIL is a Mini Ratna Category-I and Schedule 'A' CPSE.

THDCIL has successfully commissioned the Tehri HPP during the year 2006-07 and Koteshwar HEP during the year 2011-12. The 1000 MW Tehri Pumped Storage Plant, which would utilize the Tehri and Koteshwar reservoirs as the pre-requisite upstream and downstream reservoirs, is presently under implementation. In addition to the 2400 MW Tehri Hydro Complex, THDCIL is implementing the 444 MW Vishnugad Pipalkoti Hydro Electric Project (VPHEP) on river Alaknanda in Uttarakhand. THDCIL is also implementing 24 MW Dhukwan Small Hydro Project on Betwa river in Uttar Pradesh. In addition, there are various hydro projects of THDCIL under different stages of implementation i.e. Survey & Investigation and DPR preparation.

A) OBJECTIVES:

1. To ensure that the Inventory Management systems are reliable and effective in design and to assess the extent to which they are being followed.
2. To review the efficacy, adequacy and application of Inventory Management System and thereby ensuring the accuracy of system.
3. To verify that the system of Internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcation, fraud, misappropriation and misapplication, if any.
4. To identify areas of significant in-efficiencies in existing systems and to suggest necessary remedial measures and cost control measures.
5. To confirm the existence of financial propriety in all decisions and verify compliance of policies, rules, procedures of the Company and guidelines of Government and statutory requirements.

B. PERIOD:

Physical Verification of stores shall cover the period for the F. Year and shall be conducted & completed in line with the assignment plan as given in **Para-G**. It is requested that the visits to the units may be planned well in advance so as to complete the entire work and submit the reports within the time schedule given in the assignment plan. In case of any necessity the date as mentioned in assignment plan may be pre-poned by a separate communication.

The Audit shall be carried out by Senior/Junior Assistants having requisite experience and shall be supervised by at least a partner/a qualified Chartered Accountant/Cost Accountant. Auditors shall ensure that the size of the audit team is commensurate with size of the audit units and the volume of work involved.

C. SCOPE AND EXTENT OF PHYSICAL VERIFICATION OF STORE:

- I. Coverage of Main Store:- At least 50%
2. Coverage of all Sub-Stores:- 100%
(The Civil, Mechanical, Electrical, O&M etc)
3. Stores Material lying with the Contractor:- 100%

The Auditor shall physically verify the stores & review the Inventory management and control systems & shall also report that-

- i. Physical verification of the inventory is being carried out as per the system laid down in this regards. Further, to report that adjustments for excess or shortage are being carried out in the books in the same year.
- ii. Physical Verification of Sub Store observations of previous year, which are outstanding as at the end of the year, have been complied with.
- iii. Stores- documentation and procedure are adequate & proper.
- iv. Sub-Store including O & M stores.
- v. A list of stock items appearing in the Registers as on 31.01.Year to be checked with the actual/physical.
- vi. Items wise details of shortages or excesses, if any, along with value thereof.
- vii. Details of unaccounted items lying with the unit, reason of such non-accounting & its effect, if any.
- viii. Details of obsolete, damaged, broken, worn out, un-usable items awaiting disposal.
- ix. Details of disposal of obsolete, damaged, broken, worn out, un-usable items along with value.
- x. Whether all stock items have been identified with material code, Number & if not, reason thereof item wise.
- xi. Whether maintenance of register is proper or not and reason for weak maintenance items wise.
- xii. Details of theft, misappropriation, misapplication, etc., if any.
- xiii. Details of stores issued to site & other Units/offices, etc without issuing Material Issue Note.
- xiv. Identification of slow moving, non-moving items of stores by project during the year & a list of such items.
- xv. Stores Material lying with the Contractor shall be physically verified with reference to the terms of contract and report accordingly.

The scope of work shall also include the other areas, though not specifically covered above, but as may be required or necessary to achieve the objectives and the scope of audit shall be deemed to have been included for the same.

Auditors while ensuring the complete coverage of the scope of Physical Verification Sub Stores as mentioned should make efforts to priorities/provide relative emphasis between the different areas based on the professional assessment of the risk profile of the different areas.

D. PHYSICAL VERIFICATION REPORT:

On completion of the Physical Verification of the respective Auditee Unit, the preliminary observation shall first be discussed with the Finance Head of the Unit. Based on the outcome of the discussions, the Audit Report thus compiled shall be structured as outlined hereunder and be submitted as per the time schedule given in the Assignment Plan under Para-G.

Part – I Compliance and Report:

This part of the Audit Report shall cover the point wise comments of the Auditors on the adequacy of the compliance and action taken for rectification of errors/discrepancies pointed out by the previous auditor pertaining to earlier year. It shall also contain the confirmation regarding implementation of policies, systems, controls etc. to avoid the recurrence of such irregularities in the future. It may be ensured that the compliance report on audit observations pointed out in the reports relating to earlier audit is made and corrective action taken on those points are furnished in the Audit Report. In other words it may be ensured while conducting the audit, compliance report of the audit observations pointed out in the earlier report of preceding period, is furnished along with the corrective action taken.

Part – II Important Observations/Findings:

This part of the Audit Report shall contain all such significant discrepancies observed during the current Physical Verification, which auditors feel, require immediate attention of the management specifying the financial implications, if any. In this part Auditor shall also bring out the important deviation/ observations, policies, systems and procedures of THDCIL.

Part – III Detailed Report:

In this part of the report, the Auditor shall furnish the detailed observations of the Physical Verification covering all the area as para-C & confirmation statement that whether company's system/guideline/propriety has been adhered to in the areas of inventory management. The report should be supplemented by a statement indicating:

- I. Particulars of records with their volume checked as compared to the total volume and value of transactions.
- II. A summary report indicating the important observation in each area.
- III. A statement indicating the audit personnel deployed, their designation and the period of deployment.

E. SUBMISSION OF FINAL PHYSICAL VERIFICATION REPORT

The distribution of the Audit Report thus complied & finalised shall be submitted as under:-

- (i) Head of Finance of the Unit - one hard copy along with soft copy via e-mail **
- (ii) Sr. Manager (Internal Audit), Rishikesh - Four hard copies and soft copy (soft copy (PDF) to be send by e-mail at auditthdc@gmail.com)

Before commencement of Physical Verification, Auditors shall discuss the detailed Program of Audit with respective project/unit Head of Finance.

During internal audit/ physical verification the auditor should finalize the draft report and discuss it with HOD of Finance and submit copy of the same to HOD Finance for further action/ compliance. **However, the Final Report must be sent as per the Assignment Plan of Para-G.**

*** E-mail id of concerned finance department to be taken during the physical verification.*

F. PHYSICAL VERIFICATION FEES

The fee/- (Rupeesonly) shall be payable as fee plus service tax as applicable and travelling, boarding & lodging expenses shall be reimbursed extra for this assignment. The disbursement of the fees payable shall be made as per following:

- 100 % after completion of physical verification & submission of reports as required to be submitted as per **Para G &** as per **Para-E**

G. ASSIGNMENT PLAN:

The physical verification of Stores (Main & Sub-store) of the Company shall be taken up in accordance with the following schedule:

The physical verification of Stores may be started on or after 1st Feb.Year and is to be completed before 15.03.Year and random verification should be made for the transactions carried out between 16.03.Year to 31.03.Year on 31.03.Year and final report is to be submitted on or before 07.04.Year.

The physical verification of Material lying with the Contractor shall be completed before 28.02.Year as per Para – C and its report is to be submitted separately on or before 07.03.year positively.

Terms of Reference (TOR) for Physical Verification of Fixed Assets for the F.Y. Year

About the Company:

THDC India Limited (formerly known as Tehri Hydro Development Corporation Ltd.), is a Joint Venture of Govt. of India and Govt. of Uttar Pradesh. The Equity is shared in the ratio of 75:25 between GOI and GOUP for the Power Component. The Company was incorporated in July'88 to develop, operate & maintain the 2400 MW Tehri Hydro Power Complex (comprising 1000 MW Tehri Dam & HPP, 1000 MW Tehri Pumped Storage Plant & 400 MW Koteshwar HEP) and other hydro projects. The Company has an authorised share capital of Rs 4000 cr. THDCIL is a Mini Ratna Category-I and Schedule 'A' CPSE.

THDCIL has successfully commissioned the Tehri HPP during the year 2006-07 and Koteshwar HEP during the year 2011-12. The 1000 MW Tehri Pumped Storage Plant, which would utilize the Tehri and Koteshwar reservoirs as the pre-requisite upstream and downstream reservoirs, is presently under implementation. In addition to the 2400 MW Tehri Hydro Complex, THDCIL is implementing the 444 MW Vishnugad Pipalkoti Hydro Electric Project (VPHEP) on river Alaknanda in Uttarakhand. THDCIL is also implementing 24 MW Dhukwan Small Hydro Project on Betwa river in Uttar Pradesh. In addition, there are various hydro projects of THDCIL under different stages of implementation i.e. Survey & Investigation and DPR preparation.

A) OBJECTIVES:

- To ensure that the Fixed Assets Management systems are reliable and effective in design and to assess the extent to which they are being followed.
- To review the efficacy, adequacy and application of Fixed Assets Management System and thereby ensuring the accuracy of the system

- c) To verify that the system of Internal check is effective in design and operation in order to ensure the prevention of and early detection of defalcation, fraud, misappropriation and misapplication, if any.
- d) To identify areas of significant in-efficiencies in existing systems and to suggest necessary remedial measures and cost control measures.
- e) To confirm the existence of financial propriety in all decisions and verify compliance of policies, rules, procedures of the Company and guidelines of Government and statutory requirements.

B. PERIOD:

Physical Verification of Fixed Assets shall cover the period for the F.Year and shall be conducted & completed in line with the assignment plan as given in **Para-G**. It is requested that the visits to the units may be planned well in advance so as to complete the entire work and submit the reports within the time schedule given in the assignment plan. In case of any necessity the date as mentioned in assignment plan may be pre-poned by a separate communication.

The Audit shall be carried out by Senior/Junior Assistants having requisite experience and shall be supervised by at least a partner/ a qualified Chartered Accountant/Cost Accountant. Auditors shall ensure that the size of the audit team is commensurate with size of the audit units and the volume of work involved.

C. SCOPE AND EXTENT OF PHYSICAL VERIFICATION OF FIXED ASSETS:

Coverage of Physical Verification of Fixed Assets : 100%

The Auditor shall review the Fixed Assets Management systems & shall also report that:

- i. Physical verification of the Fixed Assets is being carried out as per the system laid down in this regards. Further, to report that adjustments for excess or shortage are being carried out in the books in the same year.
- ii. Physical Verification of Fixed Assets of previous year, which are outstanding as at the end of the year, have been complied with.
- iii. Fixed Assets- documentation and procedure are adequate & proper.
- iv. All the Fixed Assets including Buildings appearing in the Fixed Assets Registers maintained by F&A whose cost exceeds Rs. 5000/- each as on 31.01.Year.
- v. Assets wise details of shortages or excesses, if any, along with value thereof.
- vi. All the Assets including those items costing less than Rs.5000/- each are being recorded properly in the Assets Movement Control Register maintained by the concerned Administration Deptt. and movement/use of the assets by different departments are being monitored properly.
- vii. Details of unaccounted items lying with the Unit, reason of such non-accounting & its effect, if any.
- viii. Details of obsolete, damaged, broken, worn out, un-usable items awaiting disposal.
- ix. Details of disposal of obsolete, damaged, broken, worn out, un-usable items along with value.
- x. Whether all Fixed Assets have an Identification Number & if not, reason thereof item wise.
- xi. Whether maintenance of Register is proper or not & reason for weak maintenance items wise.
- xii. Details of theft, misappropriation, misapplication etc., if any.
- xiii. Details of Fixed Assets transferred to site & other Units/offices, etc. without Issue Note.

The scope of work shall also include the other areas, though not specifically covered above, but as may be required or necessary to achieve the objectives and the scope of audit shall be deemed to have been included for the same.

Auditors while ensuring the complete coverage of the scope of Physical Verification of Fixed Assets as mentioned should make efforts to priorities/provide relative emphasis between the different areas based on the professional assessment of the risk profile of the different areas.

D. PHYSICAL VERIFICATION REPORT:

On completion of the Physical Verification of the respective Auditee Unit, the preliminary observation shall first be discussed with the Finance Head of the Unit. Based on the outcome of the discussions, the Audit Report thus compiled shall be structured as outlined hereunder and be submitted as per the time schedule given in the Assignment Plan under Para-G.

Part – I Compliance and Report:

This part of the audit report shall cover point wise the comments of the Auditors on the adequacy of the compliance and action taken for rectification of errors/discrepancies pointed out by the previous auditor pertaining to earlier year. It shall also contain the confirmation regarding implementation of policies, systems, controls etc. to avoid the recurrence of such irregularities in the future. It may be ensured that the compliance report on audit observations pointed out in the reports relating to earlier audit is made and corrective action taken on those points are furnished in the Audit Report. In other words it may be ensured while conducting the audit, compliance report of the audit observations pointed out in the earlier report of preceding period, is furnished along with the corrective action taken.

Part – II Important Observations/Findings:

This part of the audit report shall contain all such significant discrepancies observed during the current physical verification , which auditors feel, require immediate attention of the management specifying the financial implications, if any. In this part Auditor shall also bring out the important deviations/ observations, policies, systems and procedures of THDCIL.

Part – III Detailed Report:

In this part, the Auditor shall furnish the detailed observations of the Physical Verification covering all the areas as per Para-C & confirmation statement that whether company's system/guideline/propriety has been adhered to in the areas of Fixed Asset management. The report should be supplemented by a statement indicating:

- I. Particulars of records with their volume checked as compared to the total volume and value of transactions.
- II. A summary report indicating the important observation in each area.
- III. A statement indicating the audit personnel deployed, their designation and the period of deployment.

E. SUBMISSION OF FINAL PHYSICAL VERIFICATION REPORT

The distribution of the Physical Verification Report **as per Para G of thus TOR**, compiled & finalized shall be submitted as under:-

- (i) Head of Finance of the Unit - one hard copy along with soft copy via e-mail **

(ii) Sr. Manager (Internal Audit), Rishikesh - Four hard copies and soft copy (soft copy (PDF) to be send by e-mail auditthdc@gmail.com)

Before commencement of Physical Verification, Auditors shall discuss the detailed Program of Audit with respective project/unit Head of Finance.

During internal audit/ physical verification the auditor should finalize the draft report and discuss it with HOD of Finance and submit copy of the same to HOD Finance for further action/ compliance.

However, the Final Report must be sent as per the Assignment Plan of Para-G.

**** E-mail id of concerned finance department to be taken during the physical verification.**

F. PHYSICAL VERIFICATION FEES

An amount of Rs./- (Rupees Only) shall be payable as fee plus service tax as applicable and travelling, boarding & lodging expenses shall be reimbursed extra for this assignments. The disbursement of the fees payable shall be made as per following:

- 100 % after completion of physical verification & submission of reports as required to be submitted as per under **Para G &** as per **Para-E**

G. ASSIGNMENT PLAN:

The physical verification of Assets of the Company shall be taken up in accordance with the following schedule:

- i) The Physical Verification of Assets may be started on or before 1st Feb. Year and is to be completed before 28.02.Year and report is to be submitted on or before 07.03.Year.

Annexure-D**To Do List****(A) Instructions to Audit Firms:**

1. Format of Application must be completely filled in. Incomplete applications will be rejected outrightly.
2. Please ensure that date of opening of Registered Office, Branch Office, entrance dates of all Partners into the firm, date of joining firm as qualified & semi-qualified assistants should be invariably indicated in the application.
3. All EOIs will be evaluated on the basis of the documents furnished along with applications only. No further documents will be called for during the scrutiny of the EOIs. Any additional document received, after last date & time of receiving the EOIs as stipulated in the Notice Inviting EOIs, will not be entertained.
4. Since, all the applications will be evaluated strictly on the basis of Selection Criteria as per Annexure-B, **please avoid attaching unsolicited information/ documents for processing applications expeditiously.**
5. The Audit Program indicated is only tentative and actual program will be issued with the approval of Management and Audit Committee for each year. In case any empanelled audit firm happens to be the Statutory Auditor or Cost Auditor of THDCIL for that year of audit, the audit firm will not be considered for internal audit assignment in that year.
5. All submitted documents should be signed by a Partner with his name and under the seal of the firm.
6. Applications must be submitted under sealed cover superscribing the EOI Notice No. & date and the words **'Application for Empanelment of Internal Auditors for 2017-18'** thereon. The name and address of the firm must also be indicated on the body of the envelope.
7. Application may be submitted by post/ courier to the office of **Sr. Manager (Internal Audit), THDC India Limited, Bhagirathi Bhawan, Bye-Pass Road, Pragatipuram, RISHIKESH-249 201, (Uttarakhand)**. THDCIL does not take any responsibility for loss of application in transit. Applications sent through Telegram, Telex, Fax or E-mail will not be considered.
8. Any application received after the stipulated date & time, due to any reason whatsoever, will be rejected outrightly.

(B) List of documents to be submitted along with the applications/ EOIs:

Interested audit firms are advised to go through contents of the EOI documents carefully and submit all attested copies of the following documents in proper sequence along with the EOIs as described hereinafter:

1. Registration certificate of the firm issued by the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India. Information related to year of establishment of Head Office & Branch Office(s), addresses, details of partners and their membership nos. etc. as indicated in the Certificate will be treated as conclusive & final information for evaluation of EOIs.

2. Membership certificate of the Partners / Qualified Assistants issued by the Institute of Chartered Accountants of India / Cost Accountant of India.
3. Certificates/ mark sheets issued by the respective Institutes in evidence of qualifications of semi-qualified assistants.
4. Copies of appointment orders for statutory audit/ internal audit/ cost audit in THDCIL/ PSUs (Central/ State Govt.) in evidence of experience.
5. Copy of PAN Card.
6. Copy of Service Tax Registration.
7. A cancelled cheque of the Bank to which payments will be made.
8. A copy of complete EOI document duly signed and sealed as a token of acceptance of all terms and conditions.