



संस्थागत वित्त उदभाग (आईएफवी), सिडबी के

संचालन की समवर्ती लेखा परीक्षा हेतु निविदा

भारतीय लघु उद्योग विकास बैंक

लेखा-परीक्षा वर्टिकल

4th तल, सिडबी टावर

15, अशोक मार्ग

लखनऊ- 226001

वेबसाइट-www.sidbi.in

निविदा सं. 314/2019/1413/HO1/IAD

इस निविदा दस्तावेज के उत्तर में बोलीकर्ता से प्राप्त सूचना सिडबी की संपत्ति हो जाएगी और वापस नहीं की जाएगी। सिडबी को इस निविदा दस्तावेज को संशोधित करने, रद्द करने और दुबारा जारी करने का अधिकार है। निविदा दस्तावेज तथा सभी संशोधनों से बोलीकर्ताओं को अवगत कराया जाएगा तथा उक्त संशोधन बोलीकर्ताओं के लिए बाध्यकारी होंगे।

(इस दस्तावेज का आंशिक अथवा पूर्णतः किसी भी रूप में, पुनः उपयोग अथवा प्रतिलिपि करण अथवा उपयोग न किया जाए)



**Small Industries Development
Bank of India**

Request for Proposal (RfP)

**For
Concurrent Audit of Operations of
Institutional Finance Vertical (IFV), SIDBI**

Small Industries Development Bank of India

Audit Vertical

4thFLOOR, SIDBITOWER,

15, ASHOK MARG,

LUCKNOW - 226001

Website : www.sidbi.in

Tender No. **314/2019/1413/HO1/IAD**

THE INFORMATION PROVIDED BY THE BIDDERS IN RESPONSE TO THIS TENDER DOCUMENT WILL BECOME THE PROPERTY OF SIDBI AND WILL NOT BE RETURNED. SIDBI RESERVES THE RIGHT TO AMEND, RESCIND OR REISSUE THIS TENDER DOCUMENT AND ALL AMENDMENTS WILL BE ADVISED TO THE BIDDERS AND SUCH AMENDMENTS WILL BE BINDING ON THEM.

(THIS DOCUMENT SHOULD NOT BE REUSED OR COPIED OR USED EITHER PARTIALLY OR FULLY IN ANY FORM)

महत्त्वपूर्ण जानकारी का सारांश

- 1) सिडबी इस आरएफपी में किसी भी संशोधन सहित किसी भी संशोधन / परिवर्तन करने का एकमात्र अधिकार सुरक्षित रखता है। इस आरएफपी में किसी भी परिशिष्ट सहित इस तरह के संशोधन / परिवर्तन सिडबी की वेबसाइट www.sidbi.in पर अधिसूचित किए जाएंगे और ये बोलीदाताओं पर बाध्यकारी होंगे।
- 2) बोलीकर्ताओं को सूचित किया जाता है कि निविदा दस्तावेज़ का ध्यानपूर्वक अध्ययन कर लें। बोली प्रस्तुत करने पर यह माना जाएगा कि निविदा दस्तावेज़ को ध्यान से देख लिया गया है और उसके निहितार्थों को भली भाँति समझ लिया गया है।
- 3) बोलीकर्ता से प्राप्त समस्त स्पष्टीकरण अथवा अपेक्षा में किसी परिवर्तन की जानकारी सिडबी की वेबसाइट पर दी जाएगी। अतः बोली प्रस्तुत करने से पहले बोलीकर्ता को यह अवश्य सुनिश्चित कर लेना चाहिए कि ऐसे स्पष्टीकरणों/ परिवर्तनों पर उन्होंने विचार कर लिया है। किसी बोलीकर्ता द्वारा चूक किए जाने पर सिडबी की कोई जिम्मेदारी नहीं होगी।
- 4) बोलियों की जाँच, आकलन और तुलना में सिडबी को जैसी भी मदद की आवश्यकता होगी, उसके लिए वह अपने विवेकानुसार बोलीकर्ता से स्पष्टीकरण का अनुरोध कर सकता है। उत्तर/ स्पष्टीकरण लिखित में दिए जाएँगे और बोली के पदार्थ-मूल्य में कोई परिवर्तन करने के लिए न कहा जाएगा, न प्रस्तावित किया जाएगा और न ही उसकी अनुमति दी जाएगी।
- 5) कृपया ध्यान दें कि बोली दस्तावेज़ के लिए अपेक्षित समस्त सूचना का दिया जाना आवश्यक है। इन विषयों पर अपूर्ण जानकारी देने पर चयन से वंचित रहना पड़ सकता है।
- 6) बोली में संशोधन और/ अथवा वापस लिया जाना
एक बार प्रस्तुत की गई बोली को अंतिम माना जाएगा और उसके पश्चात् किसी पत्राचार पर विचार नहीं किया जाएगा। बोली प्रस्तुतीकरण की अंतिम समय-सीमा समाप्त हो जाने पर किसी भी बोली में संशोधन नहीं किया जाएगा। यदि कोई बोलीकर्ता सफल बोलीकर्ता हो तो उस बोलीकर्ता को बोली वापस लेने की अनुमति नहीं होगी।
- 7) प्राप्त हुई किसी अथवा सभी निविदाओं को बिना कोई कारण बताए अस्वीकार करने का अधिकार सिडबी को है।

टिप्पणी:

किसी भी कारण से बोली दस्तावेज़ के प्राप्त न होने/ गैर-सुपुर्दगी के लिए सिडबी की कोई जिम्मेदारी नहीं होगी।

Critical Information Summary

- 1) The RfP is posted on the SIDBI website www.sidbi.in. SIDBI reserves the sole right for carrying out any amendments/ modifications / changes including any addendum to this RfP. Such amendments / modifications / changes including any addendum to this RfP shall be notified on SIDBI's website www.sidbi.in and these will be binding on the bidders.
- 2) Bidders are advised to study the tender document carefully. Submission of bids shall be deemed to have been done after careful study and examination of the tender document with full understanding of its implications.
- 3) Any clarifications from bidder or any change in requirement will be posted on SIDBI website. Hence, before submitting bids, bidder must ensure that such clarifications / changes have been considered by them. SIDBI will not have any responsibility in case some omission is done by any bidder.
- 4) In case of any clarification required by SIDBI to assist in the examination, evaluation and comparison of bids, SIDBI may, at its discretion, ask the bidder for clarification. The response / Clarification shall be in writing and no change in the price of substance of the bid shall be sought, offered or permitted.
- 5) Please note that all the information required as per the bidding document needs to be provided. Incomplete information in these areas may lead to non-selection.
- 6) Modification And/ Or Withdrawal of Bids:

Bids once submitted will be treated as final and no further correspondence will be entertained. No bid shall be modified after the deadline for submission of bids. No bidder shall be allowed to withdraw the bid, if bidder happens to be the successful bidder.

- 7) SIDBI has the right to reject any or all bids received without assigning any reason whatsoever.

NOTE:

SIDBI SHALL NOT BE RESPONSIBLE FOR NON-RECEIPT / NON-DELIVERY OF THE BID DOCUMENTS DUE TO ANY REASON, WHATSOEVER.

Schedule of events:

Sr. No.	Bid Reference - 314/2019/1413/HO1/IAD		
1	Purpose	Concurrent Audit of Operations of Institutional Finance Vertical (IFV), Mumbai.	
2	No. of Envelopes (Non window, sealed) to be submitted	One (1) Envelope. <i>1 set of Hard copy should be submitted in sealed single.</i>	
3	Last date of submission of Bids	December 24, 2018 at 2:00 p.m (Monday)	
4	Venue, Date and Time of opening of Bids.	December 24, 2018 by 3:00 p.m at the address given at Sr. No. 8.	
5	Date of Pre-bid meeting	December 10, 2018 by 4:00 p.m	
6	Response to clarification/pre-bid meeting	December 17, 2018 by 4:00 p.m	
7	Bid Validity	6 months from the last date of submission of Bids.	
8	Address for submission of Bids	The General Manager Audit & Fraud Management Vertical SIDBI, 4 th Floor SIDBI TOWER, 15, ASHOK MARG, LUCKNOW - 226001 Ph : 0522-2288546-50 E-mail: auditvertical_ho@sidbi.in	
9	Contact Persons:		
	Name & Designation	Phone	e-mail
	Susheel Kumar Agrawal [M]	0522-4259821	auditvertical_ho@sidbi.in
	Arup Kumar Vishwakarma [M]	0522-4259788	auditvertical_ho@sidbi.in

If a holiday is declared on the dates mentioned above, the proposals shall be received / opened on the next working day at the same time specified above and at the same venue unless communicated otherwise.

Introduction and Disclaimers

1.1 Purpose of RfP

The purpose of RfP is to shortlist experienced professional firm/ Limited Liability Partnership (LLP) of Chartered Accountants, for undertaking Concurrent Audit of Operations of Institutional Finance Vertical (IFV) of SIDBI at **Mumbai**.

Table – I

Sl. No.	Name of the HO Vertical	Head Office	O/S as on March 31, 2018 (₹ in Crore)	Appendix on Scope of work
1	Institutional Finance Vertical (IFV) (NBFC & SFB)	Mumbai	15, 246	Appendix-I

1.2 Purpose of RfP

The Request for Proposal document contains statement derived from information that is believed to be relevant at the date but does not purport to provide all the information that may be necessary or desirable to enable an intending contracting party to determine whether or not to enter into a contract or arrangement with SIDBI. Neither SIDBI nor any of its employees, agents, contractors or advisors gives any representation or warranty, express or implied, as to the accuracy or completeness of any information or statement given or made in this document. Neither SIDBI nor any of its employees, agents, contractors, or advisors has carried out or will carry out an independent audit or verification exercise in relation to the contents of any part of the document.

1.3 Disclaimer

Subject to any law to the contrary, and to the maximum extent permitted by law, SIDBI and its officers, employees, contractors, agents and advisors disclaim all liability from any loss or damage (whether foreseeable or not) suffered by any person acting on or refraining from acting because of any information including forecasts, statements, estimates or projections contained in this RfP document or conduct ancillary to it whether or not the loss or damage arises in connection with any negligence, omission, default, lack of care or misrepresentation on the part of SIDBI or any of its officers, employees, contractors, agents, or advisers.

1.4 Costs to be borne by Applicants

All costs and expenses incurred by Applicants in any way associated with the development, preparation, and submission of responses, including but not limited to the attendance at meetings, discussions, demonstrations, etc. and providing any additional information required by SIDBI, will be borne entirely and exclusively by the Applicant.

1.5 No Legal Relationship

No binding legal relationship will exist between any of the Applicants and SIDBI until execution of a contractual agreement.

1.6 Applicant Obligation to Inform Itself

The Applicant must conduct its own investigation and analysis regarding any information contained in the RfP document and the meaning and impact of that information.

1.7 Evaluation of Offers

Each applicant acknowledges and accepts that SIDBI may in its absolute discretion apply selection criteria specified in the document for evaluation of proposals for shortlisting/ selecting the eligible Concurrent Auditor(s). The RfP document will not form part of any contract or arrangement, which may result from the issue of this document or any investigation or review carried out by a Recipient.

1.8 Maintaining Secrecy and Confidentiality

The applicant shall be liable to maintain secrecy and confidentiality of all the information/ data / operations, etc. of SIDBI.

1.9 Errors and Omissions

Each applicant should notify SIDBI of any error, omission, or discrepancy found in this RfP document.

1.10 Acceptance of Terms

An applicant will, by responding to SIDBI for RfP, be deemed to have accepted the terms of this Introduction and Disclaimer.

2. Lodgment of RfP

2.1 RfP submission:

- ◆ RfP document submission is required to be done by **December 24, 2018 (Monday) (2.00 PM)** as under :-

Hard copy should be submitted at the following address in sealed single envelope superscribed at the top of the envelope – “Request for Proposal (RfP) for Concurrent Audit of Operations of Institutional Finance Vertical (IFV), Mumbai, SIDBI”.

The General Manager

Audit & Fraud Management Vertical
Small Industries Development Bank of India (SIDBI)
SIDBI Tower, 15, Ashok Marg,
Lucknow – 226001 (U. P.)
Telephones: (0522) 2288546-50
Email: auditvertical_ho@sidbi.in

RfP must be submitted on or before the aforementioned closing date and time.

- **Fax / e-mail copies of any submission are not acceptable and will be rejected by the Bank.**
- **Copy of bids and attachments must be provided in a sealed envelope.**

The person(s) signing the bids shall initial all pages of the bid. The bid shall contain no erasures or overwriting except as necessary to correct errors made by the applicant, in which case corrections shall be initialed by the person(s) signing the bid.

If the submission does not include all the information required or is incomplete, the proposal is liable to be rejected.

All submissions, including any accompanying documents, will become the property of SIDBI. Applicants shall be deemed to license, and grant all rights to SIDBI to reproduce the whole or any portion of their submission for the purpose of evaluation, to disclose the contents of the submission to other Respondents and to disclose and / or use the contents of the submission as the basis for any resulting RfP process, notwithstanding any copyright or other intellectual property right that may subsist in the submission or accompanying documents.

2.2 RfP Validity Period

The proposal must remain **valid and open for evaluation according to their terms for a period of at least six (6) months** from the time the RfP closes on the deadline for lodgment of RfP.

2.3 Cost of RfP Document

No cost has been prescribed for the RfP Document.

2.4 One bid/ application per applicant

Applicant can submit application for engagement as concurrent auditor for institutional finance vertical (IFV) at Mumbai where applicant has a regular office set-up, either head office or full fledged branch offices.

Firms already engaged with SIDBI:

- ***SIDBI shall engage the services of a firm/ LLP for carrying out Concurrent Audit of only one office of SIDBI. Accordingly, in case the applicant has already been engaged as Concurrent Auditor by SIDBI for any of its branches and or HO Verticals, such Firm/ LLP will not be eligible under this RfP.***

- ***Such firms/ LLP only after completion of specific period (continuous three years), cooling period of one year would be observed for considering the services of the CA firm again in the same HO Vertical.***

2.5 Late Applications

Any RfP / application received after the deadline for submission of the bids/ applications will be treated as “**Late Application**” and such late applications shall not be considered at all for competitive consideration.

2.6 Requests for Proposal

SIDBI may, in its absolute discretion, seek additional information or material from any applicants after the RfP closes and all such information and material provided must be taken to form part of that Applicant’s response.

Applicants should provide details of their contact persons, Fax, Telephone, email and full address(s) to ensure that replies to bids could be conveyed promptly.

If SIDBI, in its absolute discretion, deems that the originator of the question will gain an advantage by a response to a question, then SIDBI reserves the right to communicate such response to all Applicants.

SIDBI may, in its absolute discretion, engage in discussion or negotiation with any Applicant (or simultaneously with more than one Applicant) after the RfP closes to improve or clarify any response.

2.7 Notification

SIDBI will notify all short-listed Applicants in writing as soon as practicable about the outcome of their bids. SIDBI is not obliged to provide any reasons for any such acceptance or rejection.

2.8 Disqualification

Any form of canvassing / lobbying / influence / query regarding shortlisting, status, etc. will lead to disqualification.

3 About SIDBI

- 3.1 Small Industries Development Bank of India (SIDBI), set up on April 2, 1990 under an Act of Indian Parliament, is the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector and for Co-ordination of the functions of the institutions engaged in similar activities.

SIDBI provides its services through a network of Branch Offices located all over India. Detailed information on the functions of SIDBI is provided on the website, www.sidbi.in

3.2 SIDBI offers several financial and non-financial products and services for catering the financial and non-financial needs of Micro Small and Medium Enterprises (MSMEs) through its field level offices. These include the following broad areas:

- ◆ Direct Finance
- ◆ Bills Finance
- ◆ Refinance
- ◆ Promotion and Development
- ◆ Micro-finance

4 Project Particulars:

The scope of work for Institutional Finance Vertical (IFV) is given in **Appendix I**.

5 Fee Structure:

The fee structure under this mechanism is based on the outstanding portfolio of the Head Office Vertical as at the end of previous financial year. The award of contract to CA firms/ LLPs to undertake concurrent audit will be as per fee structure issued by the Bank from time to time. The present slab fee structure, based on the outstanding portfolio size and Average Transactions/ day is indicated below:

Outstanding Portfolio/ Average Transactions/ day	Fee Payable Per Month (excluding GST, etc.)
` 15,246 Crore	` 35,000/ -
Note: Maximum upto 5% annually enhancement in remuneration may be considered, if the contract is renewed, after one year, provided the performance is found satisfactory.	

No out of pocket expenses or traveling allowance/ halting allowance would be paid to the concurrent audit firm/ LLP for carrying out the audit. However, the service tax, education cess/ GST, etc. would be paid by the Bank, as applicable, in addition to the basic fees. The payment to the concurrent auditors would be subject to deduction of tax at source, at applicable rates.

6 Selection process

This RfP will be assessed on the following Selection process:-

Invite Request for Proposal (RfP) wherein Technical Evaluation information is submitted in envelope.

Technical evaluation:

- a) The Applicant is required to submit the details of its proposal in sealed envelope. The **envelope** should be superscribed "For Technical Evaluation"

for said Concurrent Audit and should contain detailed statement giving the various technical particulars of the proposal covering aspects of the Applicant like name and location, year of establishment, names of its partners, staff, their qualification/ experience, registration number of the firm/ LLP, details of ICAI membership/ Certificate of Practice details, methodology proposed and all other such relevant particulars in the format given in **Para 1.5.4 of Appendix I.**

- b) **After the expiry of last date for submission of bids/ application**, the envelope containing the compliance on the “Technical Evaluation” would be opened in respect of all the applicants to verify the compliance of the applicants with the prescribed Technical Evaluation information requirements.
- c) The Technical Evaluation of Application would be carried out by SIDBI. The technically qualified applicants would be short listed.
- d) The requirement of the applicants for IFV Operations is given in Appendix – I.

7 Tenure of the contract:

The selected firm/ LLP of Chartered Accountant would initially be assigned the contract for a period of upto December 31, 2019 extendable for further two more years (extended for one year, at a time), provided the performance is found to be satisfactory on review and on sole discretion of SIDBI, with **NOT MORE THAN 5% increase in professional fee.** The concurrent audit is likely to start from **February 01, 2019.** The proposed assignment would be subject to periodical review at the discretion of SIDBI and is liable to be terminated at any time, if not found satisfactory, by giving a written notice of 15 days.

8 Terms & Conditions:

- The Applicant shall ensure that the audit be carried out in a professional manner and in case of any misconduct & negligence, the Bank may approach the concerned professional bodies with complaints of professional misconduct, if any, on the part of any professional engaged by the Bank. Accordingly, we may also recommend their name to ICAI/ RBI/ IBA or any other authority, for suitable action thereon by them.
- The Applicant shall ensure that it will not sub-contract the audit work assigned to any outside firm/ LLP or other persons even though such persons are qualified Chartered Accountants.
- The applicant appointed as Concurrent Auditor to IFV should nominate a Chartered Accountant (CA) who will head the concurrent audit team as the “Designated Auditor” duly authorised by the FCA partner of the CA firm/ LLP to act on behalf of the firm. The Designated Auditor would be required to submit his/ her identity proof and address proof together with specimen signatures with a request to be allotted biometric enabled unique login ID for access to the system. The Designated Auditor would require to log in and log out of the system each

working day. The Designated Auditor would require to surrender the login ID on completion of the concurrent audit tenure or on any change in the Designated Auditor by the firm/ LLP.

- The audit team composition for Concurrent Audit and attendance requirements should be specified as under :-
 - a) The FCA partner of the firm/ LLP who shall visit the Vertical at least 4 days in a month; and
 - b) Chartered Accountant who shall visit the Vertical preferably on all working days but for a minimum of 20 days in a month.
- The concurrent auditor should adhere to the audit coverage strictly as per the scope as may be decided by the Bank from time to time.
- The concurrent auditor should not undertake any other activities / assignment on behalf of the HO Vertical without obtaining the concurrence of the Audit & Fraud Management Vertical at Head Office, in writing.
- The concurrent auditor will co-operate with investigative body, regarding processing or execution of the consultancy contract or any matter related with discharge of contractual obligations.
- Necessary arrangement would be made for providing space, workstation and access to systems (viewing rights only) to the concurrent auditor for ensuring smooth conduct of the audit.
- The concurrent auditor shall be granted read only access to the systems of the Vertical.
- The concurrent auditor shall not be allowed to carry any mass storage device such as pen drive/ flash drive/ thumb drive or any laptop inside the HO premises as these devices will not be required for the job. Concurrent auditor shall be provided with computer system with disabled USB ports by the concerned HO Vertical.
- The concurrent auditor is required to plan the audit that it results in gradual shortening of the interval between a transaction and its examination by an independent person. The concurrent auditor shall perform substantive checking in key areas and emphasis should be on 'on the spot' rectification of deficiencies. The concurrent auditor shall daily go through all the vouchers and books of the HO Vertical for the previous day and identify areas to be scrutinized in detail.
- Should maintain and keep back up papers in support of observations made.
- Any other terms and conditions of the assignment would be decided by the Bank on a case to case basis.

A. Declarations and undertaking

- On appointment, the Applicant shall execute undertaking of fidelity and secrecy on its letterhead in the format prescribed by the Bank.
- A declaration to be furnished by the applicant that credit facilities availed by the firm or partners or firms in which they are partners or directors including any facility availed by a third party for which the firm or its partners are guarantor/s have not turned or are existing as non-performing assets as per the prudential norms of RBI. In case the declaration is found incorrect, the assignment would get terminated besides the firm being liable for any action under ICAI/ RBI guidelines.
- The applicant must submit an undertaking that the firm/ LLP does not have any professional relationship with any of the borrowers of SIDBI nor will it in future accept professional relationship with any of the borrowers of SIDBI during the period during which the firm/ LLP acts as the concurrent auditor for SIDBI.
- Any other terms and conditions of the assignment would be decided by the Bank on a case-to-case basis.

B. Selection Process

- All applicants scoring 65 marks or more (in Technical Evaluation) will be selected as the Technically Qualified Applicant. The top three applicants getting the maximum marks in Technical Evaluation will be given preference.
- Due diligence will be carried out for the top three applicants getting the maximum marks.
- On the recommendation of the Committee, name of the successful applicant would be identified for the IFV.
- The final selection of the successful applicants from the technically qualified applicants will be done, based on marks scored in Rating Chart and due diligence carried out by SIDBI.

9 Guidelines & Instructions for applying:

- i. SIDBI will endeavour to make available all relevant information in the RfP. In case of need of any further information or clarification during the application period, the applicant must contact only the Contact Officer named above. On no account should the Applicants communicate directly with any other SIDBI personnel. Failure to comply with this requirement may result in the disqualification of the applicant from this competition.
- ii. **Government Tax**
Applicants are responsible for establishing the status of the Services for the purpose of any government tax including GST, cess etc.

iii. Alterations to Application

Any manuscript or other alteration to the RfP/ Application must be countersigned and dated by the person submitting the RfP/ application.

iv. Letters and Declaration to Accompany Applications

The bid / Application must be accompanied by a letter on Firm/ LLP letter head showing the full registered name(s), registered office address of the applicant. It should be signed by a person of suitable authority to commit the applicants to a binding contract.

v. Packaging and Delivery of Applications

Applications must be delivered in a double sealed envelope clearly labeled with the following:

1. Selection of CA for operations at Institutional Finance Vertical (IFV), Mumbai.
2. Application Due Date
3. Applicant/ Firm/ LLP Name

SIDBI accepts no responsibility for the premature opening of any incorrectly marked Applications.

Applications must be received at Audit & Fraud Management Vertical, Small Industries Development Bank of India, SIDBI Tower, 15, Ashok Marg, Lucknow – 226001 (U. P.) for the attention of The General Manager by **2.00 PM** on the due date. Late applications will not be accepted under any circumstance. No special pleadings will be accepted. Faxed or e-mailed applications will not be accepted.

vi. Conflict of Interest

Applicants must disclose in their application details of any circumstances, including personal, financial and business activities that will, or might, give rise to a conflict of interest; this includes any sub-contractor, if they were awarded this contract. Where applicants identify any potential conflicts they should state how they intend to avoid such conflicts. SIDBI reserves the right to reject any application which, in SIDBI's opinion, gives rise or could potentially give rise to a conflict of interest.

vii. Disclosures

The applicant must disclose:

- a. If they are OR have been the subject of any proceedings or other arrangements relating to bankruptcy, insolvency or the financial standing of the applicant including but not limited to the appointment of any officer such as a receiver in relation to the applicant's personal or business matters or an arrangement with creditors or of any other similar proceedings.

- b. If they are OR any of the applicant's staff have been convicted of, or are the subject of any proceedings, relating to:
- a criminal offence or other offence, a serious offence involving the activities of a criminal organisation or found by any regulator or professional body to have committed professional misconduct.
 - corruption including the offer or receipt of any inducement of any kind in relation to obtaining any contract, with SIDBI, or any contracting authority.
 - failure to fulfill any obligations in any jurisdiction relating to the payment of taxes or social security contributions.

Disclosure extends to any entity in the same group of the applicant (including but not limited to parent subsidiary and sister companies, and companies with common shareholders whether direct or indirect and parties with whom the applicant is associated in respect of this application/ bid).

If an applicant or related entity or any individual discloses details of any previous misconduct or complaint, SIDBI will seek an explanation and background details from them. At the sole discretion of SIDBI and assessment as to whether the Applicant will be allowed to submit an application, decision will then be made by SIDBI.

viii. **Indemnity**

The successful applicant shall exercise reasonable skill, care and diligence in the performance of the assignment and indemnify and keep SIDBI indemnified in respect of any loss, damage or claim howsoever arising out of or related to breach of contract, statutory duty or negligence by the firm/ LLP or its staff, agents or sub-contractors in relation to the performance or otherwise of the Services to be provided under this Contract.

ix. **Assigning to Others**

The successful applicant shall not, without the prior written consent of SIDBI, assign or transfer or cause to be assigned or transferred, whether actually or as the result of take over, merger or other change of identity or character of the CAs, any one of its rights or obligations under the Contract or any part, share or interest therein. Upon any such assignment or transfer, this engagement may forthwith be terminated by SIDBI.

x. **Termination**

SIDBI may, at its sole discretion and at any time terminate the Contract (after giving 15 day notice) and inform the CAs of SIDBI's decision by written instruction to that effect. In the event of the Contract being so terminated, the firm/ LLP shall take such steps as are necessary to bring the Services to an end, (including terminating any sub-contracts placed by the firm/ LLP) in a cost effective, timely and orderly manner. No further correspondence will be entertained in this regard.

1. Project & Scope for Operation of Institutional Finance Vertical (NBFC & SFB) at Mumbai

The Institutional Finance Vertical (IFV) handles the business operations of Non-Banking Finance Company (NBFC) and Small Finance Banks (SFB) operations of SIDBI. NBFCs (Deposit taking & Non-Deposit Taking) and SFBs are being supported by SIDBI along with the other Primary Lending Institutions (Banks/FIs) for extending financial assistance to MSMEs in the country. The NBFCs and SFBs are regulated and supervised by RBI in terms of registration, prudential norms, capital adequacy norms, asset liability management, income recognition, accounting standards, credit/investment norms, compliance of KYC norms, adopting code of fair business practices and several disclosure requirements.

Project Objective & Scope of NBFC and SFB Operations

The selected firm/ LLP of Chartered Accountant would undertake the concurrent audit of NBFC and SFB operations of SIDBI. Assignment would also include verification and confirmation on the adequacy of internal controls and IT system for sustaining operations. The staff deputed by the firm/ LLP for carrying out the concurrent audit should be qualified and experienced in the area of work.

The major areas of work include:**1.1 Pre-sanction stage:**

- (i) To check the application from the Borrower.
- (ii) To verify the completeness and appropriateness of various certificate/ documents/ information submitted by the Borrower.
- (iii) To verify the compliance of KYC guidelines and other Due diligence measures.
- (iv) To verify the proper and correct entry of data/ information into the systems.
- (v) To verify the compliance with eligibility parameters for sanction as per the extant Loan Policy of the Bank as also with various guidelines issued by SIDBI, RBI and other regulatory authorities in connection with lending to NBFCs and SFBs.

1.2 Post Sanction to disbursement stage

- (i) To verify the compliance with all extant guidelines and terms of sanction,
- (ii) To verify that the terms of sanction are captured while conveying sanction to the Borrower,

- (iii) To verify the various documents executed and security creation,
- (iv) To verify the disbursement,
- (v) To verify that correct data and accounting entry into the system has been fed
- (vi) To verify application of correct interest rate and reset terms as approved by Competent authority.

1.3 Monitoring and Post disbursement stage

- (i) To verify that periodic reset of Interest rate as per the terms of approval by the competent authority and updation of the same in the system
- (ii) To verify the Periodic/ recurring Compliance with terms of sanction
- (iii) To verify the compliance with end use related terms of sanction
- (iv) To verify the compliance of all applicable internal and RBI guidelines

1.4 Reports:

The firm/ LLP will have to submit the following reports to the Management relating to NBFC and SFB Operations:

- I. Daily reports covering day-to-day transactions with regard to their correctness, monitoring of risks and observations, if any, on counterparty and other specified limits by the Bank, etc.
- II. Monthly reports covering comments on adherence to regulatory and internal policy guidelines including post disbursement monitoring guidelines and areas of audit as indicated at para 1.1 – 1.3 including submission of MIS to Management. Reconciliation of accounts and other similar periodic submission.
- III. Quarterly report on closing work pertaining to the operations and tallying of trial balance.
- IV. Any other related report as may be required by SIDBI from time to time.

It is expected that the above work would require about 250 - 300 hrs of work in a year. However, the same may not be evenly distributed through the year.

The above reports with regard to NBFC and SFB Operations should be submitted to The Chief General Manager, Institutional Finance Vertical at Mumbai, both in soft and hard forms, within a week of the reporting period for which the report pertains. Daily reports should be released at the end of the day to The Chief General Manager, Institutional Finance Vertical at Mumbai, both in soft and hard form. The formats of

the reports would have to be devised, wherever required, by the firm/ LLP in consultation with and approval of SIDBI

SIDBI will prescribe structured formats for the audit reports and also stipulate the time limits for submission of the reports. The audit formats would be reviewed periodically, as and when required. The firm/ LLP should strictly adhere to the format and the time limit. SIDBI may prescribe different periodicity for different reports of the operations.

1.5 Technical Evaluation Procedure of the applicants:

The technical capabilities of the applicants with regard to audit of the operations pertaining to financing of NBFCs and SFBs would be evaluated based on the following criteria and weightage:

1.5.1 Technical Evaluation Criteria for Operations pertaining to financing of NBFCs at Indirect Finance Vertical, Mumbai.

1.5.2 Pre-Requisite for Applying

The Applicant should

- ***Furnish proof of Valid registration/ Certificate of Practice from the Institute of Chartered Accountants of India (ICAI).***
- ***Be a Partnership firm of Chartered Accountants with minimum 3 partners of which at least 2 partners should be FCA(s). At least one partner should have a continuous association with the firm of a minimum of 5 years and another partner should have a continuous association with the firm of a minimum of 3 years. The details of each partner including experience, qualification etc., and their Registration Number with Institute of Chartered Accountants of India (ICAI) to be furnished as documentary proof.***
- ***Has minimum five years of previous track record of carrying out concurrent audits in other Financial Institutions/ Public/ private Sector Banks particularly in the area of financing to NBFCs/ Refinance to Banks (with documentary proof).***
- ***CA firm has its HO or Branch office at Mumbai.***

Without compliance of the above pre-requisites, the applicant will not be eligible for applying.

1.5.3 Technical Evaluation Criteria for Operations pertaining to financing of NBFCs at Indirect Finance Vertical, Mumbai. (Rating Criteria)

Rating Chart

Sl. No.	Criteria	Maximum Marks (Weightage)
i	<ul style="list-style-type: none"> • Year of establishment of Chartered Accountant firm/ Limited Liability Partnership (LLP) of Chartered Accountants. <ul style="list-style-type: none"> ➤ Upto 5 years – 10 Marks ➤ 5 to 10 years – 12 Marks ➤ 10 to 15 years – 15 Marks ➤ More than 15 years – 20 Marks 	20
ii.	<ul style="list-style-type: none"> • Firms/ Liability Partnership (LLP) of Chartered Accountants with minimum 3 partners of whom at least two should be FCA. At least one partner should have a continuous association with the firm of a minimum of 5 years and another partner should have a continuous association with the firm of a minimum of 3 years. - (20 Marks) <p>1.5 marks to be awarded for each additional partner (over and above 3 partners) of the firm and 01 mark for full time CA employee (Maximum marks - 10)</p>	30
iii	<ul style="list-style-type: none"> • Minimum five years of previous track record of carrying out such audits in other Financial Institutions/ Public/ Private Sector Banks mainly in the area of financing to NBFCs/ Refinance to Banks. (with documentary proof) – 30 Marks 	30
iv.	<p>Whether the firm/ LLP empanelled with RBI as</p> <ul style="list-style-type: none"> • Statutory Central Auditor – 10 Marks • Statutory Branch Auditor (Category I) – 7 Marks • Statutory Branch Auditor (Category–II) – 5 Marks 	10
v.	<p>Availability of suitable infrastructural facilities including office set up, adequate manpower who are specialized in the area of audit of financing of NBFCs. Presence in India - number of offices and permanent manpower along with regular set-up, either Head Office or full fledged Branch Offices, at Mumbai.</p> <ul style="list-style-type: none"> • Branch (locally) – 5 marks • Head Office (locally) – 10 marks 	10
	Maximum technical score	100

1.5.4 Technical Evaluation Criteria for Operations pertaining to financing of NBFCs at Indirect Finance Vertical, Mumbai.

a) Audit Firm/ LLP Details:

Sl. No.	Requirements	Remarks																								
1	Name of the Chartered Accountant Firm/ LLP with year of establishment.																									
2	Registration Number / Certificate of Practice from the Institute of Chartered Accountants of India (furnish documentary proof, Registration should be valid).																									
3	Knowledge and experience in carrying out audit of Financial Institutions/ Public/ private Sector Banks particularly in the area of financing to NBFCs/ Refinance to Banks.																									
4	Details of every partner including experience, qualification etc. and their Registration number with CA Institute (furnish a detailed list of all the partners) <table border="1" data-bbox="193 954 1310 1149"> <thead> <tr> <th>Sl. No.</th> <th>Name of the Partner</th> <th>Age</th> <th>Education Qualification</th> <th>Experience</th> <th>Period of Association with the firm</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Sl. No.	Name of the Partner	Age	Education Qualification	Experience	Period of Association with the firm																			
Sl. No.	Name of the Partner	Age	Education Qualification	Experience	Period of Association with the firm																					
5	Minimum five years of previous track record of carrying out such audits in other Financial Institutions / Public Sector /Private Sector Banks mainly in the area of financing of NBFCs/ Refinance to Banks (furnish documentary proof)																									
6	Whether the firm/ LLP empanelled with RBI (furnish documentary proof).																									
7	Availability of suitable infrastructural facilities including office set up (Branch office/ Head office at location of SIDBI's Branch/Head office may be specifically indicated), adequate manpower who are specialized in the area of audit of financing of NBFCs/ Refinance to Banks. Competence and qualification of key professional staff who shall carry out the assignment in a time bound manner (furnish a detailed list of all the skilled/ semi skilled employees/ staff).																									
8	Whether the firm has regular set up with Branch Office or Head Office at Mumbai.																									
9	Whether the audit firm/ LLP or any sister/ associate concern is conducting the statutory audit of SIDBI or Concurrent Audit in any of SIDBI branches.																									

Note: All the relevant details & documentary evidence are to be furnished. The above is only a format. Information may be submitted in additional sheet.

i. The following declaration/ undertaking shall be furnished by the firm.

- ii. The firm/ LLP shall agree to execute undertaking of fidelity and secrecy on its letterhead in the format prescribed by the Bank, if the contract assigned.
- a) A declaration to be furnished by the firm that credit facilities availed by the firm or partners or firms in which they are partners or directors including any facility availed by a third party for which the firm or its partners are guarantor/s have not turned or are existing as non-performing assets as per the prudential norms of RBI. In case the declaration is found incorrect, the assignment would get terminated besides the firm being liable for any action under ICAI/ RBI guidelines.
 - b) The firm / LLP must submit an undertaking that the firm / LLP does not have any professional relationship with any of the borrowers of SIDBI nor will it in future accept professional relationship with any of the borrowers of SIDBI during the period during which the firm / LLP acts as the concurrent auditor for SIDBI.

b) Details of audit mainly in the area of financing to NBFCs/ Refinance to banks/ Fls.

Sr. No.	Name of the Bank/Fls	Branch/HO	Year of Audit/ Period (From - To) [Data required for the last 10 years of your firm]

c) Details of Statutory Central Audits (Category - I) of various Banks

Sr. No.	Name of the Bank/Fls	Branch/HO	Year of Audit/ Period (From - To) [Data required for the last 10 years of your firm]

Declarations:

All the applicants should submit their bid along with the following declarations and undertaking

(i) Declaration to be furnished in the letter head of the firm/ LLP.

We hereby declare that the information submitted above is complete in all respect and true to the best of our knowledge. We understand that in case any discrepancy or inconsistency or incompleteness is found in the information submitted by us, our application is liable to be rejected.

Date:
Signatory

Authorised

(ii) Declaration of Eligibility

I/ We _____ Chartered Accountants hereby declare that I/ We comply with the eligibility conditions specified, established under the Chartered Accountants Act, 1949, and I/ We declare that:

None of the Partners of the firm do not have any disciplinary proceeding under the Chartered Accountants Act, 1949 pending against them or any disciplinary action under the Chartered Accountants Act, 1949/ penal action under any other law taken/ pending against him/ her.

Credit facilities availed by the firm or partners or firms in which partners or directors, including any facility availed by a third party for which the firm or its partners are guarantor/s, have not turned or are existing as Non Performing Assets as per the prudential norms of RBI.

The firm does not have any professional relationship with any of the borrowers of SIDBI nor will it in future accept professional relationship with any of the borrowers of SIDBI during the period during which the firm acts as the concurrent auditor for SIDBI.

It is further confirmed that the firm is not the Statutory Auditor of Small Industries Development Bank of India (SIDBI).

None of the Partner of the firm hold any shares or other securities (including options or furthers) in Small Industries Development Bank of India (SIDBI).

Our Firm will continue to satisfy the eligibility norm for appointment of Chartered Accountants as Concurrent Auditors as prescribed by the Bank from time to time.

I/ We understand that any breach of the provisions regarding eligibility shall be considered as gross negligence and may result in appropriate action under the Chartered Accountants Act, 1949.

For _____
Chartered Accountants

Place: _____

Date: _____

Partner