

INVITATION FOR BID

Tender no. MMTC/MTPL/FR/2023-24

Date 18.08.2023

Tender Closing time & date: 12:00 hrs. on 28.08.2023

MMTC invites applications from Audit/Accounting/Consultancy firms for conduct of forensic audit as per the details below:

MMTC Ltd. an India incorporated company whose principal shareholder is the Government of India. “MMTC Transnational Pte. Ltd (UEN: 199407265M), also known as MTPL”, is a Singapore incorporated company which principally trades in commodities. MTPL is a wholly owned subsidiary of MMTC Ltd. and located at 3 Raffles place #08-01 Bharat Building, Singapore 048617.

Scope of work:

Forensic Audit of all business transactions for the period from 1st April 2022, till date, including flow of business related frauds and funds. It is for information that there are approximately minimum 160 (One hundred sixty) trade transactions during the aforesaid period. Turnover of MTPL during 2022-23 was **US\$ 405 million (approx.)**

Terms and conditions for Bidders:

- Tender closing date: 12:00 hrs. on 28.08.2023
- Tender opening date: 14:30 hrs. on 28.08.2023
- Tender to be submitted in e-tender platform as well as physically in sealed envelope at MMTC Limited (Room No. 309), Core 1, SCOPE Complex, Lodhi Road, New Delhi -110003
- Location of Audit: MTPL, 3 Raffles place #08-01 Bharat Building, Singapore 048617
- Bidder must have experience of at least one similar kind of Audit work in past three years of similar volume. Bidder shall submit documentary evidence to this effect.
- Bidder must have office in India and Singapore.
- Work order to be placed on Indian office of L1 bidder.
- Successful Bidder to complete the Forensic Audit within 30 days from the date of issuance of work order.
- Final report to be submitted in physical form (six copies) as well as a soft copy.
- Bidder to quote all inclusive lumpsum price in INR, applicable taxes at actuals.
- Offer to be valid for acceptance till 17:00 hrs. of 08.09.2023
- MMTC reserves the right to accept or reject the bid without assigning any reason thereof.

- In case of breach of any of the above mentioned conditions, MMTC reserve the rights to terminate the work order without assigning any reason/notice thereof.

Details of Scope of Work to:

- Determine if any indications of financial irregularities or falsification of accounts exist.
- Determine the nature of such improprieties and/or irregularities; identify the person(s) involved and the modus operandi adopted.
- Review operations to identify if there are instances that may have resulted in financial loss to the company.
- Determine the amounts receivable and payable from buyers/suppliers/banks.
- Digital evidence recovery on the computer hard disk of machine used by the officials of MTPL Singapore and analyse the same.
- Review of Compliance with Delegation of Power (DoP). Conduct of business as per DoP.
- KYC conduct of covering the business and financial risk.
- Deviation in trade terms and financial policies compared to the guidelines.
- Conduct of purchase and sales as per the guidelines.

Review of Financial and Accounting Irregularities:

- Conduct a forensic review of the financial, accounting and other records and documentation (to the extent provided) during the review period, to identify instances or irregularities and potential falsification of accounts, if any. The review to cover the following areas :

Review of sales and receivables:

- Transactions of CAD through bank, L/Cs (SBLCs), Trust Receipts to bank if any, and the usage of the credit.
- Review internal documentation to determine the role of banks in allowing drawing limits cover and above the limits allocated by the bank alongwith the underlines if any. Highlights on such instances.
- Wrong entries in books of accounts.
- Determination of concealment of facts during accounts closing of Financial Year.

Review of procurement and expenses accounts:

- Review remittances to the suppliers to identify deviations if any.
- Review reconciliation of foreign suppliers' account in the MTPL's books with the statement received from the suppliers.

Any other issues relating to conduct of Forensic Audit.

Earnest Money Deposit (EMD)

An amount of Rs. 5,00,000 (Rupees Five Lakhs) as EMD to be deposited by bidder along with Bid in MMTC bank account.

EMD furnished by all unsuccessful bidders shall be returned to them without any interest whatsoever at the earliest after expiry of the final tender validity period.

EMD for the successful bidder shall be adjusted against Performance Bank Guarantee.

Performance Bank Guarantee (PBG).

Successful bidder to submit 10% (Ten percentages) of the bid value towards performance guarantee prior to issuance of Work Order. PBG to be valid for six months from the date of Work Order.

Payment Terms:

Payment to be released against Tax Invoice at the following stages:

- **First Payment:** 25% payment to be released as mobilisation fund (if required) against BG equivalent to 25% of Bid value, payable at the counters of any scheduled bank in India.
- **Second Payment:** 50% payment to be released against submission of interim report or 75% to be released in case bidder doesn't require the mobilisation fund.
- **Final Payment:** Balance 25% to be released against submission of final report.

Confidentiality:

The Parties shall treat the terms and conditions of this contract as confidential and proprietary information during the validity of contract and two years after the completion or termination of the contract. Neither Party shall disclose any such information to any third party without the other Party's prior written consent, which consent shall not be unreasonably withheld; provided, however, that no such consent shall be needed where such disclosure (i) is required by law, regulation, or regulatory agencies having jurisdiction over one of the Parties or (ii) is made in connection with a Party's assertion of a claim or defense in a legal proceeding, and that in either of these events, the Party intending to make such disclosure shall advise the other Party in advance and cooperate to minimize the disclosure of any such information.

INDEMNITY:

The bidder undertakes to fully indemnify and at all times keep MMTC fully indemnified and harmless against any actions, sanctions, claims, losses, demurrage, demands, expenses or costs whatsoever that MMTC may incur and / or suffer on account of any default on the part of the agency in the discharge of the obligation under this tender/contract, including but not limited to the claims and any other circumstances. In case, bidder fails / has failed to deliver service as per terms and condition set out in tender/agreement/contract or if MMTC at its sole discretion considers that the bidder is not in a position to fulfil its obligations, MMTC may without being obliged to do so and without prejudice to any of its other rights and remedies, repudiate this contract/agreement and procure the scope of work done at the cost and risk of the successful bidder from alternative sources. The provisions of the aforementioned indemnity clause shall survive the termination of this contract.

ARBITRATION:

All disputes or differences whatsoever arising under or out of or relating to the construction, meaning and operation or effect of this contract or the breach thereof shall be settled by arbitration in accordance with the rules of arbitration of Indian Council of Arbitration as amended from time to time, and the award made in pursuance thereof shall be binding on the parties. The governing law shall be laws of India. The venue and seat of arbitration shall be New Delhi, India. The language of arbitration shall be English.

FORCE MAJEURE:

- a. If at any time during the existence of this contract either party is unable to perform in whole or in part any obligations under this contract because of war, hostility, civil commotions, sabotage, quarantine restrictions, acts of God and acts of Government (including but not restricted to prohibition of exports or import), fires, floods, explosions, epidemics, strikes, embargoes, then the date of fulfillment of engagement shall be postponed during the time when such circumstances are operative.
- b. Any waiver/extension of time in respect of the delivery of any installment or part of the goods shall not be deemed to be a waiver/extension of time in respect of the remaining deliveries.
- c. If operation of such circumstances exceeds three months, each party shall have the right to refuse further performance of the contract by giving written notice to the other party in which case neither party shall have the right to claim eventual damages.
- d. The party which is unable to fulfill its engagements under the present contract must within 15 days of occurrence of any of the causes mentioned in this clause shall inform the other party in writing of the existence or termination of the circumstances preventing the

performance of the contract. Certificate issued by a Chamber of Commerce in the country of Seller or the Buyer shall be sufficient proof of the existence of the above circumstances and their duration.

FRAUD PREVENTION

(1) Commitments of the Bidder(s) / Contractor(s) / Buyer(s) / Vendor(S):

The Bidder(s) / Contractor(s) / Buyer(s) / Vendor(S) shall be bound to take all measures necessary to prevent Fraud and Corruption while dealing with MMTC. They agree and undertake to observe the principles/ provisions as laid down in “Fraud Prevention Policy” of MMTC (full text of which is available on MMTC’s website at <http://mmtclimited.com> during their participation in the tender process, during the execution of contract and in any other transaction with MMTC.

- (a) The Bidder(s)/Contractor(s)/Buyer(s)/Vendor(S) shall not, directly or through any other person or firm, offer, promise or give or otherwise allow any of MMTC’s employees any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
- (b) The Bidder(s)/Contractor(s)/Buyer(s)/Vendor(S) shall not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
- (c) The Bidder(s)/Contractor(s)/Buyer(s)/Vendor(S) shall not commit or allow any employees of MMTC to commit any offence under the relevant provisions of IPC/Prevention of Corruption Act; further the Bidder(s)/Contractor(s) Buyer(s)/Vendor(S) will not use improperly or allow any employee(s) of MMTC, for purposes of competition or personal gain, or pass onto others, any information or document provided by MMTC as part of the business relationship, including information contained or transmitted electronically.
- (d) The Bidder(s)/Contractor(s)/Buyer(s)/Vendor(S) shall not instigate third persons to commit offences/activities outlined in Fraud Prevention Policy or be an accessory to such offences.
- (e) The Bidder(s)/Contractor(s)/Buyer(s)/Vendor(S) if in possession of any information regarding fraud/suspected

fraud, hereby agree and undertake to inform MMTC of same without any delay.

- (2) Disqualification from tender process and exclusion from future contracts: If the Bidder(s)/Contractor(s), before award or during execution has committed a transgression through a violation of this Clause, above or "Fraud Prevention Policy" of MMTC in any other form such as to put their reliability or credibility in question, MMTC other than taking recourse available under law, shall be entitled to disqualify the Bidder(s)/ Contractor(s) Buyer(s)/ Vendor(S) from undertaking any transaction with MMTC and/or declare the bidder(s)/contractor(s) ineligible to be awarded a contract either indefinitely or for a stated period of time.
- (3) Damages: If MMTC has disqualified the Bidder(s) from the tender process prior to the award or during execution according to this Clause(2), MMTC shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank

HOLIDAY LISTING:

Notwithstanding anything contained in this agreement, MMTC's policy for holiday-listing of an agency mutatis mutandis applies to this agreement and in the event, the agency(s) while discharging its obligations under the agreement or otherwise, come(s) within the ambit of the said policy, MMTC at its sole discretion reserves the right to suspend/discontinue dealings or take any curative measures with the agency(s) in accordance with the policy in force.

For any clarification please contact Mr Abhay Kumar, GM, Mobile-9650111299 email : abhay@mmtclimited.com or Mr. Jyoti Prakash, AGM (F &A) Mobile: 9810675862 email : jprakash@mmtclimited.com.

Thanking you,

Yours faithfully,
For MMTC Ltd.,

General Manager
(Room No. 309)