I. About EPI:

Engineering Projects (India) Ltd. (EPI), incorporated in 1970 as a Government of India Enterprise under the administrative control of Ministry of Heavy Industries & Public Enterprise, is a “Mini Ratna” Cat II PSU.

It’s authorized and paid –up capital is ₹909.40 Crores and ₹35.42 Crores respectively.

Since its inception, EPI has executed over 475 Multi-disciplinary projects in India valuing over ₹ 5608 Crores. EPI has also successfully executed 30 projects valued over US$782.00 million in Iraq, Kuwait, Saudi Arabia, UAE, Yugoslavia, Maldives and Bhutan. Through the execution of these projects, EPI has in its own way contributed immensely to the economic development of India and there is hardly any Indian State where its presence is not visible. EPI has the rare distinction of having worked for almost all power and steel plants in India in public as well as in private sector.

EPI is one of the first few companies to have been awarded integrated certification for Quality Management and the Environment System ISO9001:2000, ISO14001:2004 for all its areas of operation.

EPI has been recently converted into a public limited company from Private Ltd. Company and is in process of floating its equity in the market for mobilization of funds to meet any long term working capital requirements /disinvestment of equity stake by the Government.

More information about EPI is available on EPI's website www.engineeringprojects.com

II. SCOPE OF WORK FOR CONSULTANTS

The company is seeking professional services from reputed consultants to design and develop financial/Accounts/Audit manual for the company. The objectives, detailed scope, timelines and other terms etc. for the assignment are outlined in subsequent parts of this document.

III. Objectives of the Assignment:

The objectives of this assignment is to streamline the financial management function in the organization so as to ensure that:

- Consistent and uniform accounting policies are followed across all locations (i.e. Corporate Office and at Regional Offices).
- Clarity with respect to transactions accounted with regard to personnel functions.
- Clear delegation of power matrix available.
Processes are in line with the statutory requirements
Efficient, accurate processing and accounting of transactions with adequate control in place.
Process based approach is followed to identify, account and monitor revenue and cost for the organization.
Robust management information system.

IV. Scope of Services:

The scope of services would inter-alia include:

- Review of existing Accounts & Audit manual
- Developing finance and accounts policy manuals for the following functions:
  - Finance and Accounts
  - Budgeting and MIS
  - Internal Audit
- Training on the above manuals

Detailed sub activities to be covered in the above processes inter-alia includes:

1. **Finance and Accounts policy Manual** – the finance and accounts policy manual shall include the following areas:
   - Fixed asset & Depreciation Accounting.
   - Physical verification of Assets & Store.
   - Cash and Bank Accounting.
   - Contracts Accounting
   - Expense Accounting
   - Accounting for Employees' Remuneration and Benefits including EPF and Gratuity in the Books of EPIL.
   - Purchase and Store Accounting.
   - Inter Unit Accounting.
   - Share Capital
   - Loan Accounting
   - Treasury Management (Fund Planning, Monitoring/Working Capital Management, Treasury Related Accounting).
   - Investment Accounting
   - Final Accounts (Periodic & Annual).
   - Chart of Account (The chart of Accounts shall be provided by the consultants which should be compatible with the ERP environment to be implemented by EPIL.
   - Claim Processing.
   - Incorporation of Guidelines relating to finalization of accounts.
   - Interpretation of relevant Accounting Standard applicable to the construction company.
The Consultant may consider the implication of ERP solution pertaining to financial management and other matters as the company is in the process of introduction of ERP package.

- Impact of change due to implementation of IFRS.
- Procedure for compliance of all Statutory provisions including Income Tax Act, 1961, Companies Act, 1956, Service Tax, Labour Cess Act etc. applicable to Construction Industry

The accounting manuals shall cover the following aspects:

- Accounting policies.
- Key accounting controls
- List of documents/records to be maintained.
- Formats of the accounting documents/records.

2. **Budget Policy Manual** – Budgetary system prescribing the following:

- Roles and responsibilities for preparation of budget estimates and Budget Revision.
- Budget heads and linking with the account codes.
- Budget compilation, finalization, approvals and monitoring process
- Budget formats
- Appropriation and re-appropriation policy of budget estimates
- Budget monitoring reports to be generated (to be part of Financial MIS)
- Interface with the financial accounting system.

3. **Internal Audit Manual**

- Foundation of Internal Audit including background of Internal Audit, Role of Auditors etc.
- Managing Internal Audit (Organizing the department, Audit Staff, Engagement Memorandum).
- Check list of Audit Programme

- Audit Reports Replies & Communications (Form & Content of Audit Report).
- Relationship Management (Audit Committee, working with external auditors)

4. **Financial MIS** - Financial MIS, prescribing the following:

- Objectives
- Types of Reports
- Formats
- Frequency
- Distribution
- Responsibility for preparation
- Source of data
The finance and accounts manual should be prepared keeping in view compliance to statutory obligations/provisions, various accounting and auditing standards issued by ICAI, IFRS, approved policies of EPIL as relevant.

V. Training and implementation support

The consultants would impart training to EPIL finance staff for the manuals. The consultants would describe in detail the manner in which training would be provided to EPIL.

VI. Other aspects

- EPIL shall make available to the consultant office working space and all internal office policies, circulars, manuals etc. free of charge for timely completion of the Manuals.

- The manuals/reports shall cover the activities performed by Finance & Accounts Department including interfaces with other departments.

VII. Time Frame

EPIL intends to finalise this assignment and get a signed off copy of manuals from the relevant process owners not later than 4 months from the date of commencement of the assignment.

VIII. ELIGIBILITY CRITERIA FOR APPLICANTS

The applicant should be an entity incorporated under Indian Companies Act, 1956 and is an existence for a minimum period of 15 years and should have Corporate Office at Delhi/NCR.

The following eligibility criteria are mandatory, non-fulfillment of which will lead to disqualification of the bid:

a) The applicant should have experience in providing advisory services across a range of services in the area of financial management and FMIS including design, development and implementation of financial management system and manuals, computerized FMIS etc.

b) The minimum average turnover of the applicant as evidenced by the last three years audited balance sheet shall not be less than Rs.5 Crores (Rupees Five Crores only) and should have earned profits in each of the said years.

c) The applicant should have provided consulting services in the development of Finance Manual and Design, Development of Computerized Financial Management System for at least two public sector entities/government departments.

d) The Firm should submit their complete profile of Directors/Partners/Individual including details of manpower permanent /contract basis.
e) Copy of Memorandum and Articles of Association, PAN and PF Registration number (if applicable) is to be submitted

IX. Confidentiality:

All deliberations relating to preparations of the Finance Manual including all information collected from various meetings/documents, primary & secondary data etc. shall be kept confidential and shall not be divulged to any third party either verbally or in writing or in any other form.

X. Time Period:

The Finance/Accounts & Audit Manual shall be prepared within 4 months from the date of LOI.

XI. Price Basis:

Lump sum price inclusive of service tax and other applicable taxes, duties and levies etc. is to be quoted.

XII. Payment Terms:

a. First installment of 10% of the fee within fifteen days of submission of Synopsis and schedule for preparation of Manual.

b. Second installment of 25% of the fee within fifteen days of submission of 1st Draft Manual.

c. Third installment of 25% of the fee within fifteen days of submission of 2nd Draft Manual.

d. Fourth installment of 30% of the fee within one month of submission of Final Draft Manual.

e. Final installment of 10% of the fee after three months from the date of acceptance of final Manual by EPI.