



भारतीय लघु उद्योग विकास बैंक
Small Industries Development Bank of India

प्रस्ताव हेतु अनुरोध - सूक्ष्म, लघु एवं मध्यम उद्योगों हेतु वृद्धिशील पूँजी व अंशपूजी सहायता योजना में बैंक के संविभाग की फॉरेंसिक लेखापरीक्षा करना

निविदा सं: 314/2019/1370/HO1/Others दिनांक अगस्त 06, 2018)

Request for Proposal (RFP) for Forensic Audit of Growth Capital and Equity Assistance Scheme for MSMEs (GEMS) portfolio

RFP No.: 314/2019/1370/HO1/Others dated August 06, 2018

CORRIGENDUM - II

The clauses mentioned below stands revised/modified as under:

1. Terms of RFP Response

1.14 All submissions, including any accompanying documents, will become the property of the Bank. The Bidder shall be deemed to have licensed and granted all rights to the Bank to reproduce the whole or any portion of their submission for the purpose of evaluation and use the contents of the submission as the basis for any resulting RFP process, notwithstanding any copyright or other intellectual property right of the Bidder in the submission or accompanying documents.

3.3 Project Scope

Scope of Work:

- a. To examine and evaluate the design/policy parameters/structuring of the GEMS (including erstwhile DRCS, etc.) and identify the shortcoming, if any in the same.
- b. To assess the impact of the scheme on MSMEs.
- c. Indications of misrepresentation of facts by borrower, if any.
- d. Review of loan files and related documents (including sanction, disbursement, utilisation, etc.), verification of the borrower's Books of Accounts, financial data, etc. and detailed review of transactions with sister/related concerns/group companies/promoters/directors etc. with special focus on investments in subsidiaries and group companies / franchises to ascertain:
 - i. siphoning/diversion of funds or utilisation of disbursement for purposes other than for what it was sanctioned.
 - ii. whether the policy guidelines and parameters in respect of appraisal, sanction, disbursement, follow-up and monitoring (including visits) have been adhered to and report lapses, if any in the operational process during customer onboarding/sanctioning/disbursement of cases.
- e. Conduct visit to Head Office/Regional Offices/Branch Offices of SIDBI, offices of other banks, the units/offices of the borrowers, etc. wherever required, to gather information.

The above would be done on the basis of a scientifically drawn unbiased sample from the live borrower accounts. The sample size should be in the range of **75 to 80** live borrower accounts. **The guiding factor for sample selection may be as under:**

- (i) **Suitable representation from different loan size groups with emphasis on top borrowers**
- (ii) **Suitable representation from standalone cases**
- (iii) **The sample size shall comprise at least 50% of NPA accounts**
- (iv) **Fraud accounts shall not form part of sample**

The sampling technique used and the rationale are to be included in the report.

4.1 Eligibility

Eligibility Criteria	Supporting Required for compliance
The Consultant should have been empanelled with atleast 3 Banks/Financial Institutions in India for Forensic Audit	Copies of letters of empanelment to be provided. Wherever due to confidentiality reason, copy of assignment letter cannot be provided, the confidential information may be masked and provided. Alternatively, a certificate from the Statutory Auditor as per the format given in the Annexure may be provided.
The Consultant should have atleast 2 forensic engagement with Regulators viz., SEBI, RBI, Ministry of Finance, etc. in last 3 years	Copies of letters of engagement to be provided. Wherever due to confidentiality reason, copy of assignment letter cannot be provided, the same with confidential information masked may be provided. Alternatively, a certificate from the Statutory Auditor as per the format given in the Annexure may be provided.

Note:

Sr. No.	Document Required	Modification
(ii)	Income Tax returns for past three years.	Removed

4.2 Technical Bid

Technical proposal will include details of overall approach to the areas listed in this RFP along with specific proposals/solution covering the conceptualization, design and implementation stages. The format of Technical Bid is given in **Annexure IX**.

The Technical Bid should be complete in all respects and contain all information required in the document and should lay down all assumptions during preparation of the bid.

6.3 (A) Technical Evaluation

Note:

- b. Completion Letter / Reference Letter (Format given in Annexure III) from relevant Senior Executive of the client to be attached for each engagement

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reference mentioned. Wherever, completion letter/reference letter cannot be obtained, engagement letter with names masked can be submitted.

7.2 Bidder's Responsibilities and Related Conditions

- c. The Bidder shall carry out and complete the work in accordance with prevailing good industry practices and using workmanship of the quality and standards there in specified.

7.5 Project Timelines

1. The Bidder should adhere to the project schedule as stipulated in the below table. It is completely at the discretion of Bank to grant such an extension to the below mentioned timeline and would be dependent on the emergent circumstance/reason thereof. The project timelines are as follows:

S.N.	Activity	Project Timelines
1	Completion of Forensic Audit	3 months

7.6 Tenure

Deleted

7.8 Limitation of Liability

- b. The Bidder's aggregate liability in connection with obligations undertaken as a part of the RFP regardless of the form or nature of the action giving rise to such liability (whether in contract, to otherwise), shall be at actual and limited to 50% of the cumulative fee paid to the Bidder by SIDBI. Bidder's liability in case of claims by the Bank resulting from Willful Misconduct or Gross Negligence of the Bidder, its employees or from infringement of patents, trademarks, copyrights or such other Intellectual Property Rights or breach of confidentiality obligations shall be unlimited.

7.18 Substitution of Programme Team Members

During the assignment, the substitution of key staff identified for the assignment will not be allowed unless such substitution becomes unavoidable to overcome the undue delay or that such changes are critical to meet the obligation **or for reasons beyond the control of the bidder**. In such circumstances, the selected Bidder, as the case maybe, can do so only with the prior written concurrence of SIDBI and by providing the replacement staff of the same level of qualifications and competence. If the Bank is not satisfied with the substitution, the Bank reserves the right to terminate the contract and recover whatever payments (including past payments and payment made in advance) made by the Bank to the selected Bidder during the course of the assignment pursuant to this RFP besides claiming an amount equal to the contract value as penalty. However, the Bank reserves the unconditional right to insist the selected Bidder to replace any

team member with another (with the qualifications and competence as required by the Bank) during the course of assignment pursuant to this RFP.

7.41 Vicarious Liability

The selected Bidder shall be the principal employer of the employees, agents, etc., engaged by the selected Consultant and shall be vicariously liable for all the acts, deeds, matters or things, whether the same is within the scope of power or outside the scope of power, vested under the contract. No right of any employment in the Bank shall accrue or arise, by virtue of engagement of employees, agents, etc. by the selected Bidder, for any assignment under the contract. All remuneration, claims, wages dues etc. of such employees, agents, etc. of the selected Bidder shall be paid by the selected Bidder alone and the Bank shall not have any direct or indirect liability or obligation, to pay any charges, claims or wages of any of the selected Bidder's employees, agents, etc. The selected Bidder shall agree to hold the Bank, its successors, assigns and administrators fully indemnified, and harmless against loss or liability, claims, actions or proceedings, if any, whatsoever nature that may arise or caused to the Bank through the action of the selected Bidder's employees, agents, etc.

Annexure – XI: Integrity Pact

PRE-CONTRACT INTEGRITY PACT

6. Independent Monitors

6.6 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documents. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER with confidentiality

Note: all other terms and conditions remain unchanged.

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Annexure***Certificate to be furnished by the Statutory Auditor as proof for having conducted forensic audit by the bidder*****TO WHOMSOEVER IT MAY CONCERN**

This is to certify that (Bidder), a partnership firm within the meaning of the Indian Partnership Act / a company within the meaning of the Companies Act and having its registered office at have conducted forensic audit as per case-wise details given hereunder:

Sl. No	Name of the Assigning entity and address	Date of assignment	Whether completed / under progress
1			
2			
3			
4			

The above information has been furnished on the basis of the records and other relevant particulars furnished by the company/ firm.

I/We hereby note that this certificate would be an input for decision making by SIDBI in lieu of actual assignment letters in order to maintain confidentiality of the clients. I / We hereby further agree and give consent for the disclosure of my / our name to IBA for inclusion in the Caution List, if it is found that there was gross negligence on my/our part, or I /We have colluded with the Bidder in providing false information to SIDBI.

Signature

Place:
Membership No:

Date:

Each page of this certificate should be signed by the Statutory Auditor, and his membership number with ICAI should be indicated.
