

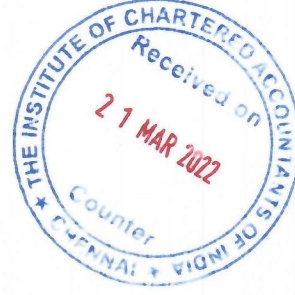


New Tirupur Area Development Corporation Ltd.

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March 18, 2022

The Secretary
Southern India Regional Council
ICAI Bhawan
122, Mahatma Gandhi Road
Nungambakkam
Chennai - 600 034



Dear Sir,

Sub: Appointment of Independent Auditor for FY 2021-22 and FY 2022-23– Reg.

Our organisation is in the process of appointing an Independent Auditor for FY 2021-22 and FY 2022-23.

In this regard, a Request for Proposal (RFP) is enclosed herewith for your kind consideration for placing it in the notice board of the Institute so as to enable us to get better response from the interested audit firms as per the eligibility detailed in the RFP.

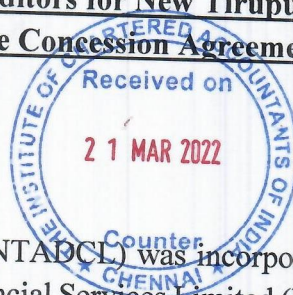
Thanking you,

Yours faithfully,
For New Tirupur Area Development Corporation Limited

S Hari
General Manager
(Finance & Accounts)

Encl: As above

Request for Proposal for Appointment of Independent Auditors for New Tirupur Area Development Corporation Limited under Article 16 of the Concession Agreement for the FY 2021-22 & 2022-23



A. Background

New Tirupur Area Development Corporation Limited (NTADCL) was incorporated in 1995. It was promoted by Infrastructure Leasing and Financial Services Limited (IL&FS) and the Government of Tamil Nadu (GoTN) via Tamil Nadu Water Investment Company Limited (TWIC) as the promoter and Tirupur Exporters Association as a Special Purpose Vehicle (SPV) to implement the Tirupur Area Development Programme (TADP).

As part of the TADP, NTADCL has been mandated, through a Concession Agreement entered on 11.02.2000 by Government of Tamilnadu and Tirupur City Municipal Corporation (TCMC) to develop, construct, operate and maintain a 185 million litre per day capacity water supply project and 15 million litre per day sewerage facility for the TCMC, wayside villages and industries at a total cost of about Rs. 1,023 crores. The project of NTADCL is the first public private partnership model (PPP) of water supply and sanitation project in the country and one of the largest private investments in urban infrastructure.

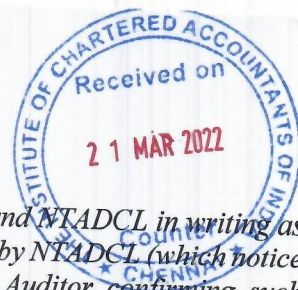
As per Article 16 of the Concession Agreement, a firm of Chartered Accountants shall be appointed as an Independent Auditor with the approval of GoTN. Article 16 is reproduced below:

ARTICLE 16 - INDEPENDENT AUDITOR

Section 16.1 NTADCL shall, in consultation with the Lenders, within a period of 30 days from the date of Financial Close, propose a panel of three reputable audit firms, to act as the Independent Auditor, of which one shall be approved by GOTN, within a period of 15 days from the date of receipt of the panel of names. Within 15 days following such approval, NTADCL shall appoint the Independent Auditor. The Terms of Reference shall be substantially those terms set out in Schedule Q. NTADCL shall consult with the Independent Auditor in the calculation of all amounts under Article 15 and shall provide, at the end of each financial year, a certificate from the Independent Auditor confirming the accuracy of all calculations made during the relevant financial year. NTADCL may remove the Independent Auditor, upon 30 days' notice to GOTN but subject to the prior approval of GOTN and a substitute Independent Auditor having been agreed and appointed in accordance with this clause.

Section 16.2 Within 30 days of the date NTADCL submits the Landed Cost as calculated by it under provisions of Section 15.2, the Independent Auditor shall certify the accuracy of the Landed Cost so submitted in consultation with the Independent Engineer.

Section 16.3 The Independent Auditor shall audit and verify the Total Cost of Project determined by NTADCL under Section 15.1 within a period of 30 days from the



date of submission thereof, and shall notify GOTN and NTADCL in writing as soon as the Total Cost of Project has been recovered by NTADCL (which notice will include a certification from the Independent Auditor confirming such recovery).

Section 16.4 *In the event NTADCL is unable to recover the Total Cost of Project as determined under Section 15.1 on or before the expiry of 30 years from the first Operations Date, the Independent Auditor shall submit a report to that effect to GOTN and NTADCL, which specifies the amount of the Shortfall in recovery and outstanding Total Cost of Project and the Returns thereon.*

Section 16.5 *The professional fees, costs and expenses of the Independent Auditor shall be borne by NTADCL and shall be taken into account for determining the Total Cost of Project until the date of issuance of Final Construction Completion Certificate and thereafter would become part of the Owner's Cost. NTADCL hereby undertakes that the Independent Auditor shall have sufficient funds to meet the costs and expenses incurred by the Independent Auditor, as agreed in the terms of its appointment, in the course of discharging its functions specified in this Agreement.*

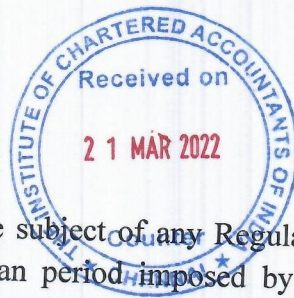
Section 16.6 *The Independent Auditor shall furnish data to the Prices Review Committee at the request of NTADCL or as requested by the Prices Review Committee from time to time in accordance with Section 17.5*

NTADCL seeks to engage the services of an experienced and reputed Audit Firm as per the eligibility criteria to conduct Independent Audit of FY 2021-22 and 2022-23 to the Company.

Accordingly, we seek competitive biddings from eligible firms as per the eligible criteria defined in Section B.

B. Eligibility Criteria

1. The Firm shall have been in existence for 5 years or more.
2. The Firm shall have at least 2 Partners based in Chennai to be available to handle the audit.
3. The Firm shall have an average annual turnover of Rs. 50 lakhs in Audit Fees in the last three financial years.
4. The Firm shall have conducted independent audit under Concession Agreement of either public private partnerships and/or the infrastructure companies of a size comparable to or greater than NTADCL's Project size for at least 2 years.
5. Audit firms who have been associated, in the capacity of statutory/Internal/Independent auditors of NTADCL, including the retiring auditor shall not be eligible to apply.

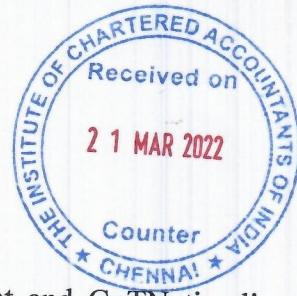


6. The Firm or any Partner of the firm shall not be the subject of any Regulatory investigations or proceedings nor be serving any ban period imposed by any Regulatory authority. A self-declaration in this regard shall be provided at the time of submission of qualifications.

C. Scope of the Work

Scope of the work as per Schedule Q of the Concession agreement is reproduced below:

- (1) *The role of the Independent Auditor would encompass :*
- (a) *The Independent Auditor shall advise NTADCL in the calculation of Total cost of the Project, Returns and Recovery accounting and shall provide, at the end of each financial year, a certificate confirming the accuracy of all calculations made during the relevant financial year*
 - (a) *The Independent Auditor shall certify the accuracy of the Landed Cost in consultation with the Independent Engineer – Already concluded.*
 - (b) *The Independent Auditor shall audit and verify the total cost of the Project determined by NTADCL and shall notify GOTN and NTADCL in writing as soon as the total cost of the Project has been recovered by NTADCL*
 - (d) *In the event NTADCL is unable to recover the Total Cost of Project by the scheduled termination of the Concession Period, the Independent Auditor shall submit a report to that effect to GOTN and NTADCL which specifies the amount of the Shortfall in recovery*
 - (e) *The Independent Auditor shall verify the records and invoices provided by the Operator and shall advise the O&M Committee of the results of his quarterly audit within one month after the end of the relevant quarter.*
 - (f) *The Independent Auditor shall furnish data to the Charges Review Committee at the request of NTADCL or as requested by the Charges Review Committee from time to time*
- (2) *The scope of work as envisaged will be carried out during two different stages of the project*
- *Construction Stage – Already concluded*
 - *Operation Stage*
- (3) *The Independent Auditor would carry out the work specified as scheduled above and would employ qualified and experienced person of the type and nature as desirable to carry out the assignment*



D. Timelines

The Audit Firm shall adhere to the Concession Agreement and GoTN timelines in consultation with the Company.

E. Fee & Payment

The minimum Audit Fee for conducting independent audit of the Company for the FY 2021-22 and FY 2022-23 would be each Rs.1,25,000/- plus taxes as applicable. The bidders can quote their fees accordingly.

The payment shall be made on completion and submission of the required Reports as per the Concession Agreement and GoTN for the respective Financial Year.

F. Process of Selection

1. The Audit Firms, desirous of providing Audit Services in compliance with this "REQUEST FOR PROPOSAL AUDIT SERVICES" may submit their proposals in sealed covers as TECHICAL BID and FINANCIAL BID separately on or before **1500 hrs on Wednesday the 30th March 2022 in the following address:**

**The General Manager (Finance & Accounts)
New Tirupur Area Development Corporation Limited
"Polyhose Towers", First Floor
No.86, Mount Road, Guindy, Chennai 600 032**

2. The bids submitted will be opened by the Evaluation Committee on the 15.15 hrs on the above date in the presence of available witnesses from Bidders, if any.
3. As per the requirement of the Concession Agreement, the company will recommend three eligible firms to GoTN for their selection and approval of any one firm as an Independent Auditor for the FY 2021-22 and 2022-23.
4. The Company reserves the right to accept or reject any or all bids without assigning any reasons at any time before the consideration of recommendation or anytime during the process.