

**KERALA INFRASTRUCTURE INVESTMENT FUND BOARD**

**Request for Proposal from  
Qualified CA Firms for Appointment as Tax Auditors**



**No. FA-6/3038/2020/KIIFB  
Thiruvananthapuram  
MAY 2023**

# **Request for Proposal for acting as the Tax auditors of Kerala Infrastructure Investment Fund Board**

## **Introduction**

1. Kerala Infrastructure Investment Fund Board (KIIFB) is a statutory body created by the Government of Kerala under the Kerala Infrastructure Investment Fund Act, 1999, as a special purpose vehicle for channelizing investments for large infrastructure projects in the state.
2. Comprehensive amendments were carried out to the Act in 2016 providing a new structure and outlook to the Board. The amendments empowered the Board to raise money through financial instruments approved by SEBI and RBI. Amendments also provided for reconstitution of the Board with the Chief Minister as the Chairman and the Finance Minister as Vice Chairman.
3. KIIFB has already granted approval for financing 1057 projects to a tune of INR 80,352.04 Crores. The total funds devolved by the Government of Kerala to KIIFB over last seven years amounts to over INR 12,283.47 crores. This has been transferred through a daily escrow mechanism and represents KIIFB's share of Motor Vehicle Tax and Petroleum Cess to be devolved per the provisions of the KIIF Act.
4. In March 2019, KIIFB became the first sub-sovereign entity from India to raise funds from the offshore market by successfully closing its INR 2150 crore Masala Bond issue. KIIFB has also tied up credit lines with domestic financial institutions and banks.

## **Scope of Services**

- Examination or Review of Financial Statements of KIIFB as per Income Tax Act, 1961 (TAX Audit).
- Reporting of observations/discrepancies noted from examination of Books of accounts maintained.
- Reporting of information regarding tax depreciation, compliance of various provisions of Income Tax Law
- Preparation of Income tax computation and filing of Income tax returns for the respective year.
- Filing of Tax audit reports for the respective year.
- Representing in various necessary forums regarding tax matters and assessments as may be required.

The appointment shall be for a term of two years with a scope for reappointment as decided by the Management.

The scope of services shall include, but not restricted to, activities, which are necessary for audit in accordance with the Standards on Accounting (SAs) as per section 143(10) of Companies' Act, 2013 and are required to be undertaken to furnish reports in compliance with the various provisions of the Income Tax Act, 1961 and the rules framed there under.

### **Access to RFP documents**

- RFP can be downloaded from E-procurement portal of Government of Kerala and the website of KIIFB <http://www.kiifb.org>

### **Selection Procedure**

1. A Single Stage - Two envelope/ cover system shall be followed for the submission of Proposals:
  - Pre-qualification Proposal
  - Financial Bid
2. The 'Pre-qualification Proposal' and 'Financial Bid' documents shall be uploaded separately on the e-procurement portal in format given in Annexure I and Annexure II respectively.
3. 'Pre-qualification Proposal' shall be evaluated first. The Financial Bid of the qualified applicants will be evaluated thereafter.
4. For the 'Pre-qualification Proposal', the following would be considered: -
  - a. the auditor firm should have a minimum of 7 full-time Chartered Accountants;
  - b. Of which at least 5 CAs should be full time partners exclusively associated\* with the firm;
  - c. 4 of the partners should be FCAs (Fellow Chartered Accountants)
  - d. Of the 5 full time partners, one each should have minimum continuous association with the firm at least for 15 years and 10 years, two partners should have minimum continuous association with the firm of 5 years each and one partner with a minimum continuous association with the firm of 1 year each.
  - e. Minimum two partners should have more than 10 years' experience in practice.
  - f. The minimum number of professional staff (excluding typists, stenographers, computer operators, secretary/ies and sub-ordinate staff etc) consisting of audit and articled clerks with knowledge in book-keeping and accountancy and are engaged in outdoor audit should be 18.
  - g. The standing of the firm should be of at least 15 years which would be reckoned

from the date of availability of one full time FCA continuously with the firm.

- h. The firm should have a minimum central tax/statutory audit experience of 3 years of Public Sector Banks.
- i. The firm should have Tax audit experience of 5 years of Public Sector Undertakings of either the State Government or the Central Government.
- j. The firm should have a head/branch office with at least one partner stationed at Trivandrum, Kerala for the past 3 years.
- k. The firm should have been subject to Peer Review by ICAI and shall be holding a valid Peer Review Certificate.
- l. The average turnover of the firm (3 years Gross receipt) of the firm should not be less than 7 Crores and average profit before partners remuneration and tax should not be less than 3 crores.
- m. The firm should have experience in having done the audit of companies having a turnover of Rs.1000 crores or more during the preceding three financial years.
- n. The minimum audit fee for a FY shall be Rs. 1,50,000/-

*\*The definition of 'exclusive association' will be based on the following criteria*

- i. *The full-time partner should not be a partner of another firm/s*
- ii. *He/ she should not be employed full-time/part-time elsewhere*
- iii. *He/she should not be practicing in their own name or engaged in practice otherwise or engaged in other activity which would be deemed to be in practice under Section 2(2) of the Chartered Accountants Act, 1949.*
- iv. *A partner whose total compensation\*\* from the firm is less than the following will not be treated as exclusively associated with the firm:*

<i>a. Firms having more than 14 partners</i>	<i>: 1%</i>
<i>b. Firms having 10 to 14 partners</i>	<i>: 3%</i>
<i>c. Firms having 5 to 9 partners</i>	<i>: 5%</i>
<i>d. Firms having less than 5 partners</i>	<i>: 8%</i>

*\*\* Total Compensation = sum total of share of profit, remuneration and interest on capital.*

5. All applicants shall furnish a declaration in the format provided in Annexure III & IV along with proofs as indicated in table 'A' along with technical bid.

## **Tender Evaluation methodology**

After qualifying the eligibility criteria, the evaluation will be a three-stage process. The stages are:

- Technical Bid Evaluation
- Financial Bid Evaluation
- Weighted Evaluation

The technical evaluation and the commercial evaluation shall have the weightage of 60% and 40% respectively and this weightage shall be considered for arriving at the successful bidder.

### **Technical Evaluation**

If the number of pre-qualified bidders is less than two, the Authority may in its sole discretion, pre-qualify the Applicant(s) whose technical score is less than the minimum prescribed, so that at least two applicants compete for the assignment.

### **Financial Evaluation**

In the second stage the financial evaluation should be carried out as detailed below;

Each Financial Proposal will be assigned a finance score ( $S_F$ ).

The lowest financial proposal ( $F_M$ ) will be given a financial score( $S_F$ ) of 100 points. The financial scores of other proposals will be computed as follows,

$$S_F = 100 \times F_M/F$$

F= amount of Financial Proposal, will be decided based on Net Present Value (NPV) of the audit fees quoted for the term

### **Combined and Final Evaluation**

Proposals will finally be ranked according to their combined technical and financial scores, based on the respective weightage assigned to them. For the purpose of arriving at combined scores, appropriate weightages will be determined for the technical and financial bids. The respective weightages will be 60 per cent for the technical bid and 40 per cent for the financial bid since the experience and expertise of the firms would play a critical role in the delivery of services by the firm.

The successful bidder will be the applicant having the highest combined score. In the event two or more proposals have the same scores in the final ranking, the proposal with the highest technical score will be ranked first.

The combined evaluation will be calculated as follows;

$$S = S_T \times T_w + S_F \times F_w$$

S = combined score

$T_w$  = weightage of technical proposal

$F_w$  = weightage of financial proposal

$S_F$  = financial score

$S_T$  =technical score

**Table A- Technical Evaluation**

1	Number of full-time chartered accountants	Max. Marks	Minimum Qualification Marks	Supporting Document
		10	3.5	
Marking criteria: Each chartered accountant will be awarded 0.5 marks subject to a cap of 10 marks for 20 CAs and above				Proof confirming the same

2	Number of full-time partners exclusively associated with the firm;	Max. Marks	Minimum Qualification Marks	Supporting Document
		10	2.5	
Marking criteria: Each full-time partner will be awarded 0.5 marks subject to a cap of 10 marks for 20 partners and above				Proof confirming the same

3	Number of partners with FCAs (Fellow Chartered Accountant)	Max. Marks	Minimum Qualification Marks	Supporting Document
		10	2	
Marking criteria: Each partner will be awarded .5 marks subject to a cap of 10 marks for 20 partners and above				Proof confirming the same

4	Of the 5 full time partners, one each should have minimum continuous association with the firm at least for 15 years and 10 years, two partners should have minimum continuous association with the firm of 5 years each and one partner with a minimum continuous association with the firm of 1 year each.	Max. Marks	Minimum Qualification Marks	Supporting Document
		10		

	No. of Full-time partners with continuous association of at least 15 years with the Firm/Company	2.5	0.5	Proof confirming the same
	No. of Full-time partners with continuous association between 10 to 14 years with the Firm/Company	2.5	0.5	
	No. of Full-time partners with continuous association of 5 to 9 years with the Firm/Company	2.5	1	
	No. of Full-time partners with continuous association of 1 to 4 years with the Firm/Company	2.5	0.5	
Marking criteria: Each Full-time partner will be awarded 0.5 marks and the excess partners if any in the upper buckets will be considered for the next lower-level bucket.				

5	No of partners with more than 10 Years experience in practice	Max. Marks	Minimum Qualification Marks	Supporting Document
		10	2	
Marking criteria: Each partner will be awarded 2 mark subject to a cap of 10 marks for 5 partners and above				Proof confirming the same

6	No. of Professional Staff in the Firm/Company	Max. Marks	Minimum Qualification Marks	Supporting Document
		10	3	
Marking criteria: Each staff will be awarded 1/6 marks subject to a cap of 10 marks for 60 staff and above				Proof confirming the same

7	Central Tax/Statutory audit experience of Public Sector Banks (in Years)	Max. Marks	Minimum Qualification Marks	Supporting Document
		10	1.5	
Marking criteria: Each year will be awarded .5 marks subject to a cap of 10 marks for 20 years and above				Work order/other appropriate proof from the client

8	Tax audit experience (in Years) of Public Sector Undertakings of either the State Government or the Central Government.	Max. Marks	Minimum Qualification Marks	Supporting Document
		10	2.5	
Marking criteria: Each year will be awarded .5 marks subject to a cap of 10 marks for 20 years and above				Work order/ other appropriate from the client

9	Audited Annual Turnover in last three years	Max. Marks	Minimum Qualification Marks	Supporting Document
		10	4.67	
Marking criteria: Each Crore will be awarded 0.6 marks subject to a cap of 10 marks for 15 crores and above				Audited Financial Statements

10	Average profit before partners remuneration and tax for three years	Max. Marks	Minimum Qualification Marks	Supporting Document
		10	6	



Marking criteria: Each Crore will be awarded 2 marks subject to a cap of 10 marks for 5 Crores and above	Audited Financial Statements
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Minimum qualification marks should be obtained in each criteria as mentioned above to qualify in the technical bid

### **Award of Contract**

On completion of selection process, the firm selected shall be awarded the contract of audit of KIIFB by issuing the Letter of Award (LOA).

### **Commencement of Work**

Within 14 days of intimation by KIIFB, the firm should commence the engagement. If resource deployed found unsuitable, KIIFB will ask for replacement up to its satisfaction. KIIFB is entitled to discontinue audit if found that the auditor incapacitated, negligent in the proper performance or showing misconduct at any point of time by giving one-month prior notice.

Timelines for completion of various activities may be provided

### **Payment Terms**

- Payment will be made on a yearly basis after submission of each year's Tax audit report. Bill should be raised in favour of CEO, KIIFB.
- No out of pocket expenses shall generally be admissible.
- Income tax and other statutory levies shall be levied

### **Application procedure**

- a. The proposal shall be uploaded on the e-procurement portal of the Government of Kerala and shall be in the format as specified in Annexure I and II. The declaration in the format provided in Annexure III & IV should also be uploaded.
- b. Your quotes must be comprehensive and include all heads.
- c. Your quotes should be uploaded on the e-procurement portal of the Government of Kerala, latest by **11 AM on 08/06/2023** and shall remain valid initially for 45 days and thereafter, with the agreement of both parties, for a further period of 45 days after the completion of the initial period. The proposal should be signed by the authorized officers of your institution. The proposals received after the due time and date, will be summarily rejected.
- d. The opening and evaluation of the quotes will be held at **2 PM on 09/06/2023** and qualified firm will be intimated in due course.
- e. KIIFB reserves the right to reject any or all of the quotes received at its sole discretion, and all reserves the right to cancel this process at any stage prior to issuing the mandate without assigning any reason.

- f. For any clarification on the RFP you may feel free to contact Muralidas S, Chief Auditor, on email ID [chiefadtr@kiifb.org](mailto:chiefadtr@kiifb.org) / phone number +91 7012754384.

## Annexure I

### Prequalification Proposal Criteria

Sl.no.	Criteria	
1	Name of the Firm/Company	
2	Year of Establishment	
3	Whether the firm is having at least 15 years of experience from the date of availability of one full time FCA continuously with the firm. (Y/N)	
4	Address of head office	
5	Address of office in Trivandrum, Kerala	
6	Address of other offices	
7	Name of the contact person along with mobile number and email.	
8	No. of full time Chartered Accountants in the Firm/Company at Present as on 31/03/2022	
9	No. of full-time Partners exclusively associated with the Firm/Company at Present as on 31/03/2022	
10	No. of full-time partners who are FCAs (Fellow Chartered Accountant)	
11	No. of Full-time partners with continuous association of at least 15 years with the Firm/Company	
12	No. of Full-time partners with continuous association between 10 to 14 years with the Firm/Company	
13	No. of Full-time partners with continuous association of 5 to 9 years with the Firm/Company	
14	No. of Full-time partners with continuous association of 1 to 4 years with the Firm/Company	
15	No. of full-time partners with more than 10 years' experience in practice	

16	No. of Professional Staff in the Firm/Company		
17	Central Tax/Statutory audit experience of Public Sector Banks (in Years)		
18	Tax audit experience of undertakings of either the State Government or the Central Government (in Years)		
19	Audited Annual Turnover in last three years ending 31st March	<i>FY 20</i>	
		<i>FY 21</i>	
		<i>FY 22</i>	
20	Average profit before partners remuneration and tax.	<i>FY 20</i>	
		<i>FY 21</i>	
		<i>FY 22</i>	
21	Whether the firm has experience in having done the audit of companies having a turnover of Rs.1000 crores during the last three financial years. (Y/N)		
22	Whether the firm is holding a valid Peer Review Certificate. (Y/N)		

**Annexure II**  
**SCHEDULE OF RATES**

<b>Sr. No.</b>	<b>Description</b>	<b>Amount in Rs.</b>
1.	Tax Audit Fees for FY 2022-23	
2.	Tax Audit Fees for FY 2023-24	

**Fee should be quoted exclusive of GST**

## **Annexure III**

### **Declaration**

We hereby declare that-

- a. None of the disqualifications under section 141 of the Companies Act, 2013 applies to us in undertaking the audit of KIIFB and we are qualified for appointment as Tax auditors of KIIFB;
- b. We, our partners and our proprietor on the records of the Institute of Chartered Accountants of India have not been rendered an adverse final non-appealable judgment or order in connection with disciplinary proceedings, which would make us ineligible for appointment as auditors
- c. None of our partners or proprietor on the records of the Institute of Chartered Accountants of India or their spouse, dependent children, wholly- or mainly dependent parents, brothers, sisters or any undertaking controlled by the foregoing persons has been declared as a willful defaulter by any bank or other financial institutions;

(Authorised Signatory)

(Name & Designation)

Stamp of Applicant

## Annexure IV

### Declaration

Sl No	Qualifying Criteria	Details for Scoring	
1	No. of full time Chartered Accountants in the Firm/Company at Present as on 31/03/2022		
2	No. of full-time Partners exclusively associated with the Firm/Company at Present as on 31/03/2022		
3	No. of full-time partners who are FCAs (Fellow Chartered Accountant)	<i>Name</i>	<i>Registration No</i>
4	No. of Full-time partners with continuous association of at least 15 years with the Firm/Company		
5	No. of Full-time partners with continuous association between 10 to 14 years with the Firm/Company		
6	No. of Full-time partners with continuous association of 5 to 9 years with the Firm/Company		
7	No. of Full-time partners with continuous association of 1 to 4 years with the Firm/Company		

8	No. of full-time partners with more than 10 years' experience in practice		
9	No. of Professional Staff in the Firm/Company		
10	Central Tax/Statutory audit experience of Public Sector Banks (in Years)		
11	Tax audit experience of undertakings of either the State Government or the Central Government (in Years)		
12	Audited Annual Turnover in last three years ending 31st March	FY 20	
		FY 21	
		FY 22	
13	Average profit before partners remuneration and tax.	FY 20	
		FY 21	
		FY 22	

I/we hereby certify that, the above furnished information are true and correct to the best of my knowledge and belief. In case any of the information given above proves to be false or incorrect, I shall be responsible for the consequences.

I/we hereby undertake to submit further supporting documents on demand at any time.

I/ we also declare that, if any information provided by me/us is found false, the bid/ may be rejected at any point of time.

(Authorized Signatory)

(Name & Designation)

Stamp of Applicant