

Tender No. IFCI Venture/PE-VCFunds/VCF-SC/2019-20/02

Date: July 03, 2019

**EXPRESSION OF INTEREST (EOI) FOR
APPOINTMENT OF STATUTORY AUDITOR FOR
VENTURE CAPITAL FUND FOR SCHEDULED CASTES
(FY 2019-20)**



IFCI VENTURE CAPITAL FUNDS LTD.

(A Subsidiary of IFCI Limited, Government of India Undertaking)

CIN: U65993DL1988GOI030284

Regd. Office: IFCI Tower, 61, Nehru Place, New Delhi-110019

Tel: Direct (+91) (11) 4173 2504 / 90 / 81

Website: www.ifciventure.com

Email: funds@ifciventure.com

A. INTRODUCTION:

IFCI Venture Capital Funds Ltd. is a Public Financial Institution under sub section 72 of section 2 of the Companies Act, 2013 and is the Venture Capital arm of IFCI Ltd, a Government of India promoted company. IFCI Venture is the country's pioneer institution nurturing the startup and growth oriented businesses in India since past four decades. It was incorporated in 1975 as Risk Capital Foundation with a view to widen the entrepreneurial base of India by providing start-up capital for setting up projects. It has financed more than 522 projects in diversified sectors set-up across the country and supported commercialization of over 50 new technologies, thereby realizing its mandated objective.

IFCI Venture is managing "Venture Capital fund for Scheduled Castes" (VCF-SC), and "Venture Capital fund for Backward Classes" (VCF-BC) under the supervision of Ministry of Social Justice and Empowerment, Government of India.

VCF-SC and VCF-BC are first of its kind Venture Capital Funds in India dedicated to promote entrepreneurship among the Scheduled Castes (SC) and Backward Classes (BC) by providing concessional finance to them.

The corpus of VCF-SC the fund is Rs.340.01 crore and the fund was launched on January 16, 2014. IFCI Venture is the Investment Manager of the fund.

B. OBJECTIVE OF EXPRESSION OF INTEREST (EOI):

- IFCI Venture Capital Funds Limited (IFCI Venture) solicits separate sealed proposal for appointment of Statutory Auditor for Venture Capital Fund for Scheduled Castes (VCF-SC);
- IFCI Venture wishes to avail services of "**the auditor / the firm of Chartered Accountants**" (hereinafter also referred as "**Bidder**") within India and the auditor's / firm's scope of service should cover Direct tax laws and Securities Exchange Board of India ('SEBI' regulations including Alternate investment funds (AIF) regulations, 2012).
- The shortlisted Statutory Auditor would be required to provide audit services as per the scope of work as defined below in this EOI document and shall adhere to stipulated terms and conditions as mentioned herein this document.

C. SCOPE OF WORK FOR AUDIT:

i. Transaction review:

- a) Advise on treatment of coupon received from the investee companies from an income tax and regulatory perspective time to time;
- b) Advise on treatment of exit proceeds received from investee companies and verification of distribution waterfall from an income tax and regulatory perspective time to time;
- c) Checking of calculation of coupon/IRR in investee companies.
- d) Checking of Management fees calculation payable by the fund to IFCI Venture.
- e) Calculation of NAV of the fund.

ii. Verification of financial accounts & procedures:

- a) To provide advice on routine financial accounting and related issues, if any.
- b) Inputs on accounting aspects of contributions, investments and distribution with respect to the fund.

- c) To verify income recognition & accrual of expenses under various heads in the memoranda accounts;
- d) To verify and review recoveries from cases as per terms of approval and as approved by the competent authority.
- e) To verify information required to be sent periodically to SEBI/investors as per SEBI (AIF) regulation.

iii. Verify the system of maintenance of books of accounts and records of the fund:

- a) To verify and review the system of maintenance of books of accounts, preparation of trial balance, passing of entries, writing of vouchers, etc.;
- b) To verify equity investments held by IFCI Venture through matching balances of equity shares in De-mat/ Custodial accounts/ physical checking of shares;
- c) To check deployment of surplus funds ensuring proper procedures & due authorizations.
- d) To review record system of all documents and files related to the fund.

iv. Inspection of Handling Operational Matters.

- a) To ensure compliance of terms & conditions of sanction & disbursement.
- b) To review information flow on status of operations, Annual reports and Balance Confirmation Certificates from assisted companies at regular intervals.
- c) To review on periodical basis the status of available security.
- d) To review compliance of terms & conditions by assisted companies.
- e) To check the adequacy of insurance of fixed assets of assisted concerns;
- f) To check adequacy of monitoring mechanism for protecting IFCI Venture's interest;
- g) To check expiry of limitation period of filing of suits;
- h) To review suit filed cases and monitoring mechanism for early monetization, including decreed cases;

v. Risk Management/ Internal Control System to be followed by IFCI Venture.

- a) To ensure fund's actions are in compliance with policies, standards, procedures, Code of Conduct and applicable laws and regulations;
- b) To ensure quality and continuous improvement are fostered in the Fund's control process;
- c) Significant regulatory and legislative issues impacting the Organization are recognized and addressed properly;
- d) To help Statutory Auditors of IFCI Venture, in case of any need in respect of auditing of accounts of IFCI Venture and to furnish any certificates as may be desired by them.

vi. Direct Tax Advisory Services

- a) Providing, upon request, tax-related advice on day-to-day queries by the personnel of IFCI Venture;
- b) Reviewing and providing comments on return of income, Form 64, any other applicable forms for the fund;
- c) Reviewing of Income Tax liability computed by the fund.

D. MINIMUM ELIGIBILITY CRITERIA:

The Bidder should inter alia satisfy the below mentioned Minimum Eligibility Criteria of the EOI:

- i. The Bidder must be a Firm of Chartered Accountants;
- ii. The bidder should have an **office** in Delhi with requisite staff strength;
- iii. The bidder should be in existence for more than **5 years**;
- iv. The bidder should have experience of conducting **audit of such similar Govt. Corporation/ Bank/NBFCs/FIs**;
- v. The bidder should have minimum **3 full time partners** out of which at least **1** should be **Fellow Chartered Accountant**;
- vi. The bidder should have professional **staff strength** of **minimum 10** including Audit and Articled Assistants;
- vii. The bidder should have minimum **turnover of Rs. 25 lakhs** or more in each of last three financial years;
- viii. The bidder should not be Statutory Auditors of IFCI Venture for last 3 years.

The bidder should refer the above eligibility criteria while filling the technical information as mentioned in Annexure II.

E. FOI DETAILS AND TIME LINES:

i. Award of Contract:

- The award of the contract for service as per the scope of work to the selected bidder i.e. selected Statutory Auditor shall be done based on the eligibility criteria mentioned above and the financial / commercial bids to be submitted by the bidder.
- Selection of L1 (Lowest 1) Bidder shall be based on the lowest aggregate bid received for all financial years.

ii. Important Dates:

All timings in this document follow Indian Standard Time (IST)

Sl. No.	Particulars	Dates
1	Date of advertisement and uploading of detailed tender / EOI document on the website (www.ifciventure.com) / cut-off date.	July 03, 2019
2	Last date for Pre-bid clarifications (IFCI Venture will provide appropriate responses to clarifications / questions received through emails.)	June 10, 2019
3	Last date for submission of bids in sealed envelope along with detailed techno-commercial proposals as per terms and conditions of this EOI.	July 12, 2019 01.00 p.m.
4	Tender opening at IFCI Venture office	July 12, 2019 02.00 p.m.

Please note that, in accordance with the general conditions of EOI, IFCI Venture may amend these dates or the EOI process at its sole discretion.

iii. Submission of Bids:

The prospective bidders, shall submit their financial bids for audit fees of **Venture Capital Fund for Scheduled Castes (VCF-SC) in the format at Annexure I** in properly sealed **envelope bearing** the title "**Expression of Interest (EOI) for appointment of Statutory Auditors for Venture Capital Fund for Scheduled Castes**". The Envelope shall also be labeled "**STRICTLY CONFIDENTIAL: TO BE OPENED ONLY BY THE ADDRESSEE OR AUTHORISED PERSONS OF THE ADDRESSEE**".

iv. Reserve fees for audit of VCF-SC:

- a) The minimum fee for audit of Venture Capital Fund for Scheduled Castes (VCF-SC) would be Rs 60,000/-(excl. taxes).

Financial Year	Minimum reserve Bid Amount
FY 2018-19, FY 2019-20 and FY 2020-21	Rs 60,000/- (excl. taxes) for each year

Note:

- Selection of L1 (Lowest 1) Bidder shall be based on the lowest aggregate bid received for all financial years.

v. Cost of Bidding:

The bidder shall bear all the costs associated with the preparation and submissions of bid and IFCI Venture will in no case be responsible or liable for these costs regardless of the conduct or outcome of the bidding process.

vi. The IFCI Venture's Right to Accept or Reject Bid or all Bids:

IFCI Venture reserves the right to accept or reject any bid or annul the bidding process and reject all bids at any time prior to award of contract without obligation of assigning any reason, or incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders on the ground for IFCI Venture's action.

F. GENERAL INSTRUCTIONS

1. If any false information/document is provided/submitted and it comes to the knowledge of IFCI Venture, IFCI Venture reserves the right to reject such bid at any stage or to terminate the contract, if awarded, with immediate effect and take legal action against the bidder /firm.
2. The Bidder / Firm must download the application form from the website of IFCI Venture and fill up all the relevant information in the prescribed Application format in Form at Annexure I and Annexure II.
3. No additional fields to be added in the prescribed application forms.
4. The bidders are required to attach copies of each of the following:
 - i. PAN card;
 - ii. GST Registration Number;
 - iii. Registration Certificate;
 - iv. Profile of the firm;
 - v. Any other relevant information.
5. The application form must be super scribed with "**Expression of Interest (EOI) for appointment of Statutory auditor of Venture Capital Fund for Scheduled Castes (VCF-SC)**". Also all the necessary documents and proofs required along with the application form must reach latest by **July 12, 2019 till 01:00 p.m.** to the under mentioned.

MANAGING DIRECTOR IFCI VENTURE CAPITAL FUNDS LIMITED, 16TH Floor, IFCI TOWER, 61 NEHRU PLACE NEW DELHI-110019
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6. IFCI Venture reserves the right to alter, modify, terms and conditions of the said transaction / Forms & any other documents without assigning any reason at any stage of transaction.
7. IFCI Venture may, at any time, without giving any reasons thereof, change/extend the deadlines/timelines outlined herein below and shall communicate such change/extension by way of notice only on IFCI Venture's website (www.ifciventure.com).
8. IFCI Venture reserves the right to reject/ accept any bid/ EOI and decide not to go ahead with the proposed transaction at any stage, without assigning any reason. The decision of IFCI Venture in this regard shall be final and conclusive.
9. All conditional and contingent bids shall be summarily disqualified at the sole discretion of IFCI Venture.
10. In case of any doubt regarding the terms and conditions and process of the sale, the decision of IFCI Venture shall be final.
11. All suits or proceedings relating to any dispute or claim arising out of or in course of performance of this contract/ transactions shall have jurisdiction situated at New Delhi only.
12. In case of any further clarification, you may contact below Nodal officer:-

Ms. Bhavana Rao Deputy General Manager (Fund Officer – VCF-SC) Email Id: funds@ifciventure.com Direct No.- 011-4173 2504

**Sd/-
Fund Officer**

Annexure-I**(On the Letter head of the bidder/firm)****EXPRESSION OF INTEREST
(Format for Financial Bid)**

To,

The Managing Director
IFCI Venture Capital Funds Limited
IFCI Tower, 61 Nehru Place
New Delhi – 110019

Dear Sir,

Re: Appointment of Statutory Auditor for Venture Capital Fund for Scheduled Castes (VCF-SC) vide Tender No. IFCI Venture/PE-VC Funds/VCF-SC/2019-20/02.

I/We _____ a Chartered Accountants Firm is / are pleased to submit our Financial Bid for acting as Statutory Auditor for **Venture Capital Fund for Scheduled Castes (VCF-SC)** as mentioned in the advertisement dated July 03, 2019 published by IFCI Venture Capital Funds Ltd. in Business Standard Newspaper.

Our lump sum fee for the same is below in the table:

Financial Year	Minimum reserve Bid Amount	Financial Bid (Rs.) (in figure and word)
FY 2018-19	Rs.60,000/- (excl. taxes) for each year.	
FY 2019-20		
FY 2020-21		
Aggregate Total (excl. taxes)		

The fee above is exclusive of all taxes.

Date:
Place:

Signature of authorized signatory
Name:
Designation:
Seal:

Annexure-II**(On the Letter head of the bidder/firm)****EXPRESSION OF INTEREST
(Format for Technical Bid)**

To,

The Managing Director
IFCI Venture Capital Funds Limited
IFCI Tower, 61 Nehru Place
New Delhi – 110019

Re: Appointment of Statutory Auditor for Venture Capital Fund for Scheduled Castes (VCF-SC) vide Tender No. IFCI Venture/PE-VC Funds/VCF-SC/2019-20/02.

1. Part A- General Information:-

Sl. No.	Particulars	Reply
1	Name of the Bidder / Firm of Chartered Accountant <ul style="list-style-type: none"> • Whether Partnership / Proprietorship / Others • Name of the Lead Partner/ Proprietor / Incharge • Name(s) of the Contact person(s) and the Contact details 	
2	Year of Commencement of Firm (Attach Documentary evidence)	
3	Details of Headquarter <ul style="list-style-type: none"> • Address • Telephone Nos. • Fax No. • Email • Website 	
4	Post Qualification Experience of Lead Partner/ Proprietor/ Individual including Service / Practice under whose supervision the Audit of IFCI Venture will be conducted. <ul style="list-style-type: none"> • Total Post Qualification Experience • Experience in Practice (Attach Documentary evidence)	
5	PAN No. (Attach Documentary evidence)	
6	GST No. (Attach Documentary evidence)	

2. Part B- Bidder/Firm Information :-

Sl. No.	Particulars	Reply
1.	Average annual turnover of the Bidder/ Firm in last three financial years based on ITR/Balance Sheet. (Attach Documentary evidence)	

2.	Number of Statutory Audit assignments handled in case of Financial Institutions/ Banks / Govt. NBFCs (Attach Documentary evidence)	
3.	Details of Qualified partners / employees (Names and Qualification to be given for each Qualified partner / employee) (Attach Documentary evidence)	

3. Part C- Any other Information:-

Sl. No.	Particulars	Reply
1	Any other relevant information. (Attach Documentary evidence)	

Declaration

1. All the information provided by me/us here above is correct to the best of my/our knowledge & belief.
2. I/We do not have any conflict of interest with IFCI Venture.
3. I/We have no objection if enquiries are made about the work listed by me/us in the accompanying sheets/annexure.
4. I/We have read all the terms & conditions of bid and the instructions and these are acceptable to me/us.

Signature:-----

Name & Designation of the Authorized Signatory:-----

Stamp of the Bidder/ Firm:-----

Date:

Place: