hmrdc

Hassan Mangalore Rail Development Company Limited

(A Joint Venture of Ministry of Railways & Govt. of Karnataka)
Regd. Office : MSIL House, 7th Floor, # 36, Cunningham Road, Bangalore-560 052.
Tel: +91-80-2237 0581, Fax: +91-80-2237 0582, Website: www.hmrdc.com
CIN No. U45203KA2003PLC032183, E-mail : ceohmrdc@gmail.com

HMRDC/Accounts/16/Internal Audit/2017-18/01 25.05.2017

To,
All firms of CAs/CMAs.

Dear Sir / Madam,

Sub: Notice inviting Expression Of Interest (EOI) by Chartered Accountants firms / Cost & Management Accountants Firms for selection and appointment as Internal Auditors of HMRDC for the year 2017-18 onwards.

Please find attached notice inviting Expression Of Interest (EOI) by Chartered Accountants firms/ Cost & Management Accountants Firms for selection and appointment as Internal Auditors of HMRDC for the year 2017-18 onwards.

A brief background note of the Company has also been attached. You are requested to send the details of your firm/company in the format as per Annexure – 1 and also send your proposals as per Annexure – 2 enclosed.

The last date for submission of your proposal is 15.06.2017 at 3.00 p.m.

Thanking you,

Yours faithfully,
For Hassan Mangalore Rail Development Company Limited

S. N. SRINIVASA
Company Secretary

Encl: as above.

NOTICE INVITING EXPRESSION OF INTEREST (EOI) BY CHARTERED ACCOUNTANTS FIRMS/COST & MANAGEMENT ACCOUNTANTS FIRMS FOR SELECTION AND APPOINTMENT AS INTERNAL AUDITORS FOR THE YEARS 2017-18 ONWARDS

1) BACK GROUND OF THE COMPANY:

HMRDC is a a joint venture SPV with equal equity participation by the Ministry of Railways and Government of Karnataka with the objective of development, financing, designing, construction, operation and maintenance of the broad gauge rail link connectivity between Hassan and Mangalore (referred to as 'Project Railway'). The Shareholder's Agreement was signed by the Company with the Ministry of Railways, Government of Karnataka and Rail Infrastructure Development company (Karnataka) Limited on 23rd October 2003. M/s. New Mangalore Port Trust and M/s. Mineral Enterprises Limited have become strategic partners by contributing ₹10.00 Crores each towards equity share capital constituting 18% of the total equity share capital of the company.

For the purposes of implementing the Project Railway, Ministry of Railways (MoR) has granted concession rights to the Company for the above activities vide Concession Agreement dated 18th March 2004. The concession is for a period of 32 years from the date of the Agreement. The Company has been given leasehold rights on the assets, which already existed in the Project Area as part of the earlier railway network up to 23.8.1996 including land (existing & acquired subsequently) for development of the leased assets during the concession period.

In order to fulfil its construction obligations, the Company had entered into a Construction Agreement dated 18th March 2004 with South Western Railway (SWR), whereby SWR were appointed as the Engineering, Procurement and construction (EPC) Agents for the Project Railway. The capital expenditure incurred by the Railways on the Project Railway up to 31st March 2002 was converted and treated as subordinated/unsecured debt payable by the Company to Ministry of Railways.

The Company has entered into an Operations & Maintenance Agreement with South Western Railway on 18th March 2004 whereby SWR has been appointed as the operations and maintenance agency to operate the goods train services on the line and undertake maintenance of project assets till the end of the concession period.

The railway line was commissioned for Operation of freight services in May 2006 after completion of gauge conversion of the Project Railway.

The Company has an annual total income of about Rs.139 crores as on 31.3.2017. The Company does not expect any significant operational transactions during the year 2017-18. Full details and annual report of the company may be seen from its website : www.hmrdc.com

2. OBJECTIVE:

To conduct risk-based Internal Audit for the Company and provide guidance on maintenance and finalisation of Accounts and introduction of internal control systems and advise on adoption of Ind AS.

3. SCOPE OF WORK:

The scope of work etc., are indicated in the HMRDC Internal Audit Manual. (which will be mailed to you on request).

Advise the Company on all matters of Internal Financial Control, Income Tax and adoption of Ind AS and other matters from time to time including finalisation of annual financial statements etc.,.

4.COVERAGE OF THE AUDIT:

The audit will cover the period from 1st April 2017 to 31st March 2018.

5.TIMELINE:

The Auditor will submit their half yearly internal audit reports along with executive summary for the periods ending 30.9.2017 and 31.3.2018 within one month from the close of the half yearly periods.

6.ELIGIBILITY AND SELECTION:

(A) Eligibility

Any interested Chartered Accountants/Cost Accountants' Firm shall be eligible to apply for the assignment, subject to meeting the following eligibility criteria.

i)Empanelled with Comptroller & Auditor General of India.

ii) Registered with the Institute of Chartered Accountants of India/The Institute of Cost Accountants of India for not less than 10 years as on the date of application.

iii)Should have the experience of audit of PSU of Central/State Govt.

iv)Should have minimum of 3 partners with its office at Bangalore.

v) Should have good exposure with GST/ Income Tax/Service Tax & other Tax matters

(B) Submission of Proposal:

Interested eligible Chartered Accountant/Cost Accountant Firms shall apply for the assignment in the format along with required information and documents as per the format given in Annexure 1 & 2 below within the due date and time for submission i.e. on 15.6.2017 at 3.00 P.M. The proposal can be submitted either through courier or registered post only to the following address.

Mailing Address:

The Chief Executive Officer
Hassan Mangalore Rail Development Company Ltd.,
Regd.Office, MSIL House, 7th Floor,
No.36, Cunningham Road,
Bangalore 560052.

(C) Evaluation of Proposal:

The technical proposal of the eligible applicants firms shall be evaluated on the basis of empanelment status, work experience and technical capacity on the basis of the following criteria as per the parameter-score matrix.

PARAMETER-SCORE MATRIX

Sl. No.	Parameters	Value /Nos.	Sc ore	Scoring Criteria	Max Score
1	Years of existence of Firm (Min.10 yrs)			2 point for every year over and above 10 years (Counted from the date of constitution of the firm with one full time FCS or date of joining of the firm by the existing partner having the longest association with the firm whichever is later).	15
2	No. of Partners (atleast 3)			3 points each for each partner(including FCA/FCMA partners).	15
3	Full time CA/CMA/MBA Employee			3 point for each CA/CMA/MBA.	10
4	Partners/employees possessing IFRS Certification			5 point each for each such partner/employee	20
5	Experience of Internal Audit of Maharatna/Navaratna/Miniratna PSU/State PSU.			3 points for each such audit period per company (falling within 3 financial years immediately preceding 2016-17)	15
6	Experience as Statutory Auditors of Maharatna/Navaratna/Miniratna PSU/State PSU.			3 points for each such audit period per company (falling within 3 financial years immediately preceding 2016-17)	15
7	Experience with Railway Work/Assignments etc.,.			2 points for each such work/assignment(during the last 5 years)	10

Based on the above technical evaluation, firms securing 65% scores or more as above shall be selected for the assignment.

7. FEES:

Rs.75,000/- plus service tax for each year's assignment.

Tenure: The selected firms would be given an offer for carrying out assignments initially for a period of one year i.e. for the FY 2017-18. Management keeps the right to extend the tenure for further two years on yearly basis i.e., 2018-19 and 2019-20 depending upon the performance of the Chartered Accountant Firms/Cost Accounting Firms. Management also keeps the right for pre-mature termination of the appointment.

8. DETAILS OF THE FIRM:

The Chartered Accountant/Cost Accountant firm shall provide the following information as per the proforma given below:

ANNEXURE - 1
APPLICATION FORMAT

1. Name of CA/CMA Firm:
2. Status of Firm(LLP/Company etc.,)
   (Firm composition certificate to be attached).
3. Registration No.
4. Date of Establishment/Registration:
5. Empanelment number with C&AG of India and date:
6. Name and Address of Principal Office & Branch Office (s):

Office type (HO/Reg. Office/Branch)	Address	Year of Establishment	Contact details: In-charge Name, Tel, Fax, Email.

7.Particulars of Partners:

Sl. No.	Name	CA/CMA Membership No. & Status(F/A)	Date of joining firm as partner & branch office attached to	CISA or Equivalent .Qualification	Other qualifications job/specialisation & experience

8.Particulars of qualified assistants :(Attached to Bangalore office):

Sl. No.	Name	CA/CMA Membership No. & Status(F/A)	Date of joining firm	CISA or Equivalent Qualification	Other qualifications job/specialisation & experience

9.Details of semi-qualified/non-qualified assistants (attached to Bangalore Office):

Sl. No.	Name of the Assistant	Qualification (CA/CMA Inter)	Other qualifications job/specification & experience

Date:
Place:

Signature of Authorised Signatory of the Firm along with seal of the firm.

ANNEXURE - 2

(to be typed on the letterhead of the firm)

To
The CEO/HMRDC

Dear Sir,

Sub: Submission of proposal for appointment of Internal Auditor of M/s.HMRDC.

We have carefully examined the entire Terms of Reference and have obtained all the requisite information about the assignment. We do hereby propose to provide the desired professional service as detailed in your enquiry letter.

We do hereby accept the fees mentioned in your enquiry letter.

We further state that the professional fee shall be inclusive of all expenses incidental and necessary to carry out the audit assignment. You have to provide transport and other facilities for outstation visits. The Service Tax shall be claimed separately as per the prevailing rates.

Undertaking:

I/We do hereby declare that the above-mentioned information are true and correct and I/We also undertake to abide by the terms and condition of the contract and would make compliance of terms laid-down in the contract if executed by us with M/s. HMRDC.

Yours faithfully,
For

Signature of Authorised Signatory of the Firm along with seal of the firm.

Date:

Place: