



**REQUEST FOR QUOTATION
To invite Proposals for
Appointment of
Internal/Concurrent Auditors at
National payments Corporation of
India (NPCI) for the Financial Year
2013-2014.**

RFQ Reference Number: NPCI:RFQ:2012-13/0027 Dated 04.02.2013

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This RFQ document is not an agreement and is not an offer or invitation by NPCI to any parties other than the applicants who are qualified to submit the Applications ("Proposers"). The purpose of this RFQ document is to provide proposers with information to assist the formulation of their respective proposals. This RFQ document does not claim to contain all the information each Proposer may require. Each Proposer should conduct its own assessment and should check the accuracy, reliability and completeness of the information in this RFQ document and where necessary obtain independent advice. NPCI makes no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy; reliability or completeness of this RFQ document is concerned. NPCI may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this RFQ document.

Important Detail about RFQ

Note: Proposals will be opened in the presence of the Proposers' representative who indicates to attend the Proposal opening meeting in person.

Checklist

The following items must be checked before the Proposal is submitted:

1. Both the technical and commercial Proposals prepared in accordance of RFQ document.
2. Envelope 'A' Eligibility Criteria Response.
3. Envelope 'B' Commercial Proposal.
5. All the pages of Eligibility Criteria Response, Technical Proposal and Commercial Proposal duly signed and sealed by the Authorized Signatory.
6. All relevant certifications, testimonials and audit reports, to be enclosed to support claims and credits made in the Proposal must be in relevant Envelopes.
7. All the pages and submitted document as part of Proposal must be duly signed by the Authorized signatory and in sealed envelope by the applicant.
8. Commercials to be quoted in Indian Rupees (INR) only.

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Section 1 – PROPOSAL Schedule and Address

Sr.No.	Description	
1	Name of Project	RFQ for Appointment of Internal/Concurrent Auditors
2	Proposal Reference Number	NPCI:RFQ:2012-13/0027 dated 04.02.2013
3	Date of Commencement of sale of Proposal Document	04.02.2013
4	Last date and time of receiving Proposals' Pre-Proposal clarifications in writing	08.02.2013
5	Last date and time for Submission of Proposals	12.02.2013
6	a)Date and Time of Technical Proposal Opening b)Date and Time of Commercial Proposal Opening	15.02.2013 20.02.2013
7	Place of Proposal Submission and opening of Proposals	National Payments Corporation of India, Registered Office – RBI Premises, C-9, 8th Floor Bandra Kurla Complex, Bandra – East, Mumbai – 400 051.
8	Name and Address for communication	Head –Risk Management & Audit National Payments Corporation of India Registered Office – RBI Premises, C-9, 8th Floor, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051. E-mail: bharat.panchal@npci.org.in
9	Proposal related Queries	Mr. Bharat Panchal Email id: bharat.panchal@npci.org.in Contact No:+91 8108108686 Ms. Smita Iyer Email id: smita.iyer@npci.org.in Contact No:+91 8108108639
10	Proposal Cost	Nil
11	EMD	Nil

Note: Proposals will be opened in the presence of the Proposers' representative who chooses to attend the proposal opening Meeting.

Section 2 – Introduction

2.1 About NPCI:

National Payments Corporation of India (NPCI) is a registered company under Section 25 of the Companies Act, 1956 with its Registered Office in Mumbai, India. NPCI is promoted by 10 banks in India under the aegis of the Indian Banks Association with majority shareholding by Public Sector Banks.

The 10 promoter banks are State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Bank of India, Union Bank, ICICI Bank Ltd, HDFC Bank Ltd, Citibank, and HSBC. The vision, mission and objectives of NPCI are to operate for the benefit of all the member banks and the common man at large.

2.2 Objective of this RFQ:

National Payments Corporation of India proposes for Appointment of Internal/Concurrent Auditors to carry out Internal/Concurrent Audit for the FY 2013-14. Internal/Concurrent Audit is a regular process to be carried out throughout the year at the Registered Office of NPCI on an ongoing basis.

Internal/Concurrent Audit is an independent assessment, objective assurance and advisory activity designed undertaken to add value and improve the Organization's operational effectiveness. It is a systematic examination of financial transactions on a regular basis aiming to accomplish its objectives by bringing in a systematic and, disciplined approach thereby ensuring accuracy, authenticity, compliance of internal systems, procedure and guidelines as laid down by the Organization and to evaluate and improve the effectiveness of control and governance processes.

The emphasis under Internal/Concurrent Audit is not on test checking but on substantial entity to determine whether the financial management arrangements (including internal control mechanisms) are effective and robust to identify areas of weakness and deficiency and with a view to energizing the process of rectification, system improvement to enhance efficiency. .

As a part of the continued effort in improving the standards of financial controls and reporting, Independent Chartered Accountant firms shall be appointed as Internal/Concurrent Auditors at NPCI's Registered Office to undertake periodic audits and report on key strategic and financial themes which would reflect the true position of sustainability for the Organization.

The key objectives of the Internal/Concurrent Audit include:-

1. To ensure voucher/evidence based payments to improve transparency.
2. To ensure accuracy and timeliness in maintenance of books of accounts and financial reporting.
3. To ensure adequacy and accuracy of periodical financial statements.
4. To ensure compliance with laid down systems, procedures and policies.
5. To assess, establish & improve efficiency of operations and overall internal control systems for prevention of frauds.
6. To confirm on the reliability and integrity of financial and operational information
7. To shorten the interval between transaction and its examination by an independent person not involved in its documentation.
8. To perform substantive checking in key areas and on the spot rectification of deficiencies to prevent the incidence of serious errors and fraudulent manipulations.
9. To supplement the efforts of the organization in carrying out simultaneous internal checks of the transactions and compliance with the laid down systems and procedures of the organization.
10. To confirm on the safeguarding of assets and overall gross block.
11. To confirm on management's compliance with laws, regulations and contracts
12. Additions if any, as would be deemed fit by the management.

2.3 Scope of Work:

The responsibilities of the Internal/Concurrent Auditors shall include reporting on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded, the level of compliance with financial norms and procedures for the operational guidelines. The internal/concurrent auditors so appointed for the purpose shall carry out the audit in terms of provisions laid down in the Audit Policy of NPCI and shall ensure strict adherence thereto.

A) **Internal/Concurrent Audit (Monthly)**

1. Verify the adequacy and accuracy of accounting, financial controls including application of accounting standards.
2. Verification of authorization policy, budgeting of Capex, 100% capital expenditure vouchers with procedure, approvals, progress reports etc.
3. Verification of investments and interest paid or accrual thereon.
4. Verification of Bank Reconciliation Statements and financial statements.
5. Verification of latest trial balance available at the time of Audit.
6. Verification of 100% income & expenses vouchers, bills for services rendered to ensure of statutory compliances like TDS (salary & others), service Tax, Provident Fund and proper accounting, collection and authorization along with supporting.
7. Verification of Transactions properly recorded, documented and vouched.
8. Verification of Revenue Leakage if any.
9. Review and analysis of the Age wise and Party wise Advances Report
10. Spot rectification of the irregularities and implementation of system and procedure.
11. Verification of Legal and Taxation Matters.
12. Verification of other employee benefit related matters.
13. Verification of HR & Administration related processes and decisions.
14. Provide suggestions on Finance, HR and Administration for improvement.
15. Certification of the Statement of Expenditure on monthly basis.
16. Carry out Compliance audit of pending observations and to issue Compliance Certificate thereon, on Quarterly basis.

B) **Physical verification of Assets. (Annually)**

17. Physical verification of all the assets installed at various locations of NPCI.
18. Reconciliation of amount with Books of Account.
19. Verification of Insurance of Fixed Assets.

C) **Management Audit (Annually)**

20. Carry out Management Audit on Admin, Board Secretariat, Finance, HR & Procurement and submission of related reports.
21. Review of budgeting activities, Capex, MIS Reports, Systems and compliance of internal Policies and Procedures. (in detail)
22. Review investment management and treasury operations related decisions, process & policies and provide assurance on laid down procedures and policies.
23. Review the RFQ Procedure & processes.
24. Review the relevant Agreements, transactions, documents and other records maintained.
25. Verification of services outsourced and related documentations.
26. Ensure compliance with Indian Contract Act, 1872.
27. Ensure Compliance with Companies Act, 1956.
28. Ensure Compliance with Indian Accounting Standards.
29. Ensure correct reporting as required under Income Tax Act, 1961
30. Ensure Compliance with Payment & settlement Systems Act, 2007.
31. Streamline systems & processes and identify opportunities for process enhancement.
32. Suggesting cost savings measures.

33. Value addition with timely and practical recommendations.
34. Highlighting deviations and suggesting areas of improvement.
35. Carry out the compliance audit on pending issues.

D) RFQ/RFP Audit (as per requirement)

36. End to end verification of RFQ/RFP process and procedure followed for the floated RFQs/RFPs.
37. End to end verification of Procurement process of any expenditure more than 1 crore.

E) Regulatory Compliance Audit (Annually)

38. Review the regulatory compliance framework and provide suggestions on post-review
39. Verification of compliances on Regulatory Compliance activities.

General Scope of Work:

- 1) The purpose of Auditors' presence is to provide a second look on the operations. The Internal/Concurrent Auditors will have to essentially see whether the transactions or decisions are within the policy parameters of the Organization and that they are within the delegated authority and in compliance with the terms and conditions for exercise of such an authority. The Internal/Concurrent Auditors have also to see in case of sanctions received from higher authorities, terms and conditions of such sanctions are duly complied with.

2.4 Frequency of Audit:

1) Daily Report:

Discrepancies observed in the adherence of systems & procedures have to be conveyed to the Internal Audit Division, thereafter to respective Departments on daily basis. This report is to be prepared in duplicate. One copy of the report shall be returned by the division after rectification of irregularities.

2) Monthly Report:

Internal/Concurrent Audit to report in specific on serious irregularities (high Risk areas), if any relating to:

- i) General Routine & House Keeping and
- ii) Other functions.

If nothing is to be reported, a NIL certification should be submitted.

Monthly reports of Internal/Concurrent Audit will consist of the following:

- 1) Certificate of discussion with the Head-Audit & Confirmation of receipt of the Internal/Concurrent Audit report by the Head-Audit
- 2) Monthly Reporting formats including Executive Summary
- 3) Certificate on Compliance of AML guidelines
- 4) Certificate on Statutory deductions
- 5) Certificate on Legal & Regulatory Compliance
- 6) Certificate on Leakage of Revenue
- 7) Carry forward points of last Monthly Internal/Concurrent Audit Report
- 8) Compliance Certificate on Quarterly basis
- 9) Monthly reports should not be sketchy, but should be factual, clear and exhaustive in details and wherever necessary, should indicate the action initiated by the Division. It should also contain specific views/opinion of the Auditors based on his findings.

Section 3 – Eligibility Criteria (refer annexure -1)

3.1 Pre-requisite:

The Proposer firm should possess the requisite experience, resources and capabilities in providing the services necessary to meet the requirements, as described in the tender document. The Proposer should also possess the technical know-how and the financial wherewithal that would be required to complete the scope of work. The Proposal must be complete in all respects and should cover the entire scope of work as stipulated in the document. Proposals not meeting the Eligibility Criteria will not be considered for further evaluation.

3.2 Eligibility Criteria:

The invitation to proposal is open to all Proposers (firm) who qualify the Eligibility Criteria as given below. Failure to provide the desired information and documents may lead to disqualification of the Proposal.

- 3.2.1** The Proposer/firm should be a Chartered Accountants firm, on the panel of auditors maintained by RBI under Category – I.
- 3.2.2** The Proposer/firm should have at least 7 to 10 years rich experience & exposure of corporate, particularly for Section 25 Company, Legal matters, Investments, secretarial, accounting including FEMA transactions and Tax matters of Public Sector Banks/ Private Banks / Foreign Banks and / or financial Institutions for conducting Internal/Concurrent Audit, Management Audit, Taxation and Revenue Audit. (Acceptable & Satisfactory Proof should be provided for the same)
- 3.2.3** The Proposer/firm should have an experience in Management work such as Verification of Assets and stocks, cash & fund flow statement, recruitment services etc.
- 3.2.4** The Proposer/firm should have experience with professional excellence and measures to International standards.
- 3.2.5** The Proposer/firm or no partner thereof should have been subjected to any disciplinary proceedings initiated by the Institute of Chartered Accountants of India and no such proceedings should be pending as on the date of appointment.
- 3.2.6** The Proposer/ firm or its partner should not be disqualified under Section 226 of the Companies Act, 1956.
- 3.2.7** The Proposer/firm should have not been debarred and not involved in Statutory Audit of the Organization.
- 3.2.8** The Proposer/firm having DISA/CISA qualified partners/proprietors may be preferred.
- 3.2.9** The Company should be registered Co. under the Companies Act, 1956, in case of Ltd. Co.
- 3.2.10** The Proposer/firm should have minimum annual turnover of above Rs.2 crores and profit of Rs. 50 lakhs during the last three financial years (To submit audited financials for 2009-10, 2010-11, 2011-12)
- 3.2.11** The proposer/firm should not be currently blacklisted by any Government / Government agency/ Bank / institution in India or abroad.
- 3.2.12** The Proposer/firm should provide reference of 2 clients for whom they have earlier/recently carried out such Internal/Concurrent Audit assignment. (Declaration to this effect [Annexure- 3] on their company's letterhead.

Section 4 – Instruction to Proposers

A. The Proposing Document

4.1 RFQ:

1. RFQ shall mean Request for Quotation.
2. Proposal, Tender and RFQ are used to mean the same.

4.2 Content of Proposing Document:

- 4.2.1** The Proposal shall be in 2 separate envelopes, Envelope A and B. The contents of the Envelopes are mentioned in clause 4.8.1

B Preparation of Proposal

4.3 Proposal Fees:

- 4.3.1** Fees should include all cost including all applicable taxes, etc.

4.4 Period of Validity of Proposals:

Proposals shall remain valid for a period of 20 days after the date of Proposal opening as mentioned in Section 1 or as may be extended from time to time. NPCI holds the right to reject a Proposal valid for a period shorter than 20 days as non-responsive, without any correspondence.

4.5 Format of Proposal:

- 4.5.1** The Proposer shall prepare one hard copies (marked as 'ORIGINAL') of the Proposal.
- 4.5.2** In case of any discrepancy between them, the original shall govern.

4.6 Signing of Proposal:

- 4.6.1** The Proposal shall be signed by a person or persons duly authorized to sign on behalf of the Proposer.

C Submission of Proposal

4.7 3-Envelope Proposing process:

- 4.7.1** The Proposal shall be prepared in 2 different envelopes, Envelope A and Envelope B.
- 4.7.2** Each of the 2 Envelopes shall then be sealed and put into an outer envelope marked as **'Request for Quotation (RFQ) for Appointment of Internal/Concurrent Auditors.'**
- 4.7.3** The inner and outer envelopes shall
1. be addressed to NPCI at the address mentioned in Section 1
 2. The inner 2 envelopes shall indicate the name and address of the Proposer.
 3. If the outer envelope is not sealed and marked as indicated, NPCI will assume no responsibility for the Proposal's misplacement or premature opening.

4.8 Contents of the 2 Envelopes:

- 4.8.1** Envelope 'A' Eligibility Criteria. The following documents shall be inserted inside Envelope A:
1. Proposer's Information – Annexure 1
 2. Eligibility Criteria Matrix – Annexure 2
 3. Declaration regarding Clean Track Record - Annexure 3
 4. Scope of Work – Annexure 4
- 4.8.2** Envelope 'B' Commercial Proposal:
- Professional Fees Format with Commercial Proposal Form– Annexure 5

4.9 Proposal Submission:

Proposals sealed in accordance with the Instructions to the Proposer and should be delivered at the address as mentioned in the Section 1.

4.9.1 The offers should be made strictly as per the formats enclosed.

4.10 Proposal Currency:

All prices shall be expressed in Indian Rupees only.

4.11 Proposal Language:

The Proposal shall be in English Language only.

4.12 Deadline for Submission:

The last date of submission of Proposals is given in Section 1, unless amended by NPCI through its website.

4.13 Extension of Deadline for submission of Proposal:

NPCI may, at its discretion, extend this deadline for submission of Proposals by amending the Proposing Documents which will be intimated through NPCI website, in which case all rights and obligations of NPCI and Proposer will thereafter be subject to the deadline as extended.

4.14 Late Proposal:

Proposals received after the scheduled time will not be accepted by NPCI under any circumstances. NPCI will not be responsible for any delay due to postal service or any other means.

4.15 Modifications and Withdrawal of Proposals:

4.15.1 Proposals once submitted will be treated as final and no further correspondence will be entertained on this.

4.15.2 No Proposal will be modified after the deadline for submission of Proposals

4.16 Right to Reject, Accept/Cancel the Proposal:

4.16.1 NPCI reserves the right to accept or reject, in full or in part, any or all the proposal offered by applicants without assigning any reason whatsoever.

4.16.2 NPCI does not bind itself to accept the lowest or any tender and reserves the right to reject all or any Proposal or cancel the Proposal without assigning any reason whatsoever. NPCI also has the right to re-issue the Tender without the applicants having the right to object to such re-issue.

4.17 RFQ Abandonment:

NPCI may at its discretion abandon the process of the selection of Proposer for Appointment of Internal/Concurrent Auditors for NPCI at any time before notification of award.

4.18 Proposal Evaluation Process:

4.18.1 The Proposal Evaluation will be carried out in 2 stages.

4.19 Contacting NPCI:

4.19.1 From the time of Proposal opening to the time of Contract award, if any Proposer wishes to contact NPCI for seeking any clarification any matter related to the Proposal, it should do so in writing.

Section 5 – Proposal Opening

5.1 Opening of Proposals:

5.1.1 Proposals will be opened in 2 stages:

Stage 1 – In the first stage only the Eligibility & Scope of Work Proposals i.e. Envelope A, will be opened.

Stage 2 – In the second stage the Commercial Proposals i.e. Envelope B will be opened.

5.2 Opening of Eligibility Proposals:

5.2.1 NPCI will open Envelope 'A' in presence of Proposers' representative(s) who choose to be present on the date, time and address mentioned in Section 1 or as amended by NPCI from time to time.

5.3 Opening of Commercial Proposals:

5.3.1 Only those Proposals that are eligibility & Scope of Work is qualified, their Commercial Proposal shall be opened.

5.3.2 The representatives of the Proposer have to produce **an identity proof from the Proposers** to represent them at the time of opening of Commercial Proposals. Only one representative will be allowed to represent each Applicant. In case the Proposer's representative is not present at the time of opening of Proposals, the Proposals will still be opened at the scheduled time at the sole discretion of the NPCI.

Section 6 – Proposal Evaluation

6.1 Preliminary Examination of Eligibility Proposals:

6.1.1 NPCI will examine the Proposals to determine whether they are complete, whether required information has been provided as underlined in the Proposal document, whether the documents have been properly signed, and whether Proposals are generally in order.

6.1.2 NPCI may waive any minor informality, non-conformity or irregularity in a Proposal that does not constitute a material deviation provided such waiver does not prejudice or affect the relative ranking of any Proposer.

6.1.3 If a Proposal is not substantially responsive, it will be rejected by NPCI and may not subsequently be made responsive by the Proposer by correction of the nonconformity.

6.2 Evaluation of Commercial Proposals:

6.2.1 Arithmetic errors in the Proposals submitted shall be treated as follows:

1. Where there is a discrepancy between the amounts in figures and in words, the amount in words shall govern; and
2. Where there is a discrepancy between the amount mentioned in the Proposal and the line item total present in the Commercial Proposal, the amount obtained on totaling the line items in the Commercial Proposal will govern.

6.2.2 Commercial Proposals of only the technically qualified short-listed Proposers will be opened and evaluated.

6.3 Successfully Evaluated Proposer:

6.3.1 Proposer who has quoted the lowest will be declared as successful evaluated Proposer who will be called L1 Proposer.

Section 7 Terms and Conditions

7.1 Notification of Award:

- 7.1.1** After selection of the L1 Proposer and after obtaining internal approvals and prior to expiration of the period of Proposal validity, NPCI will send Notification of Award /Offer Letter to the selected Proposer.

7.2 Purchase Order:

- 7.2.1** Within one week of receipt of Notification of Award the successful Proposer shall accept the Offer Letter.
- 7.2.2** Failure of the successful Proposer to comply with the above requirements shall constitute sufficient grounds for the annulment of the award.

7.3 Taxes and Duties:

- 7.3.1** All taxes deductible at source, if any, at the time of release of payments, shall be deducted at source as per then prevailing rates while making any payment.
- 7.3.2** Commercial Proposal should expressly and specifically contain details of all applicable taxes, duties, charges and levies of State or Central Governments as applicable, VAT/Sales Tax, insurance, service taxes etc.

7.4 Terms of Acceptance Letter:

- 7.4.1** The Acceptance Letter shall be delivered within one week of receipt of the Offer Letter.

7.5 Penalty for default in submission of Acceptance letter:

- 7.5.1** If the Proposer does not deliver the Acceptance Letter as per the above mentioned schedule, or such authorized extension of delivery period as may be permitted in writing by NPCI, NPCI shall reserve the rights for cancellation of the said Offer Letter and to issue a fresh Offer letter to another Proposer.
- 7.5.2** In the case of delay in compliance with the offer letter beyond one week of the stipulated time period, NPCI will have the right to cancel the Appointment.

7.6 Terms and Conditions:

- 7.6.1** The appointment will be for one year only, subject to review after six months from the date of appointment. Renewal of appointment will depend on the performance & delivery of the services
- 7.6.2** No conveyance expenses and out of pocket expenses will be paid for audit conducted in local area
- 7.6.3** The firm should provide trained staff for day to day audit and the assignment should be supervised by the senior partner of the firm who will be available for discussion with the Management as and when deemed necessary. Initially, for first three months, the meetings should be on fortnightly basis. There after the frequency of such meetings will be determined on the basis of volume of transactions, vouchers, audit observations and compliances etc.
- 7.6.4** NDA to be signed between the NPCI & Proposer firm.
- 7.6.5** To keep confidentiality of all the information received from NPCI during the execution of this engagement.

7.7 Payment Terms:

After submission of Final Report of every Audit to NPCI Office.

7.8 Fees: Professional Fees

There shall be no increase in Professional Fees for any reason whatsoever.

7.9 Intellectual Property:

All Intellectual Property Rights in any guidance, specifications, instructions, plans, data, databases, patents, patterns, models, reports or other information which is: shall remain vested in the owner of such rights.

- (a) Furnished to or made available to the Auditor by or on behalf of the Authority;
- (b) prepared by or for the Auditor on behalf of the Authority for use, or intended use, in relation to the performance by the Auditor of its obligations under the Contract; or
- (c) the result of any work done by the Auditor, the Staff or any Sub-Auditor in relation to the provision of the Services (together with (a) and (b) above, the "**IP information**"),

shall vest in the Authority and the Auditor shall not, and shall ensure that the Staff shall not, use or disclose any IP Information without prior Approval save to the extent necessary for performance by the Auditor of its obligations under the Contract.

7.10 Confidentiality:

The Proposer shall (whether or not he submits the Proposal) treat the details of the documents as secret and confidential.

7.11 Proposer's Liability

- 7.11.1** The selected Proposer will be liable for all the deliverables.
- 7.11.2** The Proposer's aggregate liability in connection with obligations undertaken as part of the Project regardless of the form or nature of the action giving rise to such liability (whether in contract, tort or otherwise), shall be at actual and limited to the value of the contract.
- 7.11.3** The Proposer's liability in case of claims against NPCI resulting from gross misconduct or gross negligence of the Proposer, its employees, contractors, and subcontractors or from infringement of patents, trademarks, copyrights or such other Intellectual Property Rights or breach of confidentiality obligations shall be unlimited.
- 7.11.4** Liquidated Damages : The parties hereby agree that due to negligence of act of the Proposer or non-fulfillment of contract obligations, if NPCI suffers losses, damages, the Proposer would be fully liable to the total value of the contract.

Section 8 - Methodology for conducting Audit / Reporting:

- ❖ The audit team shall be led by the Chartered Accountant – proprietorship/Partner of the audit team firm with experienced assistants as the work may warrant.
- ❖ The audit firm shall adhere to the audit policy of the organization.
- ❖ The format of Executive Summary Report shall be signed by the Chartered Accountant – Partner of the firm.
- ❖ The audit personnel should not be changed so that continuity and consistency is maintained. The audit firm shall conduct appropriate due diligence before employing any personnel who will be entrusted with the work of conducting the Internal/Concurrent Audit of the organization. The audit firm is also responsible for any commission and omission of its employees which may cause and or likely to cause any loss/damage to the organization.
- ❖ If there is any change in the constitution of the firm during the period of appointment it shall be informed to the organization.
- ❖ If the lowest financial bidder does not agree to undertake the audit work within the prescribed audit fee or the organization deems it unfit for any reason, the job may be awarded to the next lowest financial bidder if the firm awarded to a technically qualified bidder and agrees to undertake the job.

Section 9 – Termination / cancellation of empanelment/appointment:

- ❖ If the selected firm has not sent the Technical Bid/ Financial Bid duly signed by them within the stipulated time, their bid is liable to be rejected.
- ❖ If any of the information/ documents furnished by the auditor is found to be incorrect, the offer will automatically stand cancelled without entertaining any further correspondence.
- ❖ In case the Bid is rejected for reasons mentioned in 1 & 2 above, the organization shall identify a new auditor at its discretion and they shall not claim any right for audit of this Organization.
- ❖ The appointment for Internal/Internal/Concurrent Auditor is purely contractual and for a specific period of 12 months and the same may be renewed on a yearly basis subject to satisfactory performance/ eligibility for Internal/Concurrent Audit. The maximum period of contract shall be restricted to 2 years. However, the Organization reserves the right to terminate the contract at any point of time for whatsoever reasons as the Organization may deem fit.
- ❖ After termination of the contract, the auditor/ firm shall not use or keep any of the material information given or make any representations to public or outsiders as continuing this agreement. The auditor/ firm shall return all materials belonging to the Organization after termination of the agreement, unless otherwise instructed in writing by the Organization.
- ❖ The Organization shall have the absolute discretion in revising the fee structure, stipulating terms and conditions of the appointment and termination of services of the empanelled auditor after giving due notice at any point of time including during the pendency of the contract.

Section 10 – Technical Requirements

Sr. No.	Description of Scope of work for Internal/Concurrent Auditor
1.	Scope of work provided in 2.3 column

Section 11 Documents forms to be put in Envelope 'A'**Annexure-1****Proposer's Information**

Details of the Proposer		Requirement of Supporting documents
1	Name of the Firm(Prime)	
2	Addresses of the Firm	
3	Head Office	Phone No. Fax No. Mobile No. of Head Office In-charge:
4	Date of establishment of the firm	
5	Date since when the H.O. is at existing Station	
6	Branch Office 1,2,3 etc. (particulars of each branch to be given)	Phone No. Fax No. Mobile No. of Head Office In-charge:
7	Status of the Firm (Public Ltd/ Pvt. Ltd/ partnership/co.)	
8	Details of Incorporation of the Company. (Certificate to be submitted)	Date:
		Ref#
9	Details of Commencement of Business (Certificate to be submitted)	Date:
		Ref#
10	Firm's Valid registration no. with ICAI	
11	Firm's Valid Service tax registration no.	
12	Permanent Account Number (PAN)	
13	No. of Years of Firm Existence & Date of establishment of Firm	
14	Name & Designation of the contact person to whom all references shall be made regarding this tender	
15	Telephone No. (with STD Code)	
16	E-Mail of the contact person:	
17	Fax No. (with STD Code)	
18	Website	

19	<p>Details of partners with following details:</p> <ol style="list-style-type: none"> 1) Number of Full Time Fellow Partners associated with the firm. 2) Name of each partners 3) Date of becoming ACA and FCA 4) Date of joining the Firm 5) Membership No. 6) Qualification 7) Experience 8) Whether the Partner is engaged full time or part time with the firm. 9) Their contact mobile no., email and full address. <p>Indicate the Lead Auditor from the Firm</p>	
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Financial Details (as per audited Balance Sheets) (in Cr)

Annual Average Income with Break-up of Fee towards Audit, Income Tax matters and others (Specify)

14	Year	2009-10	2010-11	2011-12
15	Turnover			
16	Equity including Reserve and surplus			
17	Revenue/Income			
18	Income after Tax			

Annexure 2

Eligibility Criteria Matrix

Sr. No.	Description	Complied with statements	Proof attached
1	The firm should be a Chartered Accountants firm, on the panel of auditors maintained by RBI under Category – I.		Proof should be submitted
2	The firm should have at least 7 to 10 years rich experience & exposure of corporate, particularly for Section 25 Company, Legal matters, Investments, Secretarial, Accounting including FEMA transactions and Tax matters of Public Sector Banks/ Private Banks/Foreign Banks and/or financial Institutions for conducting Internal audit, Management Audit, Taxation and Revenue Audit.		Proof should be submitted
3	The firm should have an experience in Management work such as Verification of Assets and stocks, cash & fund flow statement, recruitment services etc.		Proof should be submitted
4	The firm should have an experience as a professional excellence, measures to International standards.		Proof should be submitted
5	The firm or no partner thereof should have been subjected to any disciplinary proceedings initiated by the Institute of Chartered Accountants of India and no such proceedings should be pending as on the date of appointment.		Proof should be submitted
6	The firm or its partner should not be disqualified under Section 226 of the Companies Act, 1956.		Proof should be submitted
7	The firm should have not been debarred and not involved in Statutory Audit of the Organization.		Proof should be submitted
8	The firm having DISA/CISA qualified partners/proprietors may be preferred.		Proof should be submitted
9	Registered company under the Companies Act, 1956, in case of Limited Company.		Proof should be submitted
10	The Proposer should have minimum annual turnover of above Rs.2 crores and profit of Rs.50 lakhs during the last three financial years. (To submit audited financials for 2009-10, 2010-11, and 2011-12).		Proof should be submitted
11	The Proposer should not be currently blacklisted by any Government / Government agency/ Bank / institution in India or abroad		Declaration as per Annexure-3
12	The Proposer should provide reference of 2		Proof should be

	clients for whom they have earlier/recently carried out such Internal/Concurrent Audit assignment.		submitted
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A. Form No.—

Sr. No.	Name of staff	Length of Association with the Firm (in years)	Educational Qualifications	Areas of Key Expertise	Membership no.	Relevant experience
1						
2						
3						
4						

B. Form No.—

Sr. No.	Name of staff	Length of Association with the Firm (in years)	Educational Qualifications	Areas of Key Expertise	Relevant experience	Remarks
1						
2						
3						
Semi Qualified Staff						
1						
2						
3						
Article Clerks ;						
1						
2						
3						
Others.						
1						
2						
3						

Annexure-3**Declaration regarding Clean Track by Proposer****(On Company/firm's Letterhead)**

To,

The Chief Executive Officer
National Payments Corporation of India,
C-9, 8th Floor, RBI Premises,
Bandra (E), Mumbai – 400 051.

Sir,

Re: RFQ No. NPCI: RFQ: 2012-13/0027 dated 4th February 2013 for “RFQ for Appointment of Internal/Concurrent Auditors”.

I have carefully gone through the Terms and Conditions contained in the above referred RFQ. I hereby declare that my company/firm is not currently debarred/black listed by any Government / Semi Government organizations/ Institutions in India or abroad. I further certify that I am competent officer in my company/firm to make this declaration.

Or

I declare the following

No.	Country in which the company is debarred/blacklisted/case is pending	Black listed/debarred by Government / Semi Government organizations/ Institutions	Reason	Since when and for how long

(NOTE: In case the company/firm was blacklisted previously, please provide the details regarding

Period for which the company/firm was blacklisted and the reason/s for the same)

Yours faithfully,

(Signature of the Proposer)

Printed Name

Designation

Seal

Date:

Business Address:

Annexure 4

The Scope of work to be mentioned as per Section – 2.3 and enclose information by the Proposer on the following points.

- 1) Areas of Specialization
- 2) List of Major Jobs Handled
- 3) List of Special Jobs

Section 12 – To be put in Envelope “B”**Annexure 5****Professional Fees Format**

Job: Request for Quotation for Appointment as Internal/Concurrent Auditor				
SR NO	PART NUMBER	DESCRIPTION	Professional Fees	TOTAL(Rs.)
1		Internal/Concurrent Audit		
2		-----		
Total			Rs.	
3	Taxes		Rs.	
4	Grand Total		Rs.	
	COMPANY'S NAME	:		
	OFFER REF. AND DATE	:		
	SIGNATURE	:		
	DESIGNATION	:		

Commercial Proposal Form

(To be included in Commercial Proposal Envelope)

To:

Date:

NPCI

Dear Sir,

Re: Request for Quotation for appointment of Internal/Concurrent Auditor.

Having examined the Proposing Documents placed along with RFQ, we, the undersigned, offer to provide the required infrastructure in conformity with the said Proposing documents for the sum of Rs.....(Rupees all inclusive) or such other sums as may be ascertained in accordance with the professional fees attached herewith and made part of this Proposal.

We undertake, if our Proposal is accepted, to provide the services as Internal/Concurrent Auditors for the above purpose within the stipulated time schedule.

We agree to a Proposal by the Proposer and the fees quoted therein for the services awarded by NPCI up to the period prescribed in the Proposal which shall remain binding upon us. Until a formal contract is prepared and executed, this Proposal, together with our written acceptance thereof and your notification of award, shall constitute a binding Contract between us.

We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India.

We have complied with all the terms and conditions of the RFQ. We understand that you are not bound to accept the lowest or any Proposal you may receive.

Dated this..... Day of.....2013.

(Signature)

(Name)

(In the capacity of)

Duly authorized to sign Proposal for and on behalf of