



New Tirupur Area Development Corporation Ltd.

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Ref:NTADCL/2022/50

July 5 2020

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



Dear Sir,

Sub: Appointment of Internal Auditor for FY 2022-23– Reg.

Our organisation is in the process of appointing an Internal Auditor for the FY 2022-23 in compliance to the Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules 2014.

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

Managing Director

Encl: As above

Sally/Ram
P/W/877

**Request for Proposal for Appointment of Internal Auditors for New Tirupur Area
Development Corporation Ltd. for the FY 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 by Government of Tamilnadu, to develop, construct, operate and maintain a 185 million litre per day capacity water supply project and sewerage facility for the Tirupur Municipality 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 the Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules 2014, NTADCL is subject to appoint of an Internal Auditor. In order to comply the requirement and have an effective internal control and risk management system in place, the Company wishes to appoint eligible professional firms to be appointed as the Internal Auditor of the Company for FY 2022-23.

Accordingly, we seek competitive biddings from eligible firms as per the evaluation criteria defined in Section B. Eligibility of firms shall be determined on the basis of:-

- (a) Audit firms shall be eligible to be appointed as per Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules 2014. .
- (b) Further, Audit firms who have been associated, in the capacity of statutory/Internal/ Independent auditors of NTADCL, including the retiring internal auditor shall not be eligible to apply.
- (c) Further, Audit firms who have been associated, in the capacity of statutory / internal auditors of the promoter company Tamil Nadu Water Investment Company Ltd. (TWIC) are not eligible to apply.
- (d) 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.

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 / qualified Chartered Accountants based in Chennai / Tirupur to be available to handle the audit.
3. The Firm shall have an average annual turnover of Rs. 1 crore in Audit Fees in the last three financial years.
4. The Firm shall have conducted statutory audits, independent audits or internal audits of either public private partnerships and/or the infrastructure companies of a size comparable to NTADCL's Project size.

C. Scope of Work

1. **Internal control and risk assessment** : To ensure proper internal control over the financial information and assess the risk and its mitigation.
2. **Reliability and integrity of the financial information**: The internal auditor should review the reliability and integrity of financial and operating information and examine the effectiveness of the means used to identify, measure, classify, and to report such information.
3. **Compliance with Policies and Procedures**: The systems and procedure followed by the company shall be reviewed to ensure the effectiveness and impact of such systems and report thereon. The internal auditor should make a review of the operations or programmes of NTADCL and should ascertain whether the results are not inconsistent with the established goals and objectives of the company. The internal auditor should ensure the programmes and instructions by the Board / management are carried out as per plan.
4. **Safeguarding the Assets**: The internal auditor should review the existing system for safeguarding the assets and if necessary should verify the existence of such assets.

Apart from the above, the Internal auditor shall ensure the general scope of the Internal Auditor as per the Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules 2014.

D. Timelines

The Audit Firm shall adhere to the statutory timelines in consultation with the Company.

E. Fee & Payment


The minimum Audit Fee for conducting internal audit of the Company for the FY 2022-23 would be Rs.600,000/- plus taxes as applicable. The bidders can quote their fees accordingly.

The payment shall be made in proportion on completion and submission of half yearly Audit Report for the Financial Year 2022-23.

F. Process of Selection

1. The Audit Firms, desirous of providing internal Audit Services in compliance with this "REQUEST FOR PROPOSAL AUDIT SERVICES" may submit their proposals in an open tender basis either in person or through email to:contactus@ntadcl.com by 5th of June 2022
2. The bids submitted will be opened by the Evaluation Committee on the 15.15 hrs in NTADCL Chennai office. After the evaluation, three eligible firms will be selected and placed before the Audit committee of NTADCL.
3. The Audit Committee, after review, would submit their recommendation to the Board of Directors for a decision to appoint any one firm as the Internal auditor of NTADCL. The Board upon perusal and decision would mandate NTADCL management to issue the "Letter of Appointment" to the successful bidder
4. The Company reserves the right to accept or reject any or all bids without assigning any reasons at any time before issue of 'Letter of Appointment' or anytime during the process. The decision of the Company is final.

For New Tirupur Area Development Corporation Limited


MANAGING DIRECTOR