

NOTICE INVITING QUOTATIONS

FOR

IN-DEPTH (FORENSIC) STUDY BY AN INDEPENDENT AGENCY TO UNDERSTAND THE REASONS FOR LOSSES OF APITCO DURING FY 2017.

A. Introduction

APITCO was incorporated, as a Public Limited Company under the provisions of the Companies Act 2013, in 1976 as a Technical Consultancy Organization (TCO) with IDBI as lead promoter. The organization is now jointly promoted by all-India financial institutions (SIDBI, IFCI, ICICI), Government Corporations (APIDC, APSFC) and Public-Sector Banks (State Bank of India, Andhra Bank, Indian Bank & Syndicate Bank).

APITCO provides diverse Technical, Management & Development Consulting services to Government & Industry. Since inception, it has been offering diversified consulting services for promotion and growth of micro and small & medium enterprises.

B. Need of the Study

APITCO Ltd is a profit oriented organisation and has been earning profits and declaring dividends for the past 10 years. However, during the FY 2017, the company has incurred a net loss of Rs.8.64 crore. The company has indicated that the losses incurred is mainly due to inability in meeting the target of trainings under ----- Skill Project, due to few operational problems faced, reduction in the targets in training programme of Ministry of ----- and unexpected extension of duration of training programme of -----.

In this connection, the Board of Directors in its meeting held in April 2018, has deliberated on the reasons for the company incurring a huge loss in FY 2017. It was decided in the Board meeting that an In-depth (forensic) assessment study has to be undertaken by an independent agency in respect of the projects which have contributed to the loss of the company.

C. Scope of the Study

i	In-depth (forensic) study by an independent agency is to understand the reasons for losses of APITCO. The in-depth study should cover analysis of project expenditure in detail; voucher based if required, its justification to that project, time delays resulting in cost overruns, basis of selection of vendors and training partners, lapses on managerial practices etc. The analysis should cover from FY 2013-14 to FY 2016-17
Ii	What are the projects which have contributed to the losses of APITCO Ltd?

iii	What are the terms of agreement for executing the projects particularly ----- and compliance to the terms?
iv	Who is the authority to approve the project work? What is the methodology followed for taking up a project work?
v	Whether proper examination of the profitability of the project (particularly -----). Skill sets available to execute the project and the logistics required was undertaken before accepting the assignment?
vi	What are the agreements executed for taking up the project?
vii	During the year 2016-17, APITCO Ltd incurred a loss of Rs.8.64 crore, the bifurcation of project-wise loss and the specific reasons thereof.
viii	What is the dispute between APITCO and the vendor -----?
ix	Before outsourcing part of the work to -----, whether the capability and previous track record of ----- was examined, in comparison to other similar agencies, considering the size of the project.
x	Whether proper methodology was followed while selecting ----- and adequate documentation was done to safe guard the interests of APITCO?
xi	Whether the execution and monitoring of the projects by APITCO and monitoring of ----- were adequate?
xii	----- has issued a legal notice to APITCO claiming overdue fee payable to MSS of Rs.-- ---- crore as on January 31, 2017. APITCO is disputing the claim and demanding payment of Rs.----- crore from ----- . Please examine this issue and offer your comments.
xiii	Reasons for reduction in targets in Training programme of Ministry of ----- Project.
	Reasons for fall in revenue and consequently the profit margin in business verticals such as Tourism, Cluster Development, Environment and Asset Reconstruction & Management Services.
xiv	Reasons for the undue elongation of the projects of -----, whether it was due to new additional requirements stipulated by the customer or whether there were any slippages in implementation of the project.
xv	What are the lessons learnt from the projects and preventive measures to be adopted while undertaking similar skill development projects in future?

Specific details of the projects and clients in the above reference will be provided to shortlisted agency.

D. Qualifications of the Agency

Agency interested to quote and conduct the study

- I. Should be empaneled with C&AG (please attach copy of the document)
- II. Minimum 25 years of experience in conducting audits (please attach copy of the document)

- III. Should have conducted audits in public sector undertakings and be well versed with its procedures (list the PSUs, state or central, audited with years of the audit)
- IV. Must have conducted five in depth / due diligence audits / studies in the last ten years (list the clients with brief description of the audit activity)
- V. Must not have any association with APITCO in terms of audits/studies/certifications/any other services in the last ten years. **A declaration on the letter head of the agency by the authorized signatory is to be attached with the quotation.**

E. Time lines

The study is to be completed within 30 days from the date of work order from APITCO.

F. Payment terms

- (i) No advance payments are possible.
- (ii) 25% of the awarded fee will be paid upon submission of draft report
- (iii) 65% of the awarded fee will be paid upon accepting the report by the accepting authority, BoD of APITCO.
- (iv) 10% of the awarded fee will be paid upon submission of the final report

G. General Terms

1. Last date for submission of quotations is **24th July 2018** up to 5.00pm in the APITCO Office, Hyderabad. Interested and qualified agencies are requested to submit their quotations before the last date in **signed sealed covers** addressed to

The Managing Director,
APITCO Limited,
8th Floor, ParisramaBhavanam,
Basheerbagh,
Hyderabad 500 004

2. Tender accepting authority is Managing Director, APITCO.
3. Study Report accepting authority is BoD, APITCO and their decision is final. The shortlisted agency, after conducting the study, should present the report to BoD, APITCO.
4. No disclaimer clauses are accepted in the report. The report should be based on factual evidences and the observations of the study should result in taking meaningful decisions by BoD for the interest of APITCO.
5. The quotation should contain documentary support for the qualification's part, financial quote and copy of this **NIQ duly signed by the authorized signatory confirming to acceptance of terms and conditions mentioned therein.**
6. The financial quote is a lumpsum contract amount including all applicable taxes. The fee and tax amounts are to be shown separately, if any. No variable costs to be mentioned and nor such expenses shall be reimbursed.
- 7. The financial quote to be submitted in a separate signed sealed cover**
8. Incomplete quotations without proper documentary support or unclear/subjective financial terms will be rejected and no further correspondence is entertained with such agencies.
