

DELHI AVIATION FUEL FACILITY (P) LIMITED

Request for Proposal (RFP)

FOR

**Internal Audit
2019-20**

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Section-1 REQUEST FOR PROPOSAL

DAFFPL invites proposals from interested Chartered Accountant firms and LLPs to submit the proposal for the internal audit of the company on the quarterly basis on the terms and conditions contained in this RFP.

The interested parties are advised to adhere to the following schedule for the purpose of this Request for Proposal and submit their queries, replies & quotations at details mentioned below:

Date of issuance of Request for Proposal	:	22 nd May 2019
Last Date for submission of queries, if any	:	27 th May 2019
Reply to the queries/ clarification by the Employer and issuance of Addendum, if any	:	28 th May 2019
Last date for Proposal submission	:	31 st May 2019

“NO PROPOSAL WILL BE CONSIDERED AFTER THE LAST DATE & TIME FOR PROPOSAL SUBMISSION”

Contact Details:

For any further clarification & company profile, please visit www.daffpl.in

You can also contact at the following details:

Ms. Rashmi Billore (Finance & Accounts)

(O) 011-25654862

Email: rashmi.billore@daffpl.in/rashmi.billore@gmrgroup.in

Address: Aviation Fuelling Station, Shahbad Mohammad Pur, IGI Airport, New Delhi-110061

Section-2 COMPANY PROFILE

Delhi Aviation Fuel Facility Private Limited (DAFFPL) is a Joint Venture of two “Fortune 500” companies namely Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Delhi International Airport Private Limited (DIAL), a GMR group company. Turnover of DAFFPL for the year ended March 2019 is about Rs. 150 Cr., all other details may be obtained from our website www.daffpl.in

The Company’s business objectives are:

- To design, develop, construct, manage, maintain, upgrade and operate the aviation fuel facility on BOOT (Build, Own, Operate and Transfer) basis at the Indira Gandhi International Airport, New Delhi and

- To provide adequate guarantee of uninterrupted, competitive, safe and secure flow of ATF to the Airport with international benchmark.

Section-3 ELIGIBILITY CRITERIA

1. The firm must be empanelled with ICAI, without which the application of the firm would not be considered.

2. Firms must qualify following minimum criteria:

S No	Particulars	Minimum Criteria
1	Number of Full Time Fellow Partners associated with the firm for not less than 3 years (As per Certificate of ICAI as on 01.01.2019)	03
2	Turnover of the firm per year (Last two Financial years)	Min Rs. 50 lakhs/-
3	No. of years of firm existence	10 Years
4	No. of assignments of Internal Audit of Corporates of similar size (turnover of about Rs. 150 Crores or more)/PSUs in the last 3 years (2016-17 to 2018-19)	5
5	The bidder should have a local office at Delhi	

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

3. Supporting Documents for Eligibility Criteria:

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

For Sl. No. 2 (1) above, the firm must submit an attested copy of Certificate of ICAI as on 01.0.2019.

For Sl. No. 2 (2) the firm must submit a copy of the financials for the last two years.

For Sl. No. 2 (4), the firm must submit a copy of the appointment letters/audit completion certificate etc., from the auditee organizations.

Section-4 INTERNAL AUDIT SCOPE

Areas	Sub-Areas	Detailed scope
Compliances	a. SHA & Concession agreement b. Regulatory c. Financial d. Corporate Governance e. Legal compliance	<ul style="list-style-type: none"> ▪ Review compliances to SHA & Concession agreement. ▪ Ascertain the list of significant laws, regulation and compliance applicable to the Company and ensure compliance of the same. ▪ Review compliances of loan agreements including financial and other covenants. ▪ Review compliance of escrow agreements. ▪ Review compliance to Direct tax laws: Review and Compliance of Income tax Act -Advance tax Computation, Suggestion for Tax saving, Deductions and rebate. TDS Compliance. ▪ Indirect tax laws: GST - Reconciliation of 3B with GSTR 1, Checking the amount of input tax credit as per GSTR 3B vis-à-vis details mentioned in GSTR 2A. Invoice format according to GST rules. Review eligibility of Input Tax credit, and all relevant compliance w.r.t GST Act. ▪ Compliance of Company law and all applicable notifications issued by MCA on time to time. ▪ Applicability of IND AS, review & suggestion on applicable guidance note issued by institute. ▪ Review of status of legal cases
Financial Performance	a. DOP b. AOP c. Working capital d. Capex accounting e. <i>Capex payment</i>	<ul style="list-style-type: none"> ▪ Review of Delegation of Power (DOP) compliance ▪ Review of Annual Operating Plan (AOP): Revenue expenses should be as per and within the limit of Approved budget. ▪ Review of Fund management, Checking of financial cost viz. interest and bank charges and Review of bank reconciliation statements; suggestion on effective fund utilization. ▪ Monitoring of debtors and creditors accounting, review process of obtaining balance confirmation along with reconciliation; Debtors/Creditors ageing, Compliance related with MSME parties and applicable forms & returns, ▪ Review of steps taken by the Management for recovery of outstanding dues from Debtors- ▪ Review of related party transactions;

Areas	Sub-Areas	Detailed scope
		<ul style="list-style-type: none"> ▪ Capex accounting: Accounting of capital expenditure in CWIP, Review Capex in case of project implementation; Review of CWIP progress/status whether it is as per the prescribed timeline of issued PO/WO. ▪ Capex Payment: Review of Capex payment in context of approved amount in AOP, and as per the prescribed terms of issued PO/WO. Liquidity Damage and accounting thereof. ▪ Bank Guarantee: Review of BG received as per the terms of PO/WO.
Operational Performance	<ul style="list-style-type: none"> a. Business plans b. Fixed assets c. Human resources d. Facility Management Services e. Operations f. Documentation and maintenance of record 	<ul style="list-style-type: none"> ▪ Review of sales data, adequacy of invoicing system and Revenue of accounting & identify areas of potential loss of revenue; ▪ Review of Fixed Assets Register & process of physical verification, Asset tagging and asset identification; ▪ Review adequacy of various Insurance coverage including pending insurance claims; ▪ Review of payroll accounting & employee attendance system; ▪ Review of MIS formats, frequency and adherence to timelines; ▪ Review major contracts entered into by JV. ▪ Review of all transactional documents, whether approved by competent authority, validity of document, In/Out gate pass(wherever required)
Internal controls/ Process review	<ul style="list-style-type: none"> a. SOPs b. Various Business process reviews c. Trade and commercial d. Major achievements / incidents e. Budget targets 	<ul style="list-style-type: none"> ▪ Ensure that Company is having proper and effective Internal control as per the size of business. ▪ Review of Internal Control Matrix and give comments about adequacy of the same. Examination and evaluation of the adequacy and effectiveness of the Internal control, organization's governance, risk management, internal process and management control over the efficiency of operation, safeguarding of assets and financial & management reporting. Suggestion for improvement. ▪ Ensure that the accounting and financial management systems are reliable and effective and to assess the extent to which they are being followed. Also provide the suggestions for improvement. ▪ Review the efficiency, adequacy and applicability of accounting, financial and operating controls & processes and thereby ensure the accuracy of the books.

Areas	Sub-Areas	Detailed scope
		<ul style="list-style-type: none"> ▪ Verify that the internal check is effective in design and operation in order to ensure the prevention and early detection of wrong application. ▪ Identify areas of significant deficiency (if any) in existing systems and to suggest necessary remedial measures. ▪ Review of book closure process - provisioning, write off, clearing of control account and prepaid account, Depreciation accounting, Chart of Accounts and review of accounting policies; ▪ Review of quarterly financial performance /results in light of the AOP;

Section - 5 INSTRUCTIONS FOR INTERNAL AUDITORS

1. Audit shall be conducted immediately after the end of each quarter.
2. Internal Auditor is to depute competent audit personals headed by Chartered Accountant for the audit work.
3. Audit has to stress more on systems and processes. All gaps, lapses and departures from approved standard Accounting Practices, “COA” are to be reported to the Audit Committee.
4. Reports, complete in all respects should definitely be submitted within 15th of next month from the end of the quarter.
5. Internal Auditor to be present in Audit committee meetings, if called for.

General Terms & Conditions:

1. The tender documents shall be treated as “confidential”.
2. Bidder may enclose the following:
 - (a) Copy certificate on Registration of the Company/firm
 - (b) Copy of PAN Card
 - (c) Copy of GST Registration
 - (d) Copy of the IT Return, P&L account and balance sheet.
3. The rate of GST etc., prevalent on the date of tender, should be clearly indicated in the tender itself, if it’s not mentioned; it will be treated as inclusive.
4. Incomplete tender will be summarily rejected.
5. More than one bid shall not be accepted from one party.
6. Conditional bids will not be accepted.