



REQUEST FOR PROPOSAL (RFP)
for
Appointment as External Concurrent Auditor (ECA)
For the audit of Employees' State Insurance Corporation's
(ESIC) Investments

Date of issue:
30 May, 2018

Deadline for submission of Proposal:
20 June, 2018 by 10:00 a.m.

To be submitted online and addressed to:

Financial Commissioner,
Employees' State Insurance Corporation (ESIC),
Panchdeep Bhawan,
Comrade Inderjeet Gupta (CIG) Marg,
New Delhi - 110002

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Glossary

Applicant: Partnership Firms registered with the ICAI which are interested to participate in the RFP process for appointment of External Concurrent Auditor for audit of ESIC's Investments

AUM: Assets Under Management

ECA: External Concurrent Auditor

ICAI: Institute of Chartered Accountants of India

MoLE: Ministry of Labour and Employment

N.A.: Not Applicable

RFP: Request for Proposal

Fund: Employees' State Insurance Fund as defined in The Employees' State Insurance Act, 1948

ESIC/ Corporation: Employees' State Insurance Corporation as defined in The Employees' State Insurance Act, 1948

1. Disclaimer

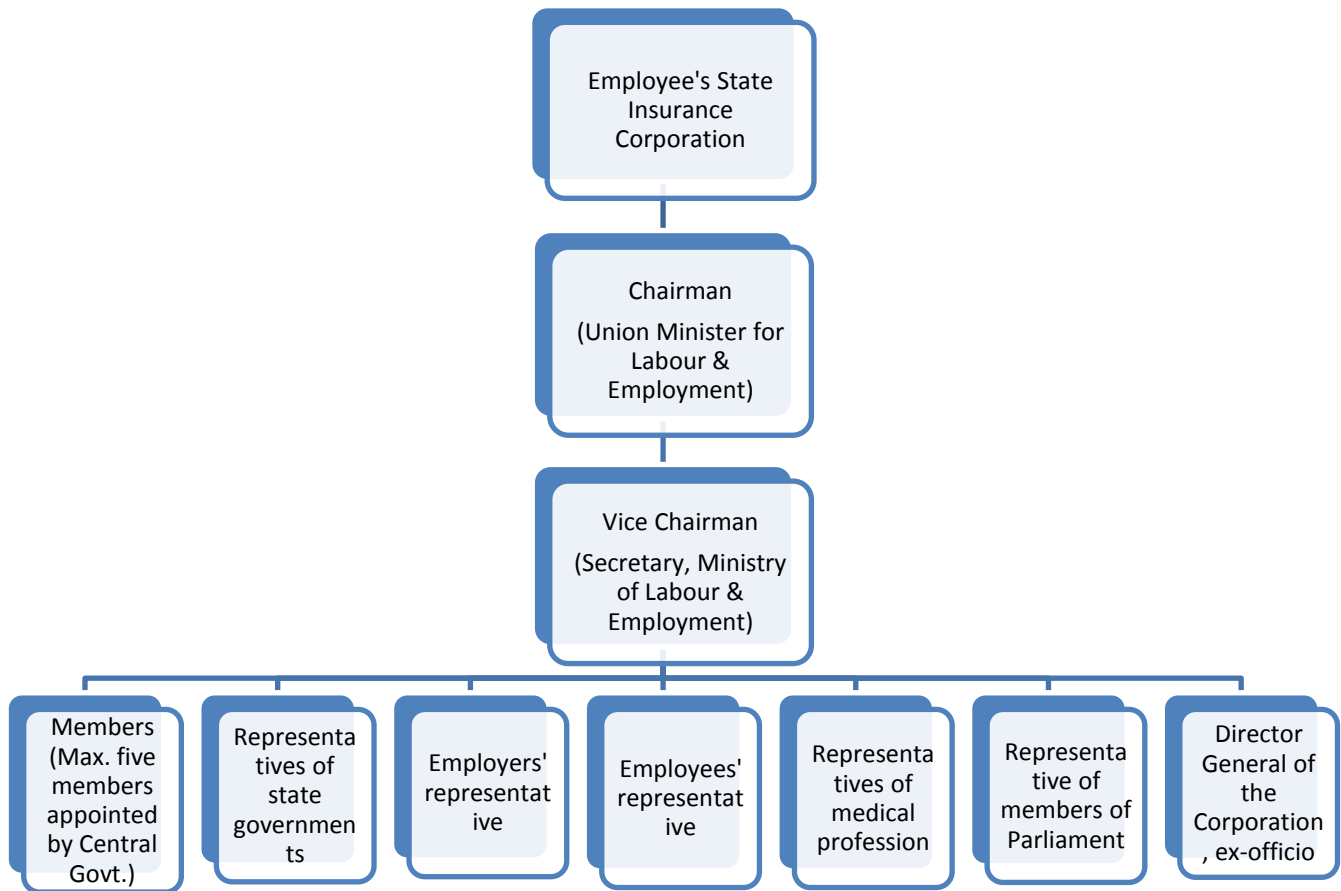
- 1.1. This document is being published in connection with the proposed appointment of External Concurrent Auditor by the ESIC for the audit of ESIC's investments.
- 1.2. This document does not constitute nor should it be interpreted as an offer or invitation for the appointment of External Concurrent Auditor described herein.
- 1.3. This document is meant to provide information only and upon the express understanding that recipients will use it only for the purpose of furnishing a proposal for being appointed as an External Concurrent Auditor for the audit of ESIC's investments. It does not purport to be all inclusive or contain all the information regarding the appointment of External Concurrent Auditor or be the basis of any contract. No representation or warranty, expressed or implied, will be made as to the reliability, accuracy or the completeness of any of the information contained herein.
- 1.4. While this document has been prepared in good faith, neither the ESIC, nor any of its officers make any representation or warranty or shall have any responsibility or liability whatsoever in respect of any statements or omissions here from. Any liability is accordingly and expressly disclaimed by the ESIC and any of its officers, even if any loss or damage is caused by any act or omission on the part of the ESIC or any of its officers, or employee or consultant, whether negligent or otherwise.
- 1.5. By acceptance of this document, the recipient agrees that any information herewith will be superseded by any subsequent written information on the same subject made available to the recipient by or on behalf of the ESIC. The ESIC or any of its respective officers undertake no obligation, among others, to provide the recipient with access to any additional information or to update this document or to correct any inaccuracies therein which may become apparent.
- 1.6. ESIC reserves the right, at any time and without advance notice, to change the procedure for the selection of External Concurrent Auditor or any part of the interest or terminate negotiations or the due diligence process prior to the signing of any binding agreement.
- 1.7. The ESIC reserves the right to reject any or all proposals or cancel/withdraw the Request for Proposal (RFP) without assigning any reason whatsoever and in such case no intending Applicant shall have any claim arising out of such action. At any time prior to the deadline for submission of proposals, the ESIC may modify, for any reason deemed necessary, the RFP by amendment notified on ESIC's website (www.esic.ni.in) and such amendment shall be binding on intending Applicants.
- 1.8. The recipients of the RFP should carry out an independent assessment and analysis of the requirements for appointment as External Concurrent Auditor and of the information, facts and observations contained herein.
- 1.9. This document has not been filed, registered or approved in any jurisdiction. Recipients of this document should inform themselves of any applicable legal requirements and conform to the same.
- 1.10. This document constitutes no form of commitment on the part of the ESIC. Furthermore, this document confers neither the right nor an expectation on any party to participate in the proposed External Concurrent Auditor's appointment process.

- 1.11. This document confers neither a right nor an expectation on any party to offer for appointment as External Concurrent Auditor.
- 1.12. The ESIC reserves the right to, not consider for the purpose of qualification, a proposal which is found to be incomplete in content and/or attachments and/or authentication etc. or which is received after the specified date and time, or not delivered as per the specified procedure.
- 1.13. When any proposal is submitted pursuant to this RFP, it shall be presumed by the ESIC that the Applicant has fully ascertained and ensured about its eligibility to act as External Concurrent Auditor, in the event of it being selected ultimately to act as External Concurrent Auditor, under the respective governing laws and regulatory regimen, and that there is no statutory or regulatory prohibition or impediment on acting as External Concurrent Auditor for the audit of ESIC's investments and it has the necessary approvals and permission to act as External Concurrent Auditor and further suffers no disability in law or otherwise to act as such.
- 1.14. Without prejudice to any other rights or remedies available to the ESIC, External Concurrent Auditor may be disqualified and their proposals rejected for any reason whatsoever including those listed below:
 - 1.14.1. Material misrepresentation by the Applicant in the Proposal.
 - 1.14.2. Failure by the Applicant to provide the information required to be provided in the proposal pursuant to relevant sections of this document.
 - 1.14.3. If information becomes known, after the Applicant has been appointed, which would have entitled the ESIC to reject or disqualify the relevant External Concurrent Auditor, the ESIC reserves the right to reject the Applicant at the time, or at any time after, such information becomes known to the ESIC and no compensation, whatsoever, shall be payable to the External Concurrent Auditor so rejected.
 - 1.14.4. Any conviction by a Court of Law or indictment/adverse order by a regulatory authority that casts a doubt on the ability of the Applicant to conduct audit.
- 1.15. All proposals and accompanying documents submitted online in response to this RFP will be considered as final submission by Applicant.
- 1.16. Reference to any laws/regulations/guidelines in this RFP document is applicable to laws/regulations/guidelines in India.
- 1.17. Decision of the evaluation committee on evaluation of bids submitted by Applicants would be final and binding on all Applicants.

2. Introduction

2.1 The Employees' State Insurance Corporation (ESIC), India is a statutory body under the aegis of the Ministry of Labour and Employment (MoLE), Government of India. Its main objective is to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto.

2.2 The organisational structure of the ESIC is as follows:



The organisation functions under the overall superintendence of the corporation, headed by the Union Minister for Labour and Employment as Chairman.

3. Terms of Reference

3.1 Rule 27 of The Employees' State Insurance (Central) Rule, 1950 deals with investment of ESIC Surplus Fund. The pattern of investment as per new investment policy, approved by Ministry of Labour & Employment, Govt. of India is as under:

1.	Government Securities and related instruments (Govt. bonds)	Upto 50%
2.	Debt instruments & related instruments (AAA rated PSU Bonds & Fixed Deposit of Scheduled commercial banks for more than a year, as prescribed in the M/o Finance Notification)	Upto 45%
3.	Short-term Debt instruments and related instruments (including bank fixed deposits upto 1 year and money market instruments)	Upto 5%

3.2 This document is a Request for Proposal (RFP) for the appointment of External Concurrent Auditor for the audit of ESIC's investments. The Applicants that may wish to participate in the selection process must submit their proposals as per the process defined in this RFP.

3.3 ESIC is in the process of selecting portfolio managers for managing ESIC's fund and has floated an RFP for the same. Portfolio managers are required to make all investments as per the investment pattern (as given in section 10 of this RFP) and as amended by ESIC from time to time and the agreement between the portfolio manager and the ESIC. The appointment of portfolio managers will be for a tenure of three years, extendable by mutual agreement.

3.4 ESIC is in the process of selecting Custodian of Securities for ESIC's fund and has floated an RFP for the same. The selected Custodian of Securities will provide custodial services for the securities allowed in ESIC's investment pattern (as given in section 10 of this RFP) and as amended by ESIC from time to time.

3.5 ESIC intends to appoint an External Concurrent Auditor for audit of ESIC's investments. The External Concurrent Auditor is required to examine, verify and report whether the portfolio managers have followed the investment pattern, investment guidelines and the terms of agreement entered into between ESIC and the portfolio managers and such other audit of investments as may be required by ESIC from time to time.

3.6 The total investment of ESIC as on 31 March, 2018 stands to Rs. 73,303.00 Crores, out of which investment in Special Deposit Account is Rs. 13,445.89 Crores and in fixed deposit with Public Sector Banks is Rs. 59,857.11 Crores. Investment is done in accordance with provision of section 29(2) of the ESI Act, 1948, read with Rule 27 of ESI (Central Rules), 1950.

3.7 For further information about the ESIC, one may visit the website www.esic.nic.in.

4. Duties & Responsibilities of the External Concurrent Auditor (ECA)

- 4.1 The ECA, while conducting audit of the ESIC's investments, must:
- 4.1.1 Ensure that the audit is to be conducted by a team consisting of one leader and at least two staff personnel (who are qualified chartered accountants with at least one year of work experience). The leader of the team should be a qualified chartered accountant with at least five years of experience in the field of Audit and at least three years of experience in the field of concurrent audit of portfolio managers (considering investment portfolios managed by mutual funds, life insurance companies, pension funds, retirement/provident funds, superannuation funds). The audit should be carried out under direct supervision of a Partner of the Applicant if the leader of the Team is not a Partner of the Applicant. There is no requirement for having separate teams for each portfolio manager of ESIC.
 - 4.1.2 Ensure that they are not engaged with the same portfolio manager(s) of ESIC being audited for any purpose other than the terms of reference contained in this RFP. This restriction would be only for the period during which the Applicant is appointed as ECA for audit of investments done by ESIC's portfolio managers. No additional mandate can be taken up by ECA with any of the portfolio managers appointed to manage ESIC's fund.
 - 4.1.3 Ensure, to the best possible extent, that the team leader appointed to conduct the audit should continue in his role till the completion of the assignment. For any reason, if there is a change in the team leader appointed to conduct the audit, the same should be intimated to ESIC immediately.
- 4.2 Scope of work
- 4.2.1 Create formats/templates for the MIS to enable monitoring of the investments by portfolio manager(s)
 - 4.2.2 Reconcile the Fund flow and Bank Accounts of ESIC with the portfolio manager(s) on a monthly basis.
 - 4.2.3 Check the MIS from custodian of securities of ESIC and report exceptions, if any, on an immediate basis.
 - 4.2.4 Check the receipt of data and MIS from portfolio managers and report any exceptions to ESIC.
 - 4.2.5 Check the daily transactions with the market data and report deviations.
 - 4.2.6 Check the Credit ratings of the Investments on a daily basis and report any downgrades or negative watch/outlook immediately.
 - 4.2.7 To examine and verify whether the portfolio managers have followed the investment pattern, investment guidelines and the terms of agreement entered into between ESIC and the portfolio managers.
 - 4.2.8 To scrutinize the investment transactions made by the portfolio managers on day-to-day basis to ensure that the same are as per the investment pattern as well as the investment guidelines issued by the ESIC. Also to point out wherever deviations have been made.
 - 4.2.9 To highlight any potential conflict of interest issues such as investment of ESIC's funds by portfolio managers in TDRs of the banks under same management group.

- 4.2.10 To verify whether the interest and maturity proceeds are collected promptly and re-invested as per the provisions made in the investment pattern and investment guidelines issued by the ESIC. Also to point out delays, if any, and the causes for such delay.
- 4.2.11 To verify whether the benefits or rights accruing to the ESIC , wherever receivable from the institutions, are collected promptly and invested as per the prescribed investment pattern and investment guidelines of ESIC.
- 4.2.12 To bring out cases of undue delay in the receipt of benefits or rights accruing to the ESIC.
- 4.2.13 To verify, from the daily transaction details, whether the charges are levied correctly by the portfolio manager as per the terms and conditions and to report any excess charges levied by portfolio manager on account of splitting up of investment deals.
- 4.2.14 To verify whether the funds were invested promptly by portfolio managers. If the funds remained un-invested for a significant period, then to assess opportunity cost/benefit due to delayed investments for un-invested period.
- 4.2.15 To verify whether proper records have been maintained in respect of all transactions and contracts and to ascertain whether the records are updated correctly and on timely basis.
- 4.2.16 To verify whether all shares, securities, debentures and other investments have been held in the name of ESIC.
- 4.2.17 To verify whether there is a reasonable system of authorization at proper levels and there are adequate system of internal controls commensurate with quantum and value of investment transactions.
- 4.2.18 To verify whether adequate records are kept in support of each investment decision.
- 4.2.19 To ascertain and report whether the Investments have always been made at the optimal market rate. The ECA will look into the price on the date of investment and check the proportion of investment closer to lowest, medium and highest rates.
- 4.2.20 To comment on internal control mechanism, whether the systems are adequate to avoid any internal frauds. If not, suggest a suitable mechanism after discussing the matter with the portfolio manager concerned.
- 4.2.21 To examine whether the portfolio manager has taken steps to address issues highlighted during the performance review of portfolio managers or otherwise.
- 4.2.22 To bring out any other point which comes to notice of ECA during the course of audit.
- 4.2.23 To examine the cases of tax deducted at source and the receipt of refund for the same or the receipt of TDS certificates in Form 16-A for those cases. The details may be worked out for the cases in respect of which no refunds or TDS Certificates are received.
- 4.2.24 The auditors have to ensure that all the guidelines/circulars issued by the Government/ ESIC from time to time are followed and the various points mentioned in the scope of audit mentioned above are looked into.

- 4.2.25 The Audit Report shall also identify shortcomings in the existing set up, which are to be taken care of by issuing suitable guidelines.
- 4.2.26 The concurrent audit needs to be carried out and Report submitted to the ESIC on a monthly basis along with desirable certificates. The audit report for a given month and compliance for previous observations need to be submitted to ESIC by 15th day of the subsequent month.
- 4.2.27 In Audit Reports, audit observations regarding separate accounts of funds as may be maintained by ESIC, should be categorized separately.
- 4.2.28 The ECA should carry out the physical verification of holdings with the custodian as well as other holdings with ESIC as at the end of financial year and submit verification certificate to ESIC.
- 4.2.29 Other than those mentioned above, the ECA may be required to perform any other audit related activity as required by ESIC from time to time. However, no additional fee would be chargeable to ESIC.
- 4.2.30 The concurrent audit would be executed at the ECA's office itself. All the data required for audit of ESIC's investments would be electronically shared with the ECA on a daily basis. However, the ECA will be required to review internal systems and processes at the offices of portfolio managers. ECA will also be required to visit ESIC's offices/ custodian for verification of physical securities, data or any other related information.
- 4.2.31 If appointed as ECA for the audit of ESIC's investments, ESIC may verify the records of audit through an external agency, for which the ECA is required to provide necessary support.

5. Proposed contract terms

- 5.1 The concurrent audit needs to be carried out and its report be submitted to the ESIC on the monthly basis. The remuneration for carrying out the above assignments shall be paid on quarterly basis. The financial bid shall be inclusive of all expenses including out of pocket expenses such as local conveyance, out of station travelling, boarding and lodging etc.
- 5.2 Payment of audit fee will be made on quarterly basis subjected to receipt of all monthly audit reports for the quarter.
- 5.3 THE APPLICANT MAY QUOTE THEIR FINANCIAL BID IN LUMP SUM PER MONTH IRRESPECTIVE OF THE NUMBER OF FUND MANAGERS ENGAGED BY ESIC.
- 5.4 Taxes applicable on the services rendered by ECA will be borne by ESIC.
- 5.5 The tenure of ECA will be for three (3) years from date of appointment. This may be extended by mutual consent of the ESIC and the ECA, depending on the performance of the latter. ESIC may remove the ECA in case its services are not found satisfactory.
- 5.6 Conditions of termination

The appointment of the ECA will be terminated after giving 30 days' notice if:-

- 5.6.1 The ECA contravenes the conditions/ clauses as specified in the agreement with the ESIC;
- 5.6.2 The ECA is unable to perform the duties and responsibilities as specified in the agreement;
- 5.6.3 If in the ESIC's opinion, the services rendered by the ECA is unsatisfactory;
- 5.6.4 Without assigning any reasons due to unforeseen situation or on administrative ground; and

The appointment of ECA would be terminated at the end of the tenure as specified in the Letter of Appointment.

5.7 Arbitration

In case of dispute arising upon or in relation to or in connection with the contract between ESIC and selected External Concurrent Auditor, which has not been settled amicably, such disputes shall be referred to a sole arbitrator, appointed by the Director General, ESIC under Arbitration and Conciliation Act, 1996. Arbitration proceedings shall be held in Delhi / New Delhi, India and the language of Arbitration proceedings and that of all documents and communications between the parties shall be in English. The cost of arbitration shall be borne equally by the parties. For judicial adjudication of the disputes, if any, arising out of the Contract will be subject to the jurisdiction of the Courts in Delhi / New Delhi only.

6. Electronic RFP Process

6.1 Steps in electronic RFP process:

6.1.1 Applicants wishing to participate in the electronic RFP process may get themselves registered at <https://esictenders.eproc.in> for submission of proposal in the electronic form as per the terms defined in this document.

6.1.2 Applicants are required to procure Class-III B Digital Signature Certificate (DSC) with both DSC components, i.e. signing & encryption to participate in E-tenders.

6.1.3 Applicants should add the below mentioned sites under Internet Explorer -> Tools -> Internet Options -> Security -> Trusted Sites -> Sites of Internet Explorer:

<https://esictenders.eproc.in>

<https://www.tpsl-india.in>

<https://www4.ipg-online.com>

Also, Applicants need to select "Use TLS 1.1 and Use TLS 1.2" under Internet Explorer -> Tools -> Internet Options -> Advanced Tab -> Security.

Applicants need to submit Bid Processing Fee charges of Rs. 2495/- (non-refundable) in favour of M/s. C1 India Pvt. Ltd., payable at New Delhi via Online Payment Modes such as Debit Card, Credit Card or Net Banking for participating in the Tender.

Applicants can contact our Helpdesk at <https://esictenders.eproc.in/html/Support.asp>

6.1.4 The Applicants should fill up the online detail, complete in all respect, and submit the required documents as per the terms of this RFP on or before 20 June, 2018, by 10:00 a.m.

6.1.5 The Applicants shall deposit Earnest Money Deposit [EMD] of Rs 50,000 [Rupees Fifty Thousand only] through NEFT/ ECS/ RTGS/ CBS in Syndicate Bank, Indraprastha Estate Branch, New Delhi-110002, A/c No.- 90172010131946, IFSC Code - SYNB0009017, MICR 110025021. Account Name - Employees' State Insurance Corporation, payable on or before 20 June, 2018, by 10:00 a.m.

6.1.5.1 After making the payment, Applicant must send an E-mail at hemanthkr.pandey@esic.in and jd-f1@esic.nic.in mentioning about the payment details such as UTR No., Company Name, User ID, Payment towards ESIC EMD, Tender ID and Tender Title. Failure to send remittance detail to the email ids on or before 20 June, 2018, by 10:00 a.m. may lead to non-consideration of tender.

6.1.5.2 ESIC will refund the EMD to all the unsuccessful Applicants upon signing of Agreement with the successful External Concurrent Auditor. No interest shall be payable on the EMD amount.

6.1.5.3 ESIC reserves the right to forfeit the EMD if the Applicant fails or refuses to accept the offer from ESIC for being appointed as the External Concurrent Auditor and/ or fails to sign the Agreement

within the stipulated period and/ or refuses to accept any of the terms of the Agreement. ESIC may also decide to debar the said Applicant from future assignments.

- 6.1.6 Applicants are required to do online submission of pre-qualification, technical and financial bids (as detailed in section 8 of this document) at e-tendering portal <https://esictenders.eproc.in>.
 - 6.1.7 The authorised representative of the Applicants may be present at the time of opening of the pre-qualification, technical and financial bids.
 - 6.1.8 There must be a summary of list of documents against each proposal (pre-qualification, technical and financial bids).
 - 6.1.9 Each supporting document required in the proposal should clearly indicate the serial number of the relevant section of the RFP against which the submission has been made.
 - 6.1.10 The currency of the proposal and payments shall be in Indian rupees only.
 - 6.1.11 The proposals must be submitted online only as detailed in this RFP. Proposals hand delivered or sent through registered post or courier or e-mail or any other means shall not be accepted. Proposals received in such manner will be treated as invalid and rejected.
 - 6.1.12 THE APPLICANT MUST ENSURE THAT THE SOFTCOPIES OF ALL BID DOCUMENTS COMPLETE IN ALL ASPECTS AS DETAILED IN THIS RFP ARE SUBMITTED ONLINE.
- 6.2 Completeness of bid documents
- 6.2.1 The ESIC along with the consultant appointed by it, will open and evaluate the contents of the documents received to ascertain that all documents/ information requirements are provided in the format and the manner specified.
 - 6.2.2 The ESIC may, where desired necessary, seek further clarifications from any/ all Applicants in respect of any information provided in the RFP.
 - 6.2.3 The Applicant must furnish clarifications within the stipulated time frame failing which the bids submitted by the Applicant concerned will be treated as incomplete.
- 6.3 Evaluation of technical and financial bids
- 6.3.1 All Applicants, who qualify on the pre-qualifications bid criteria as laid down in section 7.1 of this RFP would only be further evaluated on technical bids.
 - 6.3.2 The technical bids of eligible Applicants will be evaluated as per the criteria specified in section 7.2 of this RFP.
 - 6.3.3 Applicants, who score at least 75% (3.75 out of a max score of 5) in the technical bid, would only be short-listed for the evaluation of the financial bid.

6.3.4 Of the Applicants qualifying in technical bid, the Applicant with lowest financial bid (L1) will be offered appointment as External Concurrent Auditor. ESIC reserves the right to negotiate terms with the L1 bidder, if required.

6.3.5 The proposals shall be valid for a period of six (6) months from the date of application.

6.4 Finalisation of External Concurrent Auditor

6.4.1 External Concurrent Auditor will be finalised based on the evaluation process as prescribed above and the successful External Concurrent Auditor will be informed.

6.4.2 ESIC reserves the right to cancel the appointment process and call for a re-bid without assigning any reason thereof.

6.5 Key activities and dates

The expected schedule of key activities for the purpose of this RFP is outlined below:

Sr.No.	Key Activities	Due Date*
1.	Issuance of RFP	30 May, 2018
2.	Last date for submission of queries on RFP via e-mail (queries to be sent to on the e-mail ID : jd-f1@esic.nic.in)	06 June, 2018 by 11:59 p.m.
3.	Response to above queries to be uploaded on the ESIC website	12 June, 2018
4.	Last date for submitting Proposal	20 June, 2018 by 10:00 a.m.
5.	Pre-qualification bid opening	20 June, 2018 by 11:00 a.m.
6.	Technical bid opening for the eligible Applicants	20 June, 2018 by 5:00 p.m.
7.	Financial bid opening for the eligible Applicants	Date will be notified to technically qualified Applicants
8.	Issuance of letters to selected External Concurrent Auditor	After the approval from ESIC
9.	Signing of Agreement	To be intimated to the selected External Concurrent Auditor
10.	Selected External Concurrent Auditor to be ready in all respects	To be intimated to the selected External Concurrent Auditor

* The ESIC reserves the right to change any date/time mentioned in the schedule above

7. Bid Evaluation Criteria

7.1 The Pre-Qualification criteria for selection of ECA for the ESIC's investments is as follows:

S. No	Criteria	Supporting Document
1	The Applicant should be a Partnership Firm registered with the ICAI. The Applicant must be registered with the ICAI for at least 10 years as on last date of application.	Section 8.2.1
2	The Applicant should have valid Income tax Permanent Account Number (PAN) and GST number as on last date of application.	Section 8.2.2
3	There must be at least FIVE (5) Chartered Accountants (CA) working as fulltime Partners of which at least TWO (2) should be Fellow Chartered Accountant (FCA), as on the date of RFP.	Section 8.2.3 & Section 8.2.4
4	The Applicant must have experience in each of the last FIVE (5) Financial Years ending 31 March, 2018 in concurrent audit of at least one account of portfolio manager*. Further, the average of financial year-wise turnover# (considering the sum of turnover across all accounts of portfolio managers* whose concurrent audit was carried out by the Applicant in each of the five (5) financial year ending 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014) must be at least Rs. 1000 Crores. Please refer to illustration 8.5.1 for the calculation	Section 8.2.5
5	The Applicant / any partner should not have been convicted by a court of law or indictment / adverse order passed against the Applicant / any partner till the date of application.	Section 8.2.6
6	The Applicant should have functional office in Mumbai and New Delhi having responsible officials.	Section 8.2.7
7	The Applicant must be empanelled with Comptroller and Auditor General of India (CAG) as on the date of RFP.	Section 8.2.8
8	The Applicant / any partner should not have been barred or suspended by any regulator or ICAI or government authority or court of law in India from carrying out audit related activities in the last five years as on the date of RFP.	Section 8.2.9
9	The Applicant / any partner are not in violation of any applicable law or judgment by any court of law or violation of any direction/order/regulation by a government/regulatory authority in India, and have not been black listed.	Section 8.2.10
10	There are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending or threatened against the Applicant / any partner which, if adversely determined, could reasonably be expected to have a material adverse effect on its ability to perform the obligations under this assignment. In case any investigation is pending against the Applicant / any partner, full details of such investigation including the name of the investigating agency, the charge/ offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the ESIC. The ESIC reserves the right to reject or disqualify the relevant Applicant based on the information provided above.	Section 8.2.11
11	The Applicant shall forthwith inform the ESIC of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted.	Section 8.2.12
12	The Applicant shall undertake to comply with all the extant ESIC guidelines/ directions.	Section 8.2.13

**Includes investment portfolios managed by mutual funds, life insurance companies, pension funds, retirement/provident funds, superannuation funds*

#Annual turnover as on a given date must be calculated as the sum of buy and sell transaction amounts during last one year. The annual turnover must be calculated on the following dates; 31 March, 2018; 31 March, 2017; 31 March, 2016; 31 March, 2015 and 31 March, 2014.

7.2 Technical evaluation parameters

The following tables outline the broad parameters based on which evaluation of technical proposals of the Applicants shall be carried out by the ESIC:

7.2.1 Quantitative criteria

S. No	Measure	Measurement Criteria	Supporting Document	Weight
1	Aggregate of Average Assets Under Management (AAUM) – Rs. Crores	Aggregate AAUM across all accounts of portfolio managers* (whose concurrent audit was carried out by the Applicant) - sum of aggregate AAUM as of 31 March, 2018; 31 March, 2017; 31 March, 2016; 31 March, 2015 and 31 March, 2014. Please refer to illustration 8.5.2 for the calculation	Section 8.3.1	10%
2	Relevant experience of the Applicant – Years	Experience of the Applicant in terms number of financial years during the period 01, April 2008 to 31 March, 2018 in concurrent audit of accounts of portfolio managers*. Further, experience in a financial year can only be considered if the total turnover # (considering sum of turnover across all accounts of portfolio managers* whose concurrent audit was carried out by the Applicant in the respective financial year) was at least Rs. 500 Crores. Please refer to illustration 8.5.3 for the calculation	Section 8.3.2	15%
3	Number of clients – Number	Number of accounts of portfolio managers* (whose concurrent audit was carried out by the Applicant) - average number of clients as of 31 March, 2018; 31 March, 2017; 31 March, 2016; 31 March, 2015 and 31 March, 2014. Please refer to illustration 8.5.4 for the calculation	Section 8.3.3	15%
4	Relevant experience of the partner assigned – Years	Experience (in years) of the assigned partner for the said assignment in concurrent audit of portfolio managers* as on the date of RFP.	Section 8.3.4	15%
5	Number of members in the proposed execution team – Number	Number of members who are chartered accountants in the proposed execution team for the said assignment.	Section 8.3.4	10%
6	Relevant experience of proposed execution team – Years	Aggregate experience (in years) of the proposed execution team for the said assignment in concurrent audit of portfolio managers* as on the date of RFP.	Section 8.3.4	10%
7	Number of Fulltime Partners who are FCA – Number	Number of Fulltime Partners who are FCA as the date of RFP.	Section 8.3.5	5%
8	Number of staff members – Number	Number of staff members (excluding fulltime Partners), who are chartered accountants as the date of RFP.	Section 8.3.6	5%
	Total			85%

*Includes investment portfolios managed by mutual funds, life insurance companies, pension funds, retirement/provident funds, superannuation funds. If an account of the client is managed in more than one financial years then it should be treated as a separate account for counting the number of accounts in each of the financial years in which it was managed.

#Annual turnover as on a given date must be calculated as the sum of buy and sell transaction amounts during last one year. The annual turnover must be calculated on the following dates; 31 March, 2018; 31 March, 2017; 31 March, 2016; 31 March, 2015; 31 March, 2014 and so on.

7.2.2 Qualitative criteria

S. No	Measure	Measurement criteria	Supporting documents	Weight
1	Proposed project plan for execution of the assignment	Tools and Technology: Proposed plan to use tools and technology to carry out the scope of work mentioned in this RFP. Data Security : Proposed plan to ensure the confidentiality and security of data from any other business activity of the Applicant Proposed MIS formats : Proposed MIS format based on the scope of work mentioned in this RFP, Applicant has to submit model MIS formats	Section 8.3.7	15%
	Total			15%

7.2.3 Scoring process for quantitative and qualitative parameters

Score (higher the better) - >	1	2	3	4	5
Aggregate of Average Assets Under Management (AAUM) – Rs. Crores (S. No 1 of Section 7.2.1)	< = 50,000	> 50,000 to 1,00,000	> 1,00,000 to 2,50,000	> 2,50,000 to 5,00,000	> 5,00,000
Relevant experience of the Applicant – Years (S. No 2 of Section 7.2.1)	1, 2	3, 4	5, 6	7, 8	9, 10
Number of clients – Number (S. No 3 of Section 7.2.1)	< = 2	> 2 to 3	> 3 to 4	> 4 to 5	> 5
Relevant experience of the partner assigned – Years (S. No 4 of Section 7.2.1)	< = 4	> 4 to 6	> 6 to 8	> 8 to 10	> 10
Number of members in the proposed execution team – Number (S. No 5 of Section 7.2.1)	NA	NA	3	4	> = 5
Relevant experience of proposed execution team – Years (S. No 6 of Section 7.2.1)	NA	NA	> = 7 to 10	> 10 to 13	> = 13

Score (higher the better) - >	1	2	3	4	5
Number of Fulltime Partners who are FCA – Number (S. No 7 of Section 7.2.1)	NA	NA	2	3, 4	> = 5
Number of staff members – Number (S. No 8 of Section 7.2.1)	< = 5	> 5 to 10	> 10 to 15	> 15 to 20	> 20
Proposed project plan for execution of the assignment – Qualitative (S. No 1 of Section 7.2.2)	Scores on a scale of 1 to 5 would be assigned on the basis of write-up submitted on Tools and Technology to be used, Data Security and Model MIS formats				

Illustration

Table 1 (Evaluation of parameters)

	Aggregate of Average Assets Under Management (AAUM)	Relevant experience of the Applicant	Number of clients	Relevant experience of the partner assigned	Number of members in the proposed execution team	Relevant experience of proposed execution team	Number of Fulltime Partners who are FCA	Number of staff members	Proposed project plan for execution of the assignment
Parametric Weights	10%	15%	15%	15%	10%	10%	5%	5%	15%
Applicant 1	150000	6	2	6	4	8	3	10	Qualitative evaluation – scoring would be based on details shared by Applicants
Applicant 2	200000	9	7	9	4	12	4	20	
Applicant 3	180000	7	4	6	5	9	2	15	
Applicant 4	100000	1	1	9	3	7	5	25	
Applicant 5	290000	5	6	12	6	10	8	15	

Table 2 (Scoring of parameters)

	Aggregate of Average Assets Under Management (AAUM)	Relevant experience of the Applicant	Number of clients	Relevant experience of the partner assigned	Number of members in the proposed execution team	Relevant experience of proposed execution team	Number of Fulltime Partners who are FCA	Number of staff members	Proposed project plan for execution of the assignment	Technical bid score
Parametric Weights	10%	15%	15%	15%	10%	10%	5%	5%	15%	100%
Applicant 1	3	3	1	2	4	3	4	2	3	2.65
Applicant 2	3	5	5	4	4	4	4	4	2	3.90^

Applicant 3	3	4	3	2	5	3	3	3	4	3.35
Applicant 4	2	1	1	4	3	3	5	5	3.5	2.73
Applicant 5	4	3	5	5	5	3	5	3	3.5	4.08

\wedge Working for Applicant 2 = $(10\%*3 + 15\%*5 + 15\%*5 + 15\%*4 + 10\%*4 + 10\%*4 + 5\%*4 + 5\%*4 + 15\%*2) = 3.90$

7.3 Overall evaluation scoring

	Technical bid score	Qualified for financial bid (Yes/ No) considering technical cut-off of 3.75	Financial Bid	Rank
Applicant 1	2.65	No	NA	NA
Applicant 2	3.90	Yes	200000	L1
Applicant 3	3.35	No	NA	NA
Applicant 4	2.73	No	NA	NA
Applicant 5	4.08	Yes	300000	L2

Note - Applicants, who score at least 75% (3.75) in the Technical bid would only be short-listed for the evaluation of Financial bid.

8. Format of Pre-Qualification, Technical and Financial bid

8.1 Documents comprising the proposal

8.1.1 The proposal submitted by the Applicant shall comprise the following documents:

8.1.2 Pre-qualification bid with all the information, as laid down in Section 8.2, duly filled in along with all attachments/schedules duly completed and with a covering letter, as per the format defined in Section 9.1, signed by the authorized representative of the Applicant.

8.1.3 Technical bid with all the technical information, as laid down in Section 8.3, duly filled in along with all attachments/schedules duly completed and with a covering letter, as per the format defined in Section 9.2, signed by the authorized representative of the Applicant.

8.1.4 The Applicant's Financial bid, as per the format defined in Section 8.4, along with a covering letter, as per the format defined in Section 9.3, signed by the authorized representative of the Applicant.

8.1.5 Any deviations from the requirements of the RFP must be included as a separate statement, as per the format defined in Section 9.5.

8.1.6 Any other information that is to be submitted during the course of the proposal process.

8.2 Pre-qualification bid format

Name of the Applicant (full name of the Partnership Firm):

Address with telephone No., Fax No., E-Mail ID, etc.

8.2.1 The Applicant should be a Partnership Firm registered with the ICAI. The Applicant must be registered with the ICAI for at least 10 years as on last date of application. – Enclose copy of Registration and Undertaking from the Managing Partner or equivalent official of the applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Sr. No	Particulars	Supporting document submitted	Remarks if any	Annexure No. of supporting document
1	Date and Registration No. of the Applicant with ICAI			
2	Number of completed years as on last date of application			

8.2.2 The Applicant should have valid Income tax Permanent Account Number (PAN) and GST number as on last date of application. – Enclose copy of PAN card and GST certificate.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No. of supporting document
1.	Copy of PAN card		
2	Copy of GST certificate		

8.2.3 There must be at least FIVE (5) Chartered Accountants (CA) working as fulltime Partners of which at least TWO (2) should be Fellow Chartered Accountant (FCA), as on the date of RFP. – Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Sr. No.	Name of the employee	Membership No.	Qualification (CA / FCA etc)	Remarks in any	Annexure No. of supporting document

8.2.4 Number of Partners and detail profile of each partner with membership no. as on date of application to be stated.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No. of supporting document

Format for profile of partners:

Name of the Partner	
Membership no.	
Age	
Qualification	
Details of experience in concurrent audit of portfolio managers	Details of each work done along with the time period
Experience in concurrent audit of portfolio managers (No. of years up to two decimals as on the date of RFP)	
Current Responsibilities	
Total experience (No. of years up to two decimals as on the date of RFP)	
Tenure spent with the Partnership Firm (No. of years up to two decimals as on the date of RFP)	
No. of client served for concurrent audit of portfolio manager	
Any other point	

8.2.5 The Applicant must have experience in each of the last FIVE (5) Financial Years ending 31 March, 2018 in concurrent audit of at least one account of portfolio manager. Further, the average of financial year-wise turnover (considering the sum of turnover across all accounts of portfolio managers whose concurrent audit was carried out by the Applicant in each of the five (5) financial year ending 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014) must be at least Rs. 1000 Crores. Please refer to illustration 8.5.1 for the calculation. – Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No. of supporting document

8.2.6 The Applicant / any partner should not have been convicted by a court of law or indictment / adverse order passed against the Applicant / any partner till the date of application. – An affidavit to this extent shall be furnished duly signed by the Managing Partner or equivalent official of the Applicant. The affidavit should be notarized by a Notary Public. Refer section 9.7 for the format of Affidavit.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No. of supporting document

8.2.7 The Applicant should have functional office in Mumbai and New Delhi having responsible officials. – Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No. of supporting document

8.2.8 The Applicant must be empanelled with Comptroller and Auditor General of India (CAG) as on the date of RFP. – Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No. of supporting document

8.2.9 The Applicant / any partner should not have been barred or suspended by any regulator or ICAI or government authority or court of law in India from carrying out audit related activities in the last five years as on the date of RFP. – An affidavit to this extent shall be furnished duly signed by the Managing Partner or equivalent official of the Applicant. The affidavit should be notarized by a Notary Public. Refer section 9.7 for the format of Affidavit.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No. of supporting document

8.2.10 The Applicant / any partner are not in violation of any applicable law or judgment by any court of law or violation of any direction/order/regulation by a government/regulatory authority in India, and have not been black listed. – An affidavit to this extent shall be furnished duly signed by the Managing Partner or equivalent official of the Applicant. The affidavit should be notarized by a Notary Public. Refer section 9.7 for the format of Affidavit.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No. of supporting document

8.2.11 There are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending or threatened against the Applicant / any partner which, if adversely determined, could reasonably be expected to have a material adverse effect on its ability to perform the obligations under this assignment.

In case any investigation is pending against the Applicant / any partner, full details of such investigation including the name of the investigating agency, the charge/ offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the ESIC.

The ESIC reserves the right to reject or disqualify the relevant Applicant based on the information provided above.

– An affidavit to this extent shall be furnished duly signed by the Managing Partner or equivalent official of the Applicant. The affidavit should be notarized by a Notary Public. Refer section 9.7 for the format of Affidavit.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No. of supporting document

8.2.12 The Applicant shall forthwith inform the ESIC of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted. – Undertaking from the Managing Partner or equivalent official of the Audit Applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No. of supporting document

8.2.13 The Applicant shall undertake to comply with all the extant ESIC guidelines/ directions. – Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Sr. No.	Supporting Documents submitted	Remarks in any	Annexure No. of supporting document

8.3 Technical Proposal Format

The following quantitative and qualitative information is required to be submitted by the Applicants:

8.3.1 Aggregate AAUM across all accounts of portfolio managers (whose concurrent audit was carried out by the Applicant) - sum of aggregate AAUM as of 31 March, 2018; 31 March, 2017; 31 March, 2016; 31 March, 2015 and 31 March, 2014. Please refer to illustration 8.5.2 for the calculation. – Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Sum of Aggregate AAUM (in Rs Crores)	Annexure No. of supporting document

Sr. No.	As on Date	AAUM (in Rs Crores)	Name of clients considered for AAUM
1	31 March, 2014		
2	31 March, 2015		
3	31 March, 2016		
4	31 March, 2017		
5	31 March, 2018		
	Total		

- 8.3.2 Experience of the Applicant in terms of financial years during the period 01, April 2008 to 31 March, 2018 in concurrent audit of accounts of portfolio managers. Further, experience in a financial year can only be considered if the total turnover (considering sum of turnover across all accounts of portfolio managers whose concurrent audit was carried out by the Applicant in the respective financial year) was at least Rs. 500 Crores. Please refer to illustration 8.5.3 for the calculation – Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Experience (in years)	Annexure No of supporting document

Sr. No.	Name of client	Financial year	Total turnover during the financial year

- 8.3.3 Number of accounts of portfolio managers (whose concurrent audit was carried out by the Applicant) - average number of clients as of 31 March, 2018; 31 March, 2017; 31 March, 2016; 31 March, 2015 and 31 March, 2014. Please refer to illustration 8.5.4 for the calculation. – Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Sum of number of clients	Annexure No of supporting document

Sr. No.	Name of client	Financial year

- 8.3.4 Profile of the proposed execution team

Detail required	Detail required in appropriate units	Supporting document

Experience of the assigned partner for the said assignment in concurrent audit of portfolio managers	Required experience to be quoted in years up to two decimals as on the date of RFP	Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking
Number of members who are chartered accountants in the proposed execution team for the said assignment	No. of chartered accountants in the proposed execution team to be quoted	Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking
Aggregate experience of the proposed execution team for the said assignment in concurrent audit of portfolio managers	Required experience to be quoted in years up to two decimals as on the date of RFP	Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking

Further, the CVs of the assigned partner(s) and proposed execution team members to be provided in the following format:

Format for profile of proposed execution team:

Name of the Partner/ team leader/ team members	
Proposed Position and Role	Partner / team leader/ team members
Age	
Qualification	
Details of experience in concurrent audit of portfolio managers	Details of each work done along with the time period
Experience in concurrent audit of portfolio managers (No. of years up to two decimals as on the date of RFP)	
Current Responsibilities	
Total experience (No. of years up to two decimals as on the date of RFP)	
Tenure spent with the Applicant (No. of years up to two decimals as on the date of RFP)	
No. of client served for concurrent audit of portfolio manager	
Any other point	

8.3.5 Number of Fulltime Partners who are FCA as on the date of RFP. – Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Number of full time Partners	Annexure No of supporting document

Sr. No.	Name of the employee	Membership Number	Qualification (CA / FCA etc)	Remarks in any	Annexure No. of supporting document

- 8.3.6 Number of staff members (excluding fulltime Partners), who are chartered accountants as on the date of RFP. – Undertaking from the Managing Partner or equivalent official of the Applicant certifying the same. Refer section 9.6 for the format of Undertaking.

Number of staff members (excluding fulltime Partners)	Annexure No of supporting document

- 8.3.7 Tools and Technology: Proposed plan to use tools and technology to carry out the scope of work mentioned in this RFP.

Data Security: Proposed plan to ensure the confidentiality and security of data from any other business activity of the Applicant

Proposed MIS formats: Proposed MIS format based on the scope of work mentioned in this RFP, Applicant has to submit model MIS formats

Write-up / Details on	Annexure No. having details	Remarks if any
Use of Tools and Technology (write up of not more than 1500 words)		
Data Security (write up of not more than 1500 words)		
MIS Formats (sample MIS formats and write up of not more than 1500 words)		

- 8.3.8 Organization chart – with names and responsibility(ies)

- 8.3.9 Write up on any other information that the Applicant thinks would be worth mentioning in the proposal (not more than 1500 words).

8.4 Financial bid Format

- 8.4.1 The Financial bid shall be submitted in the following format

Charges	In figures (Rs.)	In words
Concurrent Audit Fee per month		

8.5 Illustrations for calculations

8.5.1 Illustration with various scenarios for satisfying required experience and turnover in Pre-Qualification criteria

Financial year	Scenario A - Sum of turnover across all accounts of Portfolio Managers during respective financial years (Rs. Crores)	Scenario B - Sum of turnover across all accounts of Portfolio Managers during respective financial years (Rs. Crores)	Scenario C - Sum of turnover across all accounts of Portfolio Managers during respective financial years (Rs. Crores)
FY 2014	0.00	1.00	200.00
FY 2015	0.00	1.00	100.00
FY 2016	0.00	1.00	150.00
FY 2017	0.00	1.00	500.00
FY 2018	6000.00	6000.00	1000.00
Average turnover	1200.00	1200.80	390.00
Eligibility on experience in each of the financial years	No	Yes	Yes
Eligibility on turnover	Yes	Yes	No

8.5.2 Illustration for calculation of Aggregate AAUM

Step 1: Calculation of aggregate AAUM for a year ended date (assuming that the Applicant is doing audit of portfolio manager 1 and portfolio manager 2)

AAUM (Rs Crores) for the year ended 31 March, 2018		
Days	Portfolio manager 1 - Daily AUM (Rs Crores)	Portfolio manager 2 - Daily AUM (Rs Crores)
1- Apr -17	100000	150000
2- Apr -17	102000	250000
3- Apr -17	103000	150000
-	-	-
-	-	-
-	-	-
30-Mar-18	104000	120000
31-Mar-18	108000	100000
AAUM	=AVERAGE of all the above (A)	=AVERAGE of all the above (B)
Aggregate AAUM as of 31 March, 2018	= A+B	

A similar calculation to be done for the dates - 31 March, 2017; 31 March, 2016; 31 March, 2015 and 31 March, 2014

Step 2: Sum the Aggregate AAUM as shown below

Sum of Aggregate AAUM (Rs Crores)	
Year ended date	Aggregate AAUM
31 March, 2018	100000
31 March, 2017	102000
31 March, 2016	123000
31 March, 2015	120000
31 March, 2014	110000
Sum of Aggregate AAUM	=SUM of all the above (555000)

8.5.3 Illustration for calculation of relevant experience of the Applicant

Financial year	Sum of turnover across all accounts of Portfolio Managers during respective financial years (Rs. Crores)	Financial year counted for experience (Yes/No)
FY 2009	500	Yes
FY 2010	400	No
FY 2011	900	Yes
FY 2012	1200	Yes
FY 2013	1100	Yes
FY 2014	1000	Yes
FY 2015	200	No
FY 2016	800	Yes
FY 2017	400	No
FY 2018	600	Yes
Experience in terms of financial years	7	

8.5.4 Illustration for calculation of number of clients

Year ended date	Number of accounts of portfolio managers
31 March, 2018	10
31 March, 2017	12
31 March, 2016	10
31 March, 2015	12
31 March, 2014	9
Average number of clients	=AVERAGE of all the above (10.6)

Note: In the above table, if an account of the client is managed in more than one financial years then it should be treated as a separate account for counting the number of accounts in each of the financial years in which it was managed.

9. Formats for Covering Letter and Clarifications, Deviations, Undertaking and Affidavit

9.1 Format for Pre-qualification Covering letter

(To be submitted on the official letterhead of the Applicant submitting the proposal)

Ref : _____

Date and Place : _____

Financial Commissioner,
Employees' State Insurance Corporation (ESIC),
Panchdeep Bhawan,
C.I.G. Marg,
New Delhi – 110002

Dear Madam,

Ref: Request for Proposal (RFP): Appointment of External Concurrent Auditor (ECA) for audit of ESIC's investments

We refer to the communication inviting Request for Proposal (RFP) for Appointment as External Concurrent Auditor for audit of ESIC's investments. We have read and understood the contents of the document and wish to participate in the appointment process. We are pleased to submit our Pre-qualification bid along with all the necessary documents, as mentioned in the RFP, for appointment as External Concurrent Auditor for audit of ESIC's Investments. We confirm that we satisfy the Pre-qualification criteria set out in the relevant sections of the RFP.

We agree to unconditional acceptance of all the terms and conditions set out in the RFP documents.

We confirm that the information contained in this proposal or any part thereof, including its exhibits, schedules, and other documents delivered to the ESIC is true, accurate, and complete. This proposal includes all information necessary to ensure that the statements therein do not, in whole or in part, mislead the ESIC as to any material fact.

We have agreed that (*insert individual authorised representative's name*) will act as our representative on our behalf and has been duly authorized to submit the proposal.

Further, the authorized signatory is vested with requisite powers to furnish such letter and authenticate the same.

Yours faithfully,

For and on behalf of _____(Insert company name)

Authorised Signatory
(Name of Authorised Signatory along with signature along with company seal)

9.2 Technical Proposal Covering Letter

(To be submitted on the official letterhead of the Applicant submitting the proposal)

Ref: _____

Date and Place: _____

Financial Commissioner,
Employees' State Insurance Corporation (ESIC),
Panchdeep Bhawan,
C.I.G. Marg,
New Delhi – 110002

Dear Madam,

Ref: Request for Proposal (RFP): Appointment of External Concurrent Auditor (ECA) for audit of ESIC's investments

We refer to the Request for Proposal (RFP) for Appointment of External Concurrent Auditor for audit of ESIC's investments.

We have read and understood the contents of the RFP document and pursuant to this, we hereby confirm that we are legally empowered to act as ECA and satisfy the requirements laid out in the RFP document.

Having examined the RFP document, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide the services as required and outlined in the RFP for Appointment of External Concurrent Auditor (ECA) for audit of ESIC's investments.

To meet such requirements and provide such services as set out in the RFP documents, we attach hereto our response to the RFP document, which constitutes our proposal for being considered for selection as ECA.

We undertake, if our proposal is accepted, to adhere to the stipulations put forward in the RFP or such adjusted plan as may subsequently be mutually agreed between us and the ESIC or its appointed representatives.

We agree to unconditional acceptance of all the terms and conditions set out in the RFP documents.

We confirm that the information contained in this proposal or any part thereof, including its exhibits, schedules, and other documents delivered to the ESIC is true, accurate, and complete. This proposal includes all information necessary to ensure that the statements therein do not, in whole or in part, mislead the ESIC as to any material fact.

We have agreed that (*insert individual authorised representative's name*) will act as our representative on our behalf and has been duly authorized to submit the proposal.

Further, the authorized signatory is vested with requisite powers to furnish such letter and authenticate the same.

Yours faithfully,

For and on behalf of _____(Insert company name)

Authorised Signatory
(Name of Authorised Signatory along with signature along with company seal)

9.3 Financial Proposal Covering Letter

(To be submitted on the official letterhead of the Applicant submitting the proposal)

Ref: _____

Date and Place: _____

Financial Commissioner,
Employees' State Insurance Corporation (ESIC),
Panchdeep Bhawan,
C.I.G. Marg,
New Delhi – 110002

Dear Madam,

Ref: Request for Proposal (RFP): Appointment of External Concurrent Auditor (ECA) for audit of ESIC's investments

Having examined the RFP document, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide the services as required and outlined in the Request for Proposal (RFP) for Appointment of ECA for audit of ESIC's investments.

To meet such requirements and to provide services as set out in the RFP document we attach hereto our response as required by the RFP document, which constitutes our proposal.

We undertake, if our proposal is accepted, to adhere to the stipulations put forward in the RFP or such adjusted plan as may subsequently be mutually agreed between us and the ESIC or its appointed representatives.

We unconditionally accept all the terms and conditions set out in the RFP document.

We confirm that the information contained in this proposal or any part thereof, including its schedules, and other documents delivered to the ESIC is true, accurate, and complete. This proposal includes all information necessary to ensure that the statements therein do not, in whole or in part, mislead the ESIC as to any material fact.

We have agreed that (*insert individual authorised representative's name*) will act as our representative on our behalf and has been duly authorized to submit the proposal.

Further, the authorized signatory is vested with the requisite powers to furnish such letter and authenticate the same.

Yours faithfully,

For and on behalf of _____ (Insert company name)

Authorised Signatory

(Name of Authorised Signatory along with signature along with company seal)

9.4 Request for clarifications

Applicant's Request For Clarification			
Name of Organization submitting request		Name & position of person submitting request	Address of organization including phone, fax, email, points of contact
			Tel: Fax: E-mail:
Sr.No.	Reference (Clause No. /Page No.)	Content of RFP requiring clarification	Points of Clarification required
1			
2			
3			

9.5 Format for providing explanations for deviations if any

Applicant's explanation for deviations			
Name of Organization submitting explanation		Name & position of person submitting explanation	Address of organization including phone, fax, email, points of contact
			Tel: Fax: E-mail:
Sr.No.	Reference (Clause No. & Page No.)	Deviation in proposal	Reason
1			
2			
3			

9.6 Format for undertaking

UNDERTAKING
(To be given on company letter head)

I, _____ <<officer name>>, am the Managing Partner / equivalent official of _____ <<name of the Applicant>> ("**External Concurrent Auditor**") having its registered office at _____ <<registered address>>.

I am authorized to sign and execute this undertaking on behalf of the External Concurrent Auditor for submitting a proposal pursuant to the request for proposal issued by the Employees' State Insurance Corporation (**ESIC**) for appointment of External Concurrent Auditor for audit of ESIC's investments.

I, on behalf of the External Concurrent Auditor, solemnly affirm and declare that as on the date of application:

- a. The External Concurrent Auditor is a Partnership Firm registered with the ICAI. The External Concurrent Auditor is registered with the ICAI for <Number> years as on last date of application.
- b. The External Concurrent Auditor has <Number> Chartered Accountants (CA) working as fulltime Partners AND <Number> Fellow Chartered Accountants (FCA) working as fulltime Partners.
- c. The External Concurrent Auditor has experience in each of the last FIVE (5) Financial Years ending 31 March, 2018 in concurrent audit of at least one account of portfolio manager. Further, the average of financial year-wise turnover (considering the sum of turnover across all accounts of portfolio managers whose concurrent audit was carried out by the External Concurrent Auditor in each of the five (5) financial year ending 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014) was at least Rs. 1000 Crores.
- d. The External Concurrent Auditor has functional office in Mumbai and New Delhi having responsible officials.
- e. The External Concurrent Auditor is empanelled with Comptroller and Auditor General of India (CAG) as on the date of RFP.
- f. The aggregate of average asset under management is <in Rs crores> across all accounts of portfolio managers where concurrent audit was carried out as on March 31, 2018, 31 March, 2017; 31 March, 2016; 31 March, 2015 and 31 March, 2014.
- g. The External Concurrent Auditor has experience in <Number> financial years during the period 01, April 2008 to 31 March, 2018 in concurrent audit of accounts of portfolio managers. Further, experience in a financial year was considered only if the total turnover (considering sum of turnover across all accounts of portfolio managers whose concurrent audit was carried out by the External Concurrent Auditor in the respective financial year) was at least Rs. 500 Crores.
- h. The average number of accounts of portfolio managers where concurrent audit was carried out as on March 31, 2018, 31 March, 2017; 31 March, 2016; 31 March, 2015 and 31 March, 2014 is <No. of accounts>.
- i. The total experience of assigned partner of the External Concurrent Auditor in the concurrent audit of portfolio managers is <Number> years as on the date of RFP.
- j. The External Concurrent Auditor would assign <Number> chartered accountants in the proposed execution team for the said assignment.
- k. The aggregate experience of the proposed execution team in providing concurrent audit of portfolio managers is <Number> years as on the date of RFP.
- l. The External Concurrent Auditor has <Number> staff members excluding fulltime Partners, who are chartered accountants.
- m. The External Concurrent Auditor shall forthwith inform the ESIC of any material change in the information or particulars previously furnished, which have a bearing on the appointment if granted.
- n. The External Concurrent Auditor shall comply with all the extant ESIC guidelines/ directions.

Solemnly affirmed and undertaken on the day and year herein below written, by:

Signature
Name

Date

9.7 Format for affidavit

AFFIDAVIT

I, _____ <<officer name>>, am the Managing Partner / equivalent official of _____ <<name of the Applicant>> (“**External Concurrent Auditor**”) having its registered office at _____ <<registered address>>. I am authorized to sign and execute this affidavit on behalf of the External Concurrent Auditor for submitting a proposal pursuant to the Request for Proposal dated 30 May, 2018 (“**RFP**”) issued by the Employees’ State Insurance Corporation (“**ESIC**”) for appointment of External Concurrent Auditor for audit of ESIC’s investments. I, on behalf of the External Concurrent Auditor, solemnly affirm and declare that:

- a. The External Concurrent Auditor / any partner have not been convicted by a court of law or indictment / adverse order passed against the External Concurrent Auditor / any partner till the date of application.
- b. The External Concurrent Auditor / any partner have not been barred or suspended by any regulator or ICAI or government authority or court of law in India from carrying out audit related activities in the last five years as on the date of RFP
- c. The External Concurrent Auditor / any partner are not in violation of any applicable law or judgment by any court of law or violation of any direction/order/regulation by a government/regulatory authority in India, and have not been black listed.
- d. There are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending or threatened against the External Concurrent Auditor / any partner which, if adversely determined, could reasonably be expected to have a material adverse effect on its ability to perform the obligations under this assignment.

OR

There are no legal or arbitration proceedings or any proceedings by or before any government or regulatory authority or agency, now pending or threatened against the External Concurrent Auditor / any partner which, if adversely determined, could reasonably be expected to have a material adverse effect on its ability to perform the obligations under this assignment and any related documents that may be executed by the External Concurrent Auditor as may be required by ESIC, except as mentioned in Annexure I hereto with full detail of such investigation including the name of the investigating agency, the charge/offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched along with all other relevant information.

<<Company Stamp and Signature of Deponent>>

VERIFICATION

I verify that, the contents of this Affidavit are true and correct to the best of my knowledge and belief, and that nothing material has been concealed. In case of any concealment/ misstatement/ understatement of facts mentioned anywhere in the proposal, ESIC may at its sole discretion hold the External Concurrent Auditor liable to legal action as appropriate.

Date:
Place:

**<<Company Stamp and Signature of the Deponent>>
<<Name of the Deponent>>
<<Designation of the Deponent>>**

<<To be notarised by a public notary>>

Identified by me:

Before me:

10. Investment Pattern of ESIC

Investment pattern of ESIC:

10.1 Investment Pattern

Sr. No.	Securities	Percentage amount to be Invested
(i)	Government Securities & Related Instruments (Government Bonds)	Up to 50%
(ii)	Debt Instruments & Related Instruments (AAA rated PSU Bonds and Fixed Deposits of scheduled commercial banks for more than 1 year, as prescribed in Ministry of Finance notification)	Up to 45%
(iii)	Short term Debt Instruments & Related Instruments (including bank fixed deposit up to 1 year and money market instruments)	Up to 5%

Note: The existing investment pattern as above is subject to change based on the notifications issued by the Government of India from time to time.

Contact Details:

Financial Commissioner,
Employees' State Insurance Corporation (ESIC),
Panchdeep Bhawan,
C.I.G. Marg,
New Delhi – 110002
Email id: fin-comm@esic.nic.in