

**THE TAMILNADU INDUSTRIAL INVESTMENT  
CORPORATION LIMITED (TIIC)**

**MHU Complex, 692, Anna Salai, Nandanam, Chennai - 600035**

**Chennai-600035**



**The Growth Catalyst**

**REQUEST for PROPOSAL (RfP)**  
**for**  
**CONCURRENT AUDIT OF OPERATIONS OF TIIC**  
**BRANCHES (8) AT VARIOUS LOCATIONS**  
**QCBS**  
**(Quality cum Cost Based Selection)**

**RfP Ref No.TIIC/IA/2021-22/ dated 24.03.2022**

|   |   |
|---|---|
| Date of Release of RfP  | <b>24.03.2022</b>   |
| Pre-bid Meeting   | <b>08.04.2022</b>   |
| Last Date for Proposal Submission                                     | <b>05.05.2022</b>   |
| Date of Opening of Technical Proposal<br>(EMD and Technical Proposal) | <b>06.05.2022</b>   |
| Tender Application Fee  | <b>Rs.1000/- plus GST @18% by<br/>Demand Draft in favour of “The<br/>TIIC Limited, Chennai”</b> |

**Key Information on the RfP response submission:**

| S.No | Particulars   | Time line  |
|------|---|--|
| 1    | RfP Issuance date   | 24.03.2022   |
| 2    | RfP Coordinator<br>Telephone  | The Head of the Dept. of IA&ISO Dept.<br>044-24331203 / 044-24306100   |
| 3    | Address for proposal submission<br><br>Email id<br><b>Note:</b><br>No bids shall be submitted via e-mail /Fax and any bids submitted by e-mail /Fax will not be accepted. | The Tamilnadu Industrial Investment Corporation Ltd.,<br>Head Office, 692, Anna Salai,<br>Nandanam, Chennai-600 035.<br><br><a href="mailto:audit_tender@tiic.org">audit_tender@tiic.org</a>   |
| 4    | Last date of written request for Clarifications before pre-bid meeting  | 05.04.2022   |
| 5    | Reply to individual pre bid query   | 18.04.2022   |
| 6    | Last date of submission of RfP response (closing date)  | 05.00 p.m . on 05.05.2022  |
| 7    | Opening of Eligibility cum Technical bid  | 11.00 a.m . on 06.05.2022  |
| 8    | Opening of Financial Bid  | The Financial proposal of only those who qualify in Technical proposal will be opened. The date for opening of the financial proposal would be communicated separately only to those bidders who are eligible and technically qualified. |
| 10   | Cost of Application   | INR Rs.1000/- + GST @ 18%<br><br>By way of Demand Draft favouring “The Tamilnadu Industrial Investment Corporation Ltd.”(TIIC Ltd), Chennai.   |
| 11   | Earnest Money Deposit or EMD  | INR Rs.15000/- By way of Demand Draft favouring “The Tamilnadu Industrial Investment Corporation Ltd.”(TIIC Ltd), Chennai  |
| 12   | Tender Inviting Authority   | The Head of the Dept. of IA & ISO Dept.<br>TIIC LTD., HEAD OFFICE, CHENNAI-35  |
| 13   | Tender Accepting Authority  | The Chairman & Managing Director,<br>TIIC LTD., HEAD OFFICE, CHENNAI-35  |

**Definition of Terms used in the RfP:**

Following terms are used in the document interchangeably to mean:

1. “Assignment/Job/Engagement” means the work to be performed by the selected bidder pursuant to the contract.
2. “Corporation or TIIC” means The Tamilnadu Industrial Investment Corporation Ltd.
3. “Day” means business day
4. “ICAP” means Institute of Chartered Accountants of India
5. “Personnel/Resources” means professionals and support staff provided by the selected bidder.
6. “Proposal/Bid/Tender” means Response to the RfP document
7. “RBI” means Reserve Bank of India
8. “Recipient, Respondent, firms, Tenderer and Bidder” means interested and eligible applicants responding to this RfP for Concurrent Audit.
9. “Successful/selected bidder” means the bidder selected as the successful bidder by TIIC in accordance with this RfP who is also referred to as “Applicant / Concurrent Audit Firm”.
10. IAD Means Internal Audit Department, TIIC Ltd., Chennai.
11. CAG Means Comptroller and Auditor General.

**Confidentiality:**

This document is meant for the specific use by the Firm/person/s interested to participate in the RfP process. This document in its entirety is subject to copy right laws. TIIC expects the Firms or any person acting on behalf of the firms strictly adhere to the instructions given in the document and maintain confidentiality of information. The Firms will be held responsible for any misuse of information contained in the document, and are liable to be prosecuted by the TIIC in the event that such a circumstance is brought to the notice of TIIC. By downloading the document, the interested party is subject to the confidentiality clauses.

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### **IMPORTANT NOTICE**

This tender procedure is governed by the Tamil Nadu Transparency in Tenders Act, 1998 read with Tamil Nadu Transparency in Tender Rules, 2000 as amended from time to time. In case of any conflict between the terms and conditions in the tender document, the Tamil Nadu Transparency in Tender Act, 1998, read with Tamil Nadu Transparency in Tender Rules, 2000 shall prevail.

### **Critical Information Summary**

- ◆ TIIC 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 notified on TIIC's website [www.tiic.org](http://www.tiic.org) will be binding on the bidders.
- ◆ 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.
- ◆ Any clarifications from bidder or any change in requirement will be posted in TIIC website. Hence, before submitting bids, bidder must ensure that such clarifications/changes have been considered by them. TIIC will not have any responsibility in case some omission is done by any bidder.
- ◆ In case of any clarification required by TIIC to assist in the examination, evaluation and comparison of bids, TIIC 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.
- ◆ Please note that all the information required as per the bidding document needs to be provided. Incomplete information in bidding documents may lead to non-selection.
- ◆ 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.
- ◆ An eligible tenderer (Firm/LLP/company) can apply for Concurrent audit of one or more branches, subject to the above terms of eligibility. However, separate tender with separate EMD for each branch shall be submitted. The tenderer should submit each tender application with all the required/ relevant particulars, separately along with the tender application fees of Rs.1000/- plus GST @ 18% and EMD of Rs.15,000/-.

**However, the tenderer (Firm/LLP/Company) shall be eligible for selection/appointment for only one branch office as the case may be, which may please be noted.**

- ♦ TIIC has the right to reject any or all bids received without assigning any reason whatsoever.

**Note: TIIC SHALL NOT BE RESPONSIBLE FOR NON RECEIPT / NON DELIVERY OF THE BID DOCUMENTS DUE TO ANY REASON, WHATSOEVER.**

### **DISCLAIMER**

Information contained in this document for Request for Proposal ("RfP") and/or subsequently provided to Tenderers, whether verbally and/or in documentary form by or on behalf of The Tamilnadu Industrial Investment Corporation Limited ("TIIC") or any of its authorized employees (collectively referred to as "TIIC's Representatives"), is provided to the Tenderers based on the terms and conditions set out in this RfP document and any other terms and conditions subject to which such information is provided. This RfP document is not an agreement and is not an offer or invitation by TIIC to any other party. The purpose of this RfP document is to provide interested parties with information to enable formulation of their proposal.

This RfP document does not purport to contain all the information each Tenderer may require. The Tenderers should conduct their own due diligence, investigations and analysis and should check the accuracy, reliability and completeness of the information in this RfP document and obtain independent advice from appropriate sources. TIIC or its Representatives make no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of the RfP document and concerned with any matter deemed to form part of the RfP document, award of the assignment, the information and any other information supplied by or on behalf of TIIC or otherwise arising in any way from selection process. The prospective Tenderer will be responsible for all obligations to its staff, their payments, complying with provisions of law relevant for the working of the Tenderer's staff.

## **1.0 Introduction**

TIIC is the Premier State Level Financial Institution established way back in 1949 in the Country to foster Industrial Development in the State of Tamilnadu. It plays the catalyst foster role of Development Financial Institution to extend financial assistance to the MSME Industries, Service Sector and Large Scale Industries apart from nurturing the first generation entrepreneurs.

TIIC, since its inception, has been instrumental to help more than One lakh Entrepreneurs to realize their dream of setting up their own enterprises. Further, it plays vital role in meeting the objectives of State Government to have balanced growth of all regions and employment generation through the industries / service enterprises financed by the Corporation.

TIIC has been serving the Micro, Small, and Medium enterprises, which account for 90% of the total assistance, for more than 70 years with several financial products viz. Term Loan, Working Capital Loan, Equipment Finance, Transport Loan, Bill Financing, etc.

As of Feb 2022, TIIC has 6 Regional Offices and 25 Branch offices across Tamil Nadu with the Registered Office in Chennai.

TIIC intends to ensure the following through the proposed (Concurrent) Audit of BOs:

- a) To verify how far the Internal control systems and procedures are adhered to in various areas of operations of the Corporation.
- b) To make analysis of the quality of the Corporation's assets and the effectiveness of control system
- c) To evaluate the adequacy and effectiveness of Risk management, internal control systems and procedures
- d) To identify the potential High Risk areas and to suggest risk mitigants
- e) To give a fair view on the perceived risk perception of the auditee offices

TIIC invites interested Tenderer to submit their technical and financial bids under TWO cover system for the Quality and Cost-based Selection (QCBS) for "Undertaking (Concurrent) Audit of Operations of branches of TIIC" in accordance with the scope of work, conditions and manner prescribed in this Request for Proposal (RfP) document.



## 1.1. Purpose of RfP

The purpose of RfP is to shortlist experienced professional firms / Limited Liability Partnerships (LLP) / Limited Companies of Chartered Accountants, for undertaking Audit of Operations of Branch Offices (BOs) at the **following locations**.

**Table – I**

| <b>S. No.</b> | <b>Regional Office</b> | <b>Branch Office (BO)</b> | <b>Loan Outstanding as on 28.02.2022 (Rs. in Crores) *</b> |
|---------------|------------------------|---------------------------|--|
| 1             | Chennai                | Poonamallee               |  |
| 2             | Madurai                | Dindigul                  | 52.04  |
| 3             | Madurai                | Karaikudi                 | 33.55  |
| 4             | Tirunelveli            | Tirunelveli               | 62.11  |
| 5             | Tirunelveli            | Nagercoil                 | 106.84   |
| 6             | Salem                  | Hosur                     | 111.41   |
| 7             | Salem                  | Kallakurichi              | 11.62  |
| 8             | Trichy                 | Cuddalore                 | 34.87  |

**\* including written off cases.**

## 1.2. Information Provided

The Request for Proposal document contains statements 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 TIIC. Neither TIIC nor any of its employees, 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 TIIC nor any of its employees 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

Information contained in this document for Request for Proposal (“RfP”) and/or subsequently provided to Tenderers, whether verbally and/or in documentary form by or on behalf of The Tamilnadu Industrial Investment Corporation Limited (“TIIC”) or any of its authorized employees (collectively referred to as “TIIC’s Representatives”), is provided to the Tenderers based on the terms and conditions set out in this RfP document and any other terms and conditions subject to which such information is provided. This RfP document is not an agreement and is not an offer or invitation by TIIC to any other party. The purpose of this RfP document is to provide interested parties with information to enable formulation of their proposal.

This RfP document does not purport to contain all the information each Tenderer may require. The Tenderers should conduct their own due diligence, investigations and analysis and should check the accuracy, reliability and completeness of the information in this RfP document and obtain independent advice from appropriate sources. TIIC or its Representatives make no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of the RfP document and concerned with any matter deemed to form part of the RfP document, award of the assignment, the information and any other information supplied by or on behalf of TIIC or otherwise arising in any way from selection process. The prospective Tenderer will be responsible for all obligations to its staff, their payments, complying with provisions of law relevant for the working of the Tenderer's staff.

Subject to any law to the contrary, and to the maximum extent permitted by law, TIIC and its officers, employees 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 contents 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 TIIC or any of its officers, employees, contractors 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 TIIC, 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 TIIC until execution of a contractual agreement.

**1.6. Applicant's 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 TIIC may in its absolute discretion apply selection criteria specified in the document for evaluation of proposals for short listing / 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. Tender Inviting Authority**

The tender inviting authority will be The Head of the Dept. of IA & ISO Dept., TIIC., Head Office, Chennai-600 035.

**1.9 Tender Accepting Authority**

The tender accepting authority will be The Chairman & Managing Director, TIIC., Head Office, Chennai-600 035.

**1.10 Maintaining Secrecy and Confidentiality**

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

**1.11 Errors and Omissions**

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

**1.9. Acceptance of Terms**

An Applicant will, by responding to TIIC for RfP, be deemed to have accepted the terms of this RfP document.

## **2. Broad Scope of Services for the (Concurrent) Auditor**

**2.1 Objective:**

The main objective of Concurrent cum Internal Audit are :

- a) To verify how far the Internal control systems and procedures are adhered to in various areas of operations of the Corporation.
- b) To make analysis of the quality of the Corporation's assets and the effectiveness of control system
- c) To evaluate the adequacy and effectiveness of Risk management, internal control systems and procedures
- d) To identify the potential High Risk areas and to suggest risk mitigants
- e) To give a fair view on the perceived risk perception of the auditee offices

**2.2 Project Objective and Scope of audit of TIIC's Branches**

The functions of TIIC's Branch Office(s) include credit dispensation under various loan schemes and other day to day operations of the Corporation. The selected Chartered Accountant Firms / LLP/ Companies would undertake (concurrent) audit of operations of the Branch(es) on daily / regular basis and based on their findings also regularly suggest measures to improve the functioning of operations of Branches of TIIC. 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 / Company of Chartered Accountants for carrying out the audit should be qualified and experienced in the area of work.

The objective and scope of the Concurrent Audit to be undertaken in the above branches are as under:

**A. Objective of Audit:**

The main objectives of the audit are as follows:

- i. To supplement the efforts of the Corporation in carrying out simultaneous internal checks.
- ii. To reduce the interval between transactions and its independent verification.
- iii. To verify whether the system and procedures has been properly complied with and implemented in the Corporation.
- iv. To perform substantive checking of various areas of the TIIC's operations and to make rectification of the deficiencies in the earliest possible time.
- v. To detect and arrest revenue leakage, immediately.
- vi. To bring an ongoing improvement in the standard of internal controls and processes by identifying areas of weaknesses & deficiencies and energizing the process of rectifications.
- vii. To give advisory opinion in the areas of operations of the Corporation, as and when it is necessary.
- viii. Verifying whether sanctions for advances and disbursement thereof is obtained from competent authority.
- ix. Scrutinizing the completeness of documents submitted for availing advances and other facilities.
- x. Ensuring compliance of laid down systems, procedures and policies.
- xi. Examining books of accounts, records and / or registers to ensure that they are maintained in accordance with the prescribed systems / reconciled with general ledger.
- xii. **a) Physical verification of all assets for which loan disbursement is considered (concurrent basis / every month).**  
**b) Physical checking of stocks financed under working capital scheme at relevant places (concurrent basis / every month).**  
**c) Random inspection of 1 NPA unit per month (With loans above Rs.50.00 lakhs) – without any repetition of the units inspected.**
- xiii. Detection and arresting of leakage of income, if any.

- xiv. To follow up with branch officials to ensure timely rectification of irregularities reported with regard to the operations of the branch and rectified on the spot / during audit period itself.
- xv. Verify prompt, timely and regular submission of the periodical and statutory returns.
- xvi. Any violation of procedure is brought to light.
- xvii. Reporting any irregularity /fraud in working which may result in financial or other loss to the Corporation.
- xviii. Feedback on regulatory compliances.
- xix. Any other areas on the operations of the Corporation which are vital, in nature.

**B. Scope for all Term Loans / Bill Finance**

- i. Whether the transactions or decisions are within the policy parameters laid down by the Corporation.
- ii. Sanction and Disbursement of loans & advances are within the policy parameters laid down by the Corporation. All the loan disbursements are to be checked / verified by the concurrent auditors before actual disbursements and all the disbursement notes need to be signed by the concurrent auditors.
- iii. Verify whether pre-sanction/pre-disbursement/post-disbursement visits are undertaken and reports are available on record.
- iv. Sanctions / Disbursements are within the delegated authority.
- v. Sanctions / Disbursements do not violate the instructions or policy prescriptions of RBI / SIDBI / other regulators.
- vi. Compliance to RBI guidelines relating to defaulters list / caution advice / CIBIL list / fraudulent borrowers list, KYC / AML, etc. is done satisfactorily.
- vii. DoP (Delegation of Power) has been exercised properly and Post Sanction Reporting, wherever applicable, is sent to Post Sanction Reporting Authority.
- viii. Verify whether Legal clearance certificate has been issued by the Branch Manager.
- ix. Pre-disbursement conditions are duly complied with; deviations made, if any, are within the guidelines issued, from time to time.
- x. Verify the end use of term loan disbursed by the Branch for the purpose it is meant for (based on documents and inspection reports of Branch officials).
- xi. Whether charge has been properly created over securities offered and CERSAI/ROC Registrations are done properly.
- xii. a) Physically verify all the assets financed including stocks created out of working capital by undertaking field inspection in respect of all disbursed cases.**  
**b) Undertake inspection of units on a sample basis to cover 1 NPA unit (with loan above Rs.50.00 lakhs )per month or such number of units as may be reasonably prescribed by TIIC then and there.**

- xiii. Whether in all cases, where the statements/ documents (stock statement, project completion report, final list of machinery, Acknowledgment of Debt, Annual report, etc.) are not received, even after a reasonable time, prompt action is taken by the branch to get the same.
- xiv. To ensure that all assets hypothecated and mortgaged to the Corporation are adequately insured as per the extant guidelines of the Corporation and are in the joint names / with TIIC clause and the policies are renewed on timely basis.
- xv. Verify whether there is any mis-utilisation of the loans and whether there are instances indicative of diversion of funds.
- xvi. Verify whether there are any borrowal accounts (other than those reported by the branch) which are showing symptoms of sickness and can be classified as NPAs, if so, ascertain the reasons thereof and analyse the steps taken by the branch in the matter.
- xvii. Verify whether the classifications of loan assets of the Branch have been done properly and income recognition norms have been followed up, as per the Corporation's guidelines and procedure/ RBI norms by the respective branch.
- xviii. Verify whether subsidy claims are as per the respective scheme and lodged timely with Govt. authorities by the Branch through Head Office.
- xix. Verify whether claims submitted by Branch to CGTMSE are in time.
- xx. Verify whether guarantee fee for coverage under CGTMSE are collected and deposited with Credit Guarantee Trust Fund.
- xxi. Verify the credit ratings and submission of a certificate in writing that the ratings are found to be correct. The discrepancies, if any, should be brought to the notice of the Corporation.
- xxii. Verify the updation of CIBIL data and report the status in the monthly audit report.
- xxiii. Verify the details of flow of applications, time taken for appraisal of Proposals, pending applications, etc. with Project Department of the BO concerned and report the status in the monthly audit report.
- xxiv. Verify whether assets have been verified by the BO within 30 days from the date of classification of account as NPA. Also verify whether inspection of units financed have been done by Branch Officials as per extant guidelines.
- xxv. Verify the proposals covered under any other Special Scheme of the Government / other Agencies and ensure whether the requisite documents prescribed for the purpose have been obtained and kept on record.
- xxvi. Whether GST has been correctly collected on various incomes like investigation fees, upfront fee, etc., at applicable rates?
- xxvii. Whether GST has been correctly paid on various expenditures like Legal Fees, Valuation Fees, etc., at applicable rates?
- xxviii. Whether details of GST collected / paid has been sent to H.O. every month as per the prescribed formats?
- xxix. To verify discounting of bills / retirement of bills, on daily basis.

- xxx. To ensure that the visits to the vendors units have been undertaken as per the extant guidelines of the Corporation. The auditor may also undertake some sample visits along with BO officials on random basis and / or on the basis of criticality of the transactions.
- xxxi. To verify, due date-wise, Live Bills under Bill Finance Scheme.
- xxxii. To undertake visit to purchaser companies to verify the invoices under BFS on sample basis if necessary.
- xxxiii. Safe custody verification as per extant guidelines.
- xxxiv. To identify and report the BFS bill pending for more than 180 days and the action taken by branch thereon.

### **C. Scope for Working Capital Cases**

- i. To ensure that margin on current assets; Rate of Interest & Drawing Power is considered / fixed as per the terms of sanction.
- ii. To ensure that the loans have not been made operational beyond the validity period, without approval of the competent authority for extension of the validity period.
- iii. To ensure that the periodic visits to the borrower units have been undertaken as per the Scheme guidelines. The auditor may also undertake some sample visits along with BO officials on random basis and / or on the basis of criticality of the account.
- iv. To ensure that the monthly stock statement from the borrower is obtained on time and filed.
- v. To scrutinize the monthly stock statements to ensure correct valuation to match the loan outstanding.
- vi. To ensure that the inventories as mentioned in the Stock statement furnished by borrowers are correct and as per the books of borrower.
- vii. To ensure that the CA certified book debt statements from the borrowers are obtained on half-yearly basis.
- viii. To ensure that stocks are adequately insured as per the extant guidelines of the Corporation and are in the joint names / with Bank clause and the policies are renewed on timely basis.
- ix. To ensure that financial statements are obtained, wherever applicable and indicate the observations on the general business operations / profitability, etc.
- x. To ensure that stock audit is undertaken, wherever applicable and to ensure that the compliance of stock audit observations are met.
- xi. To check the correctness of interest / penal interest.
- xii. To examine the overdue accounts closely (in terms of operations in the account, Stock & Book Debt statement, Credit Summation, Cheque Bouncing, etc.).
- xiii. To ensure compliance of extant guidelines, in case of multiple current accounts and / or multiple banking arrangement.

**D. Scope for Follow-up /Recovery:**

1. Whether Inspection / Visit slip of the units by LAO/LAAs available for each month in the files for all doubtful cases?
2. Whether any special remarks like change in management, change in location, missing machinery etc., have been reported and acted upon by the branch in time?
3. Whether Reschedule / Relief / concession given Registers are maintained.
  - (a) In the case of change of management / take over whether all the conditions stipulated during the approval have been complied with.
  - (b) Whether documents executed within the stipulated time for the above.
  - (c) If not whether action has been initiated to regularize the account.
4. In the case of waiver, whether settlement has been made within stipulated period. If not whether interest for delayed period has been collected and condonation for the delay has been approved.
5. Whether details of assets available at the time of possession were clearly indicated in the possession taken register including missing assets noticed if any during possession.
6. Whether mahazar copy of has been sent to concerned promoter / collateral owner?
7. Whether criminal complaint has been lodged for missing assets, if any?
8. Whether steps have been taken for issue of advertisement for auction sale within reasonable time.
9. Whether auction sale register is maintained with full details.
10. Whether data sheets have been prepared and updated for all doubtful cases and further course of action has been initiated as suggested in the data sheets for those cases?
11. Whether details of the assets to be auctioned, details of auction, terms and conditions of auction are sent to the promoters / guarantors / collateral owners prior to auction sale.
  - (a) Whether the highest bidder paid the amount within stipulated period.
  - (b) If the bidder has remitted the bid amount beyond the stipulated period.
  - (c) If the bidder has not remitted the bid amount within the reasonable time whether the amount has been forfeited as per the terms and conditions.
12. Whether promoter has been informed about the bid amount credited in the loan account, valuation of the assets and balance payable.
13. If the auction is not confirmed whether 10% bid amount has been refunded before advertising for the next auction.
14. Whether suit / SFC OP was filed against the borrower for the balance dues after



the assets are sold in public auction.

15. For the unit where decree has been obtained whether branch has taken steps to identify the property owned by the promoters and Execution Petition has been filed.

16. Whether suit filed cases have been reviewed periodically.

17. Whether categorization statement of LAO/LAA is maintained.

18. In the case of WCTL availed by the units whether stock statement has been obtained every month from the unit.

19. Whether slippage of loans are placed before the Branch Sanction Committee every month.

20. Whether working results of the unit are obtained and analysed every year where loan sanctioned is 1 crore and above.

21. Acknowledgement of Debt to be obtained as per extant guidelines and kept in safe custody (copy in the file).

22. Adequacy of working capital limits to be ensured.

23. Discussion with banks and reports on such visits / discussion to be kept in the file and action to be initiated on the observations, wherever required.

24. Insurance / renewal of insurance of the assets of the borrower, incorporating TIIC's interest

25. Notice regarding TIIC's charge on the assets / machinery to be verified at the borrowers premises.

26. Maintaining close and regular contact with the promoters/ directors and key personnel of the assisted units; discreet market interaction with units in similar industry, suppliers, banks, auditors etc.

27. Periodical visits to collateral securities / encroachment / modification etc. to be taken up with borrower. Independent visits, whether undertaken in respect of consortium finance/ multiple banking projects, if there is substantial delay.

28. Fresh Valuation of collateral securities, wherever considered necessary as per the guidelines.

29. Letter of assignment to empanelled valuers/ chartered engineers is issued.

30. Existing loan portfolio (including NPAs) are reviewed and wherever immovable property is available as security to the Corporation a fresh E.C. is obtained every year.

31. Regular monitoring of cases which are rescheduled/ restructured or are in stress category is done.

32. Viability of a/cs at the time of restructuring of the loan assets are ensured before restructuring.
33. Restructuring to be done looking into the cash flows of the borrower and after assessing the financial viability.
34. Proper classification of assets / accounts as per extant guidelines.
35. Adherence to guidelines in respect of NPA cases for recovery of dues.
36. Availability of limitation period in respect of all accounts in the portfolio.
37. Whether advertisement for sale of the taken over assets under SARFAESI Act, issued in prescribed format.
38. Whether re-verification of title deeds and other documents done in respect of credit exposures of Rs.5 crores and above.
39. In BFS cases Demand advices are sent to the seller for overdue bills and penal interest.
40. On delay in retirement of any bill, interest and penal interest should be demanded and reminders should be sent regularly for any amounts remaining unpaid towards bills, interest or penal interest.
41. Dishonoured cheques should be kept separately in safe custody.
42. Whether reimbursement received for a particular bill has been adjusted against the dues for the same bill?

**E. Scope for Accounts:**

1. Whether loan ledger sheets are maintained in good condition?
2. Whether cashier's book is written upto date and cash balance checked
3. Whether Journal Voucher register is maintained upto date?
4. Whether Bank reconciliation statements have been prepared and are upto date?
5. Whether cash / bank entries generated in computer are checked and signed by the officer and maintained in a separate file?
6. Whether principal & interest demands are correct and sent on time?
7. Whether remittance made by loanees are properly appropriated?
8. Whether term loan, transport loan postings were made upto date?
9. Whether funds are being transferred to Head Office regularly?

10. Whether vouchers have been stitched regularly? If so, it should be signed by the Officer?
11. Whether monthly General Ledger Trial Balance is extracted and checked by the Officer?
12. Whether deletion of vouchers from the system is done with proper written authentication of the Branch Manager / Assistant Manager?
13. General Ledger codes are properly assigned in respect of the various account heads?
14. Whether loan numbers, borrower number are assigned in the natural sequence and proper records are maintained for the same?
15. Whether Computers / Systems are accessed by authorised person?
16. Whether periodical / Regular data back up are maintained?
17. Whether the interest rates are correctly mentioned in the loan ledger?
18. Whether auction sale proceeds / sale of machinery / sale of collateral etc., have been properly appropriated towards principal account?
19. Whether the Tax deducted at source details are furnished correctly. Whether the amount remitted by Head Office tallies with the Branch figure?
20. Whether the GST paid/ input credit details are furnished correctly to Head Office every month?
21. Whether the GL code wise listing for all the GL heads are taken by the branches after the end of the financial year?
22. Whether the provisioning statement prepared by the branches at the end of the year is correct?
23. Whether the Branch is forwarding the weekly back up to Systems Department at Head Office regularly ?
24. Whether the duplicate key location is available ?
25. Whether Reset clause for Interest properly carried out ?
26. Whether foreclosure register is maintained by the Branch Office?
27. Whether Cheques inward register maintained?
28. System for issue of cheques & safe custody of cheque books available.
29. Sundry / suspense monthly reconciliation
30. Day begin / Day end is on line

31. Whether the auditee office is maintaining proper records of cash transactions / series of transactions integrally connected > Rs. 10 lakh
32. Whether the auditee office is maintaining proper records of all suspicious transactions, loans & advances, bills, Records to contain details such as nature of transactions, amount of transactions, date of transaction, parties to the transactions etc.?
33. Whether the reporting requirements regarding verification of identity of clients, maintenance of records, suspicious transactions, etc. to Financial Intelligence Unit, India (FIU-IND) are followed?

#### **F. Scope for Administration:**

To check whether the following registers are maintained/updated and report on the following administration areas given below:-

1. Attendance Register
2. Late attendance Register
3. Cash Book / Bank Book
4. Postage Register
5. PL, ML Register / records of the employees / service register
6. Casual Leave Register
7. Inward Register
8. Despatch Register
9. Miscellaneous advance Register
10. T.A. Bill Register
11. Payment Register
12. Vehicle maintenance Register
13. Vehicle log book
14. Insurance records on office assets, cash holdings, cash in transit, etc.
15. Regional / Branch Manager's residence telephone bills / recovery for excess calls, etc.
16. Inspection report for Driving Licence, Insurance, RC book etc., for all the employees who avail conveyance allowance.
17. Employment Exchange Returns
18. Contract appointments
19. Whether verification of all fixed assets (dead stock items) carried out prior to closing of annual accounts.
20. Maintenance of all files, registers and other records.
21. System of keeping Old records and their easy retrieval, in case of emergency.
22. Availability of adequate communication facilities.
23. Availability and safe custody of duplicate keys of all cupboards/furniture etc., Safe custody Register / its maintenance, retrieval of documents.
24. Destruction of old records as per HO guidelines.

25. Insurance coverage for housing loans.
26. Reimbursement of Official entertainment expenditure
27. Stationery / Printing
28. Reimbursement to officers for newspapers / periodicals / books, etc.
29. Rent / taxes for office premises timely renewal of lease.
30. Maintenance of dead stock / AMCs / Dead stock register / inventory for misc. items not classified as dead stock items.
31. Repairs & maintenance of office.
32. Security arrangements for office.
33. Car hire bills / travel agent bills.
34. Liveries to workmen employees.
35. Expenditure control by auditee office as per HO guidelines issued from time to time.

## **2.2 The CA Firm will have to submit the following reports to the**

### **Management:**

- (i) Quarterly reports as per the format prescribed by TIIC, from time to time, covering Branch's day-to-day operations including its core functions such as credit appraisal, pre-sanction and post-sanction supervision mainly under Term Loan, Working Capital, Bill finance and other operations, compliance to the terms and conditions of sanction, post disbursement, supervision, documentation, review/renewal of limits, bills finance, KYC norms, monitoring of business risks and compliance of Delegation of Powers etc.
- (ii) Monthly reports covering comments on adherence to regulatory, internal policy, procedure, guidelines, compliance of Delegation of Powers etc. and areas of audit viz. Flash Report as per the formats. (Enclosed in Annexure)
- (iii) Monthly reports on physical verification of assets for all the disbursement made during the month (as per format enclosed)
- (iv) Unit Inspection Report on 1 NPA unit per month (as per format enclosed)
- (v) Bi-annual report on the compliance of audit by branch.
- (vi) Any other related reports as may be required by TIIC from time to time.

**Note: The CA firm / LLP / Company shall be accountable, on its part, for wrongly verifying any document or auditing disbursement notes or such other important documents, based on which the Corporation can / will take all appropriate actions against such delinquencies.**

The above reports with regard to operations mentioned above relating to the respective Branch including area of credit dispensation and other day to day

operations should be submitted in the following manner to the Branch / Regional Offices / HoDs concerned.

| S. No. | Name of the Branch | To whom reports to be submitted  |
|--------|--------------------|--|
| 1      | Poonamallee        | Branch Manager of the concerned Branch, Regional Manager of the Concerned Region, and HoD of Internal Audit Department at Head Office. |
| 2      | Dindigul           |  |
| 3      | Karaikudi          |  |
| 4      | Tirunelveli        |  |
| 5      | Nagercoil          |  |
| 6      | Hosur              |  |
| 7      | Kallakurichi       |  |
| 8      | Cuddalore          |  |

**Note:** Copy of the report should be made available in soft copy and hard copy forms within one week of the audit period for which the report pertains.

A detailed checklist and other operating guidelines will be provided to the concurrent auditors. Necessary training / consultation required would be provided to them for enhancing the quality of the audit. They would be made aware of the guidelines and circulars issued subsequent to commencement of assignment and having impact on the concurrent audit, to keep them abreast of the changes in the operational and regulatory guidelines.

TIIC 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 on annual basis. The firm / LLP / Company should strictly adhere to the format and the time limit. TIIC may prescribe different periodicity for different reports of the same branch.

Flash Report (Monthly), Audit Report (Quarterly), Physical Verification Reports (Monthly) Unit Inspection Report (Monthly) & Bi-annual Feed back report.

### **2.3 The selected CA firm would also be required to comply with the following requirements:**

- i. The Firm / LLP/Company shall ensure that the audit firm / company or any sister / associate concern, is not conducting the statutory audit of the Corporation or any of its branches.
- ii. The firm/ company shall execute undertaking of fidelity and secrecy on its letterhead in the format prescribed by the Corporation.
- iii. The firm/ company shall ensure that the audit be carried out in a professional manner and in case of any misconduct and negligence, the Corporation at its sole discretion report the matter to ICAI/RBI/CAG as it may deem necessary.
- iv. **The firm / company shall ensure that it will not sub-contract the audit work assigned to any outside firm / company or other persons, even though such persons are qualified Chartered Accountants.**

- v. The CA firm would do the audit work themselves and would depute qualified and experienced employees and further ensure continuity of the member(s) of the audit team for smooth audit functions at BO. The team of Concurrent Audit should consist of a Principal (A qualified Chartered Accountant), a Team leader (Chartered Accountant/Retired Bank/ Financial Institution employee not less than the cadre of Manager with minimum 3 years experience in Bank audit) and Audit staff (semi qualified/articled clerk). The team leader & audit staff, shall visit the branch on daily basis but in any case not less than 15 days in a month. The principal / partner(s) will visit the branch themselves at least once in a week (ie. not less than 4 days a month) or as and when required by the Corporation.

**The team leader allotted for audit of a branch office, should not be changed without the approval of TIIC and if any changes are necessary to be made by the CA firm/Company, should be done only with the prior written approval of the TIIC.**

- vi. A declaration shall 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 Rules.
- vii. Any other terms and conditions of the assignment would be decided by the Corporation, on a case-to-case basis, with the approval of CMD of TIIC and it would be binding on the CA.

#### **2.4 Appointment of Auditors - other conditions:**

- i. **As a matter of policy, TIIC shall engage the services of a CA firm/LLP/Company for carrying out Audit of one BO only at a time.** Accordingly, in case the CA firm / LLP/Company has been already engaged by TIIC in any of its branches, such CA firm / company will not be eligible for another assignment (in the same branch).
- ii. After completion of specific period (continuous three years i.e. 1 year + 2 years), cooling period of one year would be observed for a firm / company to become eligible for fresh appointment in the same BO. This will be purely at the discretion of the Corporation and no rights whatsoever accrue to the firm / company for such appointment.
- iii. The auditor should adhere to the audit coverage strictly as per the scope as may be decided by the Corporation, from time to time.
- iv. The auditors should not undertake any other activities / assignment on behalf of the branch, without obtaining the clearance from IAD, in writing.
- v. The auditors would not give any rating or grade to the Branch.

- vi. Necessary arrangements would be made for providing space, workstation and access to systems (viewing rights only) to the auditors for ensuring smooth conduct of the audit. This would be the responsibility of the Corporation. However, Branch In-charge / HoD, IAD will take responsibility for arrangement of the same.
- vii. The CA firm /LLP/Companies should continue to satisfy the eligibility norm for appointment as Auditors as prescribed by the Corporation, from time to time.
- viii. The assignment would be subject to periodical review at the discretion of the Corporation. The Corporation reserves the right to terminate the assignment for Audit at any time, without assigning any reasons whatsoever. In such an event, the CA firm/LLP/Company shall take such steps, as are necessary to bring the services to an end in a cost effective, timely and orderly manner.
- ix. The IAD will stipulate the time limits for submission of the reports as per the prescribed format.
- x. The audit report format would be reviewed on an annual basis by IAD. The firms should strictly adhere to the report format and the time limit. Delay in submission of reports/incomplete reports will attract deductions from remunerations/fees payable to CA firm /LLP/ Company as decided by the Corporation.
- xi. The Concurrent Auditors shall seek any clarification / guidance from IAD for smooth conduct of the Concurrent Audit.

### 3 Qualification Criteria

Tenderer must read carefully the minimum conditions of eligibility (the “**Conditions of Eligibility**”) provided herein. Proposals of only those Tenderers who satisfy the Conditions of Eligibility will be considered for technical evaluation.

#### 3.1(a) **Eligibility Criteria:**

Tenderer must read carefully the minimum conditions of eligibility (The Conditions of Eligibility) provided therein. Proposals of only those Tenderers who satisfy the conditions of eligibility will be considered for Technical evaluation.

| Sl. No. | Eligibility Criteria   |
|---------|--|
| i.      | Tenderer should have Minimum <b>3</b> years of branch audit / concurrent audit experience in Financial Institutions / Public Sector Banks, mainly in the area of credit dispensation-knowledge & experience in carrying out audit works and other day to day operations (with documentary proof for the award and completion of the assignment). |



|      |   |
|------|---|
| ii.  | <p>Tenderer should be a Partnership firm / LLP / company of Chartered Accountants where partners / directors are CAs and should have valid registration Certificate of Practice from ICAI (proof of registration to be furnished).</p> <p><b>Note:</b></p> <p>Tenderer should have suitable Infrastructural facilities, including office set up, adequate manpower, which are specialised in the area of audit of branch operations, mainly in the area of credit dispensation and other day-to-day operations of the Corporation. Competence and qualification of key professional staff, which shall carry out the assignment in a time bound manner, Particulars about the firm / LLP / company, including details of partners/directors, their qualifications and experience to be furnished.</p> |
| iii. | The tenderer should be empanelled with RBI/any of the nationalised bank and the validity in currency  |
| iv   | Tenderer should have regular set-up, either head office or full-fledged branch offices, at respective locations (locally) of TIIC branches ( <b>which will be subject to field verification by the TIIC; if found to be false, the tender submitted by the said firm will be summarily rejected and the next CA firm in the reserve list will be considered</b> ).  |
| V    | Tenderer shall have annual turnover not less than Rs.20.00 lakhs as on 31.03.2020.  |

## An eligible tenderer (Firm/LLP/company) can apply for Concurrent audit of one or more branches, subject to the above terms of eligibility. However, separate tender with separate EMD for each branch office shall be submitted.

The tenderer should submit each tender application with all the required/ relevant particulars, separately along with the tender application fees of Rs.1000/- plus GST @18% and EMD of Rs.15,000/-.

**However, the tenderer (Firm/LLP/Company) shall be eligible for selection/appointment for only one branch as the case may be, which may please be noted.**

### 3.1. (b) Restricted Eligibility / Ineligible conditions:

| viii   | The following Concurrent Auditors appointed earlier by the Corporation, for the following branches shall not apply for the same branch as per Corporation's norms. But they are eligible to apply for other branches, as the case may be.                        |   |             |                     |   |           |   |   |       |                                  |  |  |
|--------|--|---|-------------|---------------------|---|-----------|---|---|-------|----------------------------------|--|--|
| .      |  |   |             |                     |   |           |   |   |       |                                  |  |  |
|        | <table><tr><th>S. No.</th><th>Branch Name</th><th>Name of the CA Firm</th></tr><tr><td>1</td><td>Nagercoil</td><td>M/s. Dharmalingam &amp; Associates, Nagercoil</td></tr><tr><td>2</td><td>Hosur</td><td>M/s. Venkat &amp; Raghunathan, Hosur</td></tr></table> | S. No.                                    | Branch Name | Name of the CA Firm | 1 | Nagercoil | M/s. Dharmalingam & Associates, Nagercoil | 2 | Hosur | M/s. Venkat & Raghunathan, Hosur |  |  |
| S. No. | Branch Name  | Name of the CA Firm                       |             |                     |   |           |   |   |       |                                  |  |  |
| 1      | Nagercoil  | M/s. Dharmalingam & Associates, Nagercoil |             |                     |   |           |   |   |       |                                  |  |  |
| 2      | Hosur  | M/s. Venkat & Raghunathan, Hosur          |             |                     |   |           |   |   |       |                                  |  |  |

|      |  |
|------|--|
| viii | The firm/LLP/company or any of its sister/associate concern wherein the present Statutory Auditor of the Corporation is associated as a partner/director shall not be eligible to apply. |
|------|--|

**3.1.(c) : The following documents shall be furnished without fail; alongwith documentary proofs required to support their eligibility.**

- The Tenderer should submit copy of valid PAN Card.
- The Tenderer should have valid GST Registration. Copy of GST Certificate to be submitted.
- The Tenderer should not have been black listed by TIIC or any State or Central Government or Banks/Financial Institutions in India as on date. An undertaking must be submitted in support of the same **(Annexure – VIII)**.
- The Tenderer or their sister concerns should not be involved in the Statutory audit of the Corporation at present.
- The existing Concurrent Auditors of the Corporation shall not apply for the same branch for which they are doing Concurrent Audit at present.

**Only those proposals that qualify the Eligibility Criteria will be considered for the next stage of evaluation.**

**3.1.1 Evaluation of Technical Proposal**

***Evaluation of Technical Proposal***

The Technical Proposal will be evaluated on the basis of Tenderer's experience. Only those Tenderers whose Technical Proposals **score more than 60 marks out of 100** shall be considered for evaluation of the Financial Proposal.

The scoring criteria to be used for evaluation shall be as follows:

| S. No. | Criteria  | Maximum Marks (Weightage) |
|--------|---|---------------------------|
| 1      | <ul style="list-style-type: none"> <li>The Tenderer should be a Chartered Accountant firm / LLP / company with year of establishment</li> <li>The Tenderer should have Knowledge and experience in carrying out audit works and other day to day operations.</li> <li>Less than 3 years - <b>No Marks</b></li> <li>Years since establishment – 3 years – <b>10 Marks</b></li> <li>Above 3 years (1 marks for every additional 1 year of experience) subject to a maximum of <b>10 marks (Additional)</b></li> </ul> | 20                        |
| 2      | The tenderer firm/Company shall have more than 3 partners / directors.(Certificate of practice) – <b>10 Marks</b><br>– 3 Partners / Directors or less - <b>5 Marks</b>  | 10                        |
| 3      | Be the Tenderer having at least <b>3</b> years of previous track record of carrying out such audits in other Financial Institutions / Public  | 30                        |

|   |  |            |
|---|--|------------|
|   | Sector Banks mainly in the area of credit dispensation and other day to day operations of the Bank / Financial Institution (with documentary proof of the award of assignment and completion certificate)- <b>10 Marks</b><br>– every additional year of experience will carry 2 marks subject to maximum of 20 – <b>20 Marks (Additional)</b>   |            |
| 4 | Whether the Tenderer is empanelled with RBI  | 10         |
| 5 | Whether the Tenderer is registered /empanelled with CAG  | 10         |
| 6 | Be the Tenderer having availability of suitable Infrastructural facilities including office set up, adequate manpower – minimum 3 ( <b>other than partners/directors</b> ), who are specialized in the area of audit of Branch Operations mainly in the area of credit dispensation and other day to day operations of the Corporation. Team leader should be a qualified CA/Official of retired bank/Financial Institution not less than the cadre of Manager and other Team Members ( <b>Annexure – VII</b> ). | 10         |
| 7 | Be the Tenderer's Turnover of minimum Rs.20.00 lakhs per annum – <b>4 Marks</b> .<br>Additional Turnover of every Rs.5.00 lakhs – 1 mark subject to maximum of 6 marks – <b>6 Marks (Additional)</b> .   | 10         |
|   | <b>Maximum Score</b>   | <b>100</b> |

## 4 Language of the Proposal

The Proposal prepared by the Tenderer as well as all correspondences and documents relating to the Proposal shall be in English language only. If the supporting documents are in a language other than English and Tamil, the notarized translated English version of the documents should also be enclosed. Proposal received without such translation copy will be summarily rejected.

## 5 Availability of RFP Documents

- a) RFP document can be downloaded from [www.tenders.tn.gov.in/](http://www.tenders.tn.gov.in/) / [www.tiic.org](http://www.tiic.org) at free of cost. For the downloaded tender document, the Tenderer should give a declaration for not having tampered the Tender document downloaded (as per Annexure IX). However application fee of Rs.1000/- plus GST shall be enclosed alongwith each RFP submitted.

## 6 Pre-Bid Meeting

Pre-bid meeting will be held at **11.00 AM** on 08.04.2022 in the Head Office of TIIC, MHU Complex, 692, Anna Salai, Nandanam, Chennai - 600035, during which the prospective Tenderers can get clarifications about the tender. The Tenderers shall send their queries in writing to [audit\\_tender@tiic.org](mailto:audit_tender@tiic.org) at least two days prior to the pre-bid meeting date. The Tenderers are advised to check

[www.tenders.tn.gov.in](http://www.tenders.tn.gov.in)/[www.tiic.org](http://www.tiic.org) for up-to-date information like change in date / venue etc., of pre-bid meeting. Non-attending of pre-bid meeting is not a disqualification.

## **7 Clarification on the RfP Document**

Any discrepancies, omissions, ambiguities or conflicts in the audit clarifications tender document or any doubts as to their meaning and any request for clarification may be sent in writing to “The Head of the Dept. of IA & ISO Dept., TIIC, MHU Complex, 692, Anna Salai, Nandanam, Chennai - 600035” or through e-mail to [audit\\_tender@tiic.org](mailto:audit_tender@tiic.org). The Head of Department (IA&ISO) will review the same and where information sought is not clearly indicated or specified in the tender documents, will issue a clarifying bulletin which will be uploaded on [www.tenders.tn.gov.in](http://www.tenders.tn.gov.in) / [www.tiic.org](http://www.tiic.org). The Head of Department (IA&ISO) will neither make nor be responsible for any oral instructions. Request for clarification should be brought to the notice of The Head of Department, (IA&ISO) in writing, before 48 hours of the pre-bid meeting.

## **8 Amendment of the RfP Document**

TIIC whether on its own initiative or as a result of a query, suggestion or comment of an Tenderer, may modify the tender document by issuing an addendum or a corrigendum at any time before the opening of the tender. Any such addendum or corrigendum will be uploaded on [www.tenders.tn.gov.in](http://www.tenders.tn.gov.in) / [www.tiic.org](http://www.tiic.org) and the same will be binding on all Tenderers, as the case may be. Any addendum or amendment will form part and parcel of the tender document.

## **9 Authorization of the Tenderer**

The Proposal should be signed and sealed on each page by the Tenderer or by the person who is duly authorized for the same by the Tenderer. A Power of Attorney indicating the Authorized Signatory would be required in case the signing authority is not Director/ Partner on the Board of Directors/ Firm of the Tenderer.

## **10. Submission of the Proposal in Two Cover System**

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

- **Fax / email copies of any submission are not acceptable and will be rejected by TIIC.**
- **Copy of bids and attachments must be provided in sealed envelopes – technical bid separately - financial bid separately with proper superscription.**

The person(s) signing the Bids shall initial all pages of the RfP. The Bids shall contain no erasures or overwriting except as necessary to correct errors made by

the applicant, in which case corrections shall be initialled by the person(s) signing the Bids.

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 TIIC. Applicants shall be deemed to license, and grant all rights to TIIC 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.

(a) Every page of the terms and conditions of the RfP document including amendment/addendum should be signed and sealed in token of having accepted the RfP conditions, failing which the proposal will be rejected summarily.

(b) Proposals should be submitted in two parts:

#### **Part I**

**Form A:** Fulfilment of Basic Eligibility Criteria

**Form B:** Technical Proposal (to contain document in support of Eligibility and Technical Evaluation) with all relevant forms as given in the Annexure-XIII interveningly grouped in Form A and Form B .

#### **Part II**

➤ Financial Proposal (to contain the financial quote in lumpsum)

(c) Tenders should ensure submission of all documents along with Part-I (Form A and Form B) and Part II as per the Check list given in **Annexure -XIII**.

(d) A soft copy of Part-I should be provided in a Compact Disc/USB Flash Drive. This is only for reference purposes and in case of discrepancies between the two, hard copy submission shall prevail.

(e) Tenderers are requested to submit Part I (Form A and Form B) and Part II in a **two different sealed cover superscripting as Part I and Part II respectively**. These two covers namely Part I and Part II must be placed in a **separate sealed cover** superscripted as **“RfP for the Selection of (Concurrent )Auditors for Audit Operations of Branch office \_\_\_\_\_( Name of the Branch )”** addressed to “The Head of the Dept. of IA & ISO Dept., TIIC, MHU Complex, 692, Anna Salai, Nandanam, Chennai - 600035”, containing the name and address of the Tenderer. **Proposals submitted with unsealed /not properly sealed cover would summarily be rejected.**

- (f) Tenders should be dropped only in the tender box kept at “**TIIC**, MHU Complex, 692, Anna Salai, Nandanam, Chennai - 600035” on or before **05.00 PM of 05.05.2022**”. Proposals will not be received by hand.
- (g) Alternatively, the tenders can be submitted through registered post so as to reach the above address on or before **05.00 PM of 05.05.2022**. Tenders received after the specified time will not be considered and TIIC will not be liable or responsible for any postal/ transit delays.
- (h) A proposal once submitted shall not be permitted to be altered or amended.

## **11. Earnest Money Deposit**

- a) Every Proposal/tender should be accompanied by an Earnest Money Deposit (EMD) to the value of INR 15,000/- in the form of a Demand Draft only drawn on any Indian Nationalized/Scheduled Commercial Bank in favour of “The Tamilnadu Industrial Investment Corporation Limited”, payable at Chennai. The EMD in any other form will not be accepted. The Earnest Money Deposit will be returned to the unsuccessful Tenderers.
- b) The Earnest Money Deposit will be retained in the case of successful Tenderer and it will not earn any interest and will be dealt with, as provided in the terms and conditions of the tender.
- c) Any request of the Tenderer, under any circumstances claiming exemption from payment of EMD will be rejected and their price offer will not be opened.
- d) The amount remitted towards EMD is liable to be forfeited in case the Tenderer fails to execute the contract after submission of the proposal or after acceptance of the offer by TIIC or fail to sign the Agreement or to remit the Security Deposit.

## **12. Validity of the Proposal**

The Proposal shall be valid for a period of not less than 120 days from the Proposal Due Date (the “PDD”) or for the period that may be mutually extended but not exceeding 180 days.

## **13 Opening and Evaluation of the Proposal**

- (a) The proposals received up to **05.00 PM** as per the office clock on 05.05.2022 will be taken up for opening. Proposals received after specified date and time will not be accepted. Only the Technical Proposal (Part I) will be opened by the Chairman & Managing Director or by the Person/Committee authorized by him/her in the presence of the available Tenderers/ representatives of the Tenderers who choose to be present as scheduled below. The Technical Proposal shall be verified as to contains all the necessary forms along with the

EMD. If any of the forms are found to be not confirming with the Checklist in the Annexure XIII, those bids shall not be considered for evaluation.

- (b) The Chairman & Managing Director or Person/Committee authorized by him will inform the attested and unattested corrections, before the Tenderers and sign all such corrections in the presence of the Tenderers. If any of the Tenderers or agents not present then, in such cases the Person/Committee will open the Tender of the absentee Tenderer and take out the unattested corrections and communicate it to them. The absentee Tenderer should accept the corrections without any question whatsoever.
- (c) If the date fixed for receipt of the proposal happens to be a Government holiday, the sealed tenders will be received up to 11.00 AM on the next working day .
- (d) The Technical proposal **will be evaluated by a Tender Scrutiny Committee of TIIC in terms of the qualification criteria.** The Committee shall comprise of the members as appointed by the Chairman & Managing Director of TIIC. The Committee reserves the right to disqualify any of the Tender in case the Committee is not satisfied with the documents furnished, including the past performances.
- (e) TIIC will verify the credentials/ supporting documents, etc., submitted by the tenderers with the concerned departments/ agencies/ clients before opening of Part II cover and in case if any discrepancy is found, their Tender will be rejected, and their Part-II Cover will not be opened.
- (f) Any adverse/not satisfactory remarks on the performance of previous works will entail disqualification of the tender.
- (g) The marks scored in Technical bid will be **evaluated (normalised) individually for each branch** as follows:  
  
$$T_N = T_B / T_{max} * 100$$

$T_N$  = Normalised technical score of the bidder under consideration  
 $T_B$  = Evaluated technical score of the bidder under consideration  
 $T_{max}$  = Maximum technical score of any bidder for that branch.
- (h) The Tenderers declared as qualified by the Committee, will be informed the date of opening of Part II (Price bid).

## 14. Price Offer

- (a) The Price bid should be kept only in the separate Part II cover only and if not done, the same will be summarily rejected.
- (b) The price bid should be prepared as per Annexure-XII.
- (c) GST should be quoted separately as per the price bid format.

- (d) The fee quoted should be inclusive of travel, boarding, lodging and other incidentals in connection with the completion of the assignment. There shall be no out of pocket expenses in addition to the fee quoted shall be borne by TIIC.
- (e) The price should be neatly and legibly written both in figures and words.
- (f) In case of discrepancy between the fee quoted in words and figures, lowest of the two shall be considered.
- (g) Part-II bid should not contain any counter offer or financial conditions. Variation in the financial terms and conditions of the tender will not be accepted and such tenderers will be summarily rejected.
- (h) The contract is initially for a period of **ONE YEAR** from the date of signing of the agreement with the renewal option of maximum additional two years with/without enhancement in remuneration in any case not exceeding 10% at the sole discretion of TIIC.

## 15. Evaluation of the Financial Proposal

- a) The Financial Proposal will be evaluated in accordance with Tamil Nadu Tender Act 1998 and Tender Transparency Rules 2000 as amended from time to time.
- b) The evaluation shall include State Goods & Service Tax (SGST), Central Goods & Service Tax (CGST) and Integrated Goods & Service Tax (IGST) and other applicable duties / levies.
- c) Each Financial Proposal will be assigned a normalized Financial Score ( $F_N$ ). For financial evaluation, the total cost indicated in the Financial Proposal, will be considered.
- d) The Authority will determine whether the Financial Proposals are complete, unqualified and unconditional. The cost indicated in the Financial Proposal shall be deemed as final and reflecting the total cost of services. Omissions, if any, in costing any item shall not entitle the Tenderer to be compensated and the liability to fulfill its obligations as per the terms within the total quoted price shall be that of the Tenderer. The lowest Financial Proposal ( $F_{min}$ ) will be given a financial score ( $S_F$ ) of 100 points. The financial scores of other proposals will be computed individually for each branch as follows:

$$F_N = F_{min} / F_B * 100$$

Where

$F_N$  = Normalised financial score of the bidder under consideration

$F_B$  = Evaluated cost for the bidder under consideration

$F_{min}$  = Minimum evaluated cost for any bidder for the BO

- e) Proposals will finally be ranked according to their combined normalized technical ( $T_N$ ) and normalized financial ( $F_N$ ) scores as follows:

$$B = T_W * T_N + F_W * F_N$$



Whereas, B is the combined score, and Tw and Fw are weights assigned to Technical Proposal (50% weightage) and Financial Proposal (50% weightage) that shall be 0.50 and 0.50 respectively.

- f) The Selected Tenderer (R1) shall be the Tenderer having the highest combined score. The subsequent successive highest Tenderer (R2), (R3), (R4) etc. shall be kept in reserve and may be invited in its discretion for negotiations sequentially in case the first-ranked Tender withdraws or fails to comply with the requirements stated in this document.

## **16. Special cases**

- In the event of more than one Tenderer scoring the same highest score (B) ; TIIC shall first consider the Highest Financial Score (FN) for ranking the Tenderers.
- In the event of further tie, highest technical (TN) score will be considered.
- In the event of still a tie, CA firm having higher number of years of concurrent audit experience will be considered successful one.

## **17. Award of Contract**

The Selected Tenderer for Branch Office may, if necessary, be invited for negotiations. The negotiations shall be for reducing the price of the proposal on par with minimum price of similar Branch office and the selected Tenderer for Head Office, if necessary for reconfirming the Tenderer under this RfP. Issues such as understanding of the RfP, methodology and quality of the work plan shall be discussed during negotiations.

- a) The Contract will be awarded after successful negotiations, with the selected Tenderer. If negotiations fail, the TIIC will invite the Tenderer whose score is next higher to R1 and ranked as R2 for Contract negotiations. If negotiation with R2 fails the above process will continue with R3, R4 and so on till all the technically qualified firms are covered. Upon successful completion, the TIIC will inform the other Tenderers that their proposals have not been selected.
- b) Upon finalization of Selected Tenderer, TIIC will issue the Letter of Award. The successful tenderer shall communicate his acceptance of the Letter of Award within 2 working days from the date of issue of Letter of Award.(Annexure XIV)

### **C) Disqualification**

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

## 18. Period of Contract:

The selected firm/ LLP of Chartered Accountant would initially be assigned the contract for a period of one year initially, and 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 TIIC, with not be more than 10% /without increase in professional/audit fee. The proposed assignment would be subject to periodical review at the discretion of TIIC and is liable to be terminated at any time, if not found satisfactory, by giving a written notice of 15 days.

## 19. Security Deposit

- a) On receipt of the Letter of Award from TIIC, the successful Tenderer should remit a Security Deposit (SD) of **Rs.15000/- or One month professional/audit fee which ever is higher**, in the form of a Demand Draft or Bank Guarantee drawn on any Indian Nationalized/Scheduled Commercial Bank in favour of “The Tamilnadu Industrial Investment Corporation Limited”, payable at Chennai within 5 (Five) working days from the date of receipt of letter of award. The holding period of the Security Deposit shall be till a period of 90 days beyond the completion of the services by the Tenderer.
- b) The EMD shall be returned to the successful Tenderer when the Tenderer furnishes the Security deposit and signs the Agreement.
- c) If the Security Deposit amount is not paid or the contract/agreement is not signed within the time stipulated, the EMD remitted by the Tenderer shall be forfeited, besides cancelling the communication of award of the Tender.
- d) Security Deposit amount remitted will not earn any interest.

## 20. Service Level Agreement / Agreement

The successful Tenderer should execute a Service Level Agreement (SLA) / Agreement as may be drawn up to suit the conditions on a non-judicial stamp paper of value, as prescribed in law on the date of remittance of Security Deposit and shall pay for all stamps and legal expenses incidental thereto. In the event of failure to execute the agreement, within the time prescribed, the EMD/SD amount remitted by the Tenderer will be forfeited besides cancellation of the Tender.

## 21. Force Majeure

- a) The successful Tenderer shall not be liable for penalty or termination for default if and to the extent that it's delays in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

- b) For purposes of this clause, “Force Majeure” means an event beyond the control of the tenderer and not involving the successful Tenderer’s fault or negligence, and not foreseeable. Such events may include, but are not restricted to, acts of the TIIC in its capacity as a buyer, wars or revolutions, terrorist attacks, fires, floods, epidemics, quarantine restrictions, freight embargoes and other acts of God. The decision of TIIC shall be final in this regard.
- c) If a Force Majeure situation arises, the Tenderer shall promptly notify the TIIC in writing of such condition and the cause thereof. Unless otherwise directed by the TIIC in writing, the tenderer shall continue to perform its obligations under the Contract as far as is reasonably practical and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

## 22. Deliverables

All the documents as per the deliverables should be submitted both in hard copies 3 Sets and in soft copies (in PDF) by the Concurrent Auditors as per the indicated frequency as below:

| <b>Deliverables</b>                                    | <b>To be sent to</b>   | <b>Frequency</b>   |
|--|--|--|
| Flash Reports  | Head Office, IA Dept.  | Monthly, before 7 <sup>th</sup> of every month                   |
| Unit Inspection Report                                 | Respective Branch Manager, Regional Manager & Head office IA Dept. | Monthly, before 7 <sup>th</sup> of every month                   |
| Physical Verification of assets Report                 | Respective Branch Manager, Regional Manager & Head office IA Dept. | Monthly, before 7 <sup>th</sup> of every month.                  |
| Audit Report   | Respective Branch Manager, Regional Manager & Head office IA Dept. | Quarterly, before 10 <sup>th</sup> of succeeding month           |
| Feed-back Report about compliance of audit by branches | Head office IA Dept.   | Bi-annually, before 15 <sup>th</sup> of November/May every year. |

- ◆ The Attendance Certificate duly certified by Branch Manager shall be submitted for payment of fees. Otherwise payment shall not be made.
- ◆ The audit firm shall follow time norms for completing the Audit and submitting the Audit report to Branch/Head Office (IA Dept). If there is any delay in submission of the report, 10% of the monthly audit fee will be deducted without any further reference to the Auditor.
- ◆ Over and above this, Audit Report is required to include immediate reporting of high risk issues to TIIC and the corrective action initiated by TIIC in that regard.
- ◆ Audit reports shall also include review of Action Taken Reports(ATR) and escalation of delays in action taken, if any.

## **23. Penalty**

Monthly reports shall be submitted within 7 days from the end of month.

Quarterly reports shall be furnished 10 days of the completion of the quarter.

Bi Annual reports are to be furnished within 15 days of the completion of HY.

If the reports are not furnished within a grace period of 7 days from the end of due dates, 10% of audit fees would be deducted from the fees payable. .

## **24. Termination of Contract**

TIIC may, at its sole discretion and at any time after giving 15 days notice can terminate the Contract and inform the CAs of TIIC'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. This will be in addition to TIICs right to allot the contract to another tenderer at the risk and cost of the successful Tenderer.

*No further correspondence will be entertained in this regard.*

## **25. General Terms & conditions:**

- It is expected that the selected firm will have necessary expertise, experience, capabilities and knowledge in the area, which shall broadly cover the areas listed below. The listing is not exhaustive and should be regarded as an outline only. The objective is to provide "best in Class" Concurrent Audit services to TIIC. Brief roles of the selected Concurrent Auditor are mentioned below:
- Conduct of Concurrent audit for TIIC covering branches/operating units as per the scope of concurrent audit decided by TIIC which is mentioned in Sl.No.2 of RfP-Broad scope of services for the concurrent auditor.
- Consolidation of audit findings over a period to identify process improvement opportunities and control gaps.
- Provide suggestions addressing process improvement opportunities and controls gaps to the Management.
- The applicant appointed as concurrent auditor shall nominate a CA or retired bank officer(Team leader) who will head the concurrent audit team as the "Designated Team Leader" duly authorised by the FCA partner of the CA firm/LLP to act on behalf of the firm. The Designated Team Leader would be required to submit his/her identity proof and address proof together with specimen signatures.
- The team leader allotted for audit of a branch office should not be changed without the approval of TIIC and if any changes are necessary to be made by

the CA firm/Company, should be done only with the prior written approval of the TIIC.

- The audit team composition for Concurrent Audit and attendance requirements should be specified as under:

a) The designated FCA partner of the firm / LLP who shall visit the branch office at least 4 days in a month.

b) Chartered Accountant / Retired Bank/Financial Institution Official / Designated Team Leader who shall visit the branch preferably on all working days but for a minimum of 15 days in a month.

c) Chartered Accountant / Retired Bank/ Financial Institution Official / Designated Team Leader who lead the concurrent team should have the authority to sign off the disbursement notes.

d) Audit assistant who shall visit the branch preferably on all working days but for a minimum of 15 days in a month.

- 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 TIIC nor will it in future accept professional relationship with any of the borrowers of TIIC during the period during which the firm / LLP acts as the concurrent auditor for TIIC.
  - On appointment, the Applicant shall execute an undertaking of fidelity and secrecy on its letterhead in the format prescribed by the Bank.
- 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 auditors should not undertake any other activities / assignment on behalf of the branch without obtaining the concurrence of the Audit & Fraud Management Vertical at Head Office, in writing.
- The concurrent auditor should immediately report Internal Audit Department (Head Office) as also to the Chief Vigilance Officer as well as Branch Managers concerned (unless the branch manager is involved), if any fraudulent transactions are detected.
- The concurrent auditor should attend Preventive Vigilance Committee (PVC) in the Corporation which discusses and deliberates on various operational and administrative aspects concerning Vigilance administration in the ROs/ BOs. The meeting of the PVC takes place at least once in a quarter in the succeeding month of every quarter at the concerned Corporate Office of the

Bank.

- The concurrent auditors will co-operate with investigative body, regarding processing or execution of the consultancy contract or any matter related with discharge of contractual obligations.
- No out of pocket expenses or traveling allowance / halting allowance would be paid to the concurrent auditors for carrying out the audit. However, the service tax, education cess / GST etc. would be paid as applicable from time to time in addition to the basic fees. The payment to the concurrent auditors would be subject to deduction of tax at source at appropriate rates.
- Necessary arrangement would be made for providing space, workstation and access to systems (viewing rights only) to the concurrent auditors for ensuring smooth conduct of the audit. This would be the responsibility of the TIIC. The Branch-incharge will shoulder the responsibility of the arrangements.
- The Applicant shall ensure that the audit firm/ LLP or any sister / associate concern, is not conducting the statutory audit of the TIIC or any of its branches.
- The Applicant shall ensure that the audit be carried out in a professional manner and if any serious acts of omission or commission are noticed in their working, the appointment shall be cancelled after giving reasonable opportunity to be heard and the facts shall be reported to ACB /RBI / ICAI 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 concurrent auditor shall be granted read only viewing access to the systems at the branch office.
  - The concurrent auditors are 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 major deficiencies/aberrations noticed during audit should be immediately brought to the notice of Head Office/Controlling Office of the concerned branch/business unit of the bank.
  - The concurrent auditor shall daily go through all the vouchers and books of the branch for the previous day and identify areas to be scrutinised 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 TIIC on a case-to-case basis.

**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. TIIC reserves the right to reject any application which, in TIIC's opinion, gives rise or could potentially give rise to a conflict of interest.

**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 TIIC 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 / RfP).

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

**Indemnity**

The successful applicant shall exercise reasonable skill, care and diligence in the performance of the assignment and indemnify and keep TIIC 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.

**Assigning to Others**

The successful applicant shall not, without the prior written consent of TIIC, 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 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 TIIC.

## **26. Other Conditions**

- (a) Conditional proposal in any form will not be accepted and the such tenders will be summarily rejected.
- (b) TIIC reserves the right to relax or waive or amend any of the RFP conditions.
- (c) The right of final acceptance of the proposal is entirely vested with TIIC and reserves the right to accept or reject any or all the Tenders in part or in totality or to negotiate or to withdraw/ cancel/ modify this proposal without assigning any reason whatsoever.
- (d) After acceptance of the proposal by TIIC, the Tenderer will have no right to withdraw his proposal.
- (e) The successful Tenderer shall not directly or indirectly transfer, assign or sublet the contract or any part, share or interest therein nor shall take a new partner without written consent of TIIC provided nevertheless any such consent shall not relieve the Tenderer from any obligation, duty or responsibility under the contract.
- (f) Any notice regarding any problems, to the Tenderer shall deemed to be sufficiently served, if given in writing at his usual or last known place of business.
- (g) In the course of discussion and instruction TIIC may disclose information of confidential and proprietary nature, knowhow, to the Tenderer. Such information shall be considered as confidential and shall not be disclosed in any firm.
- (h) At any stage, even after award of contract, if information/basic eligibility criteria found by TIIC to be not fulfilled, the contract/agreement with the CA firm/Company will be terminated and the firm/company will be disqualified for 5 years.

## **27. Arbitration**

- (a) In case of any dispute in the proposal, including interpretation if any on the clauses of the bid or the agreement to be executed, the matter shall be referred by TIIC/ Successful Tenderer to an arbitrator who shall be selected by the Tenderer from the panel of arbitrators approved by TIIC within 15 days from the date of receipt of the letter from the TIIC along with the panel of arbitrators. If there is no reply from the Tenderer within 15 days, TIIC shall choose any of the arbitrators from the panel of arbitrators referred to above. The remuneration for



the arbitrator and other expenses shall be shared equally by TIIC and the Tenderer.

- (b) The venue of the Arbitration shall be at the Head office of TIIC, Chennai. The decision of the Arbitrator shall be final and binding on both the parties to the Arbitration.
- (c) The Arbitrator may with the mutual consent of the parties, extend the time for making the award. The award to be passed by the Arbitrator is enforceable in the Court at Chennai city only.

## **28. Jurisdiction of the Court**

Any dispute arising out of the RfP / tender process, non-fulfillment of any of the terms and conditions of Agreement signed by the Successful Tenderer or any other dispute arising out of the arbitration award will be subject to the jurisdiction of the Courts in the City of Chennai only.

**SIGNATURE OF THE TENDERER:**

**DATE:**

**NAME IN BLOCK LETTERS:**

**DESIGNATION:**

**ADDRESS:**

## **ANNEXURES**

**ANNEXURE –I**

**Technical Proposal Covering Letter for  
the Branch\_\_\_\_\_ ( Name of the branch )  
( in the letterhead of the CA firm/Company)**

Date:\_\_\_\_\_

From

Name :

Address :

Ph :

Fax :

E-mail :

To

**The Chairman & Managing Director,**

The Tamilnadu Industrial Investment Corporation Limited,  
MHU Complex, 692, Anna Salai, Nandanam, Chennai - 600035  
Chennai-600035.

Sir,

Sub: Request for proposal for **“Selection of Concurrent Auditor for  
undertaking Concurrent audit on Operations of Branch\_\_\_\_\_**  
( Name of the branch ) ” -- Submission of Technical Proposal –Reg.

Ref: Your Tender Notice Ref ..... Vide notice dt. ....

\*\*\*\*\*

With reference to your tender notice, we submit herewith our sealed tender for the “RFP for Selection of Concurrent Auditor for undertaking Concurrent audit on Operations of Branch\_\_\_\_\_ ( Name of the branch )

**We enclose the following documents:**

- 1) RFP Document duly signed in each page and enclosed with Technical Proposal in token of accepting the Tender conditions.
- 2) Demand Drafts in favour of “The TIIC Limited, Chennai” towards the following:

| Sl No | Particulars            | Amount (Rs.)          |
|-------|------------------------|-----------------------|
| 1     | Tender Application Fee | 1,000/- plus GST @18% |
| 2     | Earnest Money Deposit  | 15,000/-              |

- 3) Authorization letter/ Power of Attorney from the Tenderer for the person to sign the proposal.
- 4) Details of the Tenderer (as /per Annexure-II)
- 5) The copy of certificate of incorporation/registration and copy of Memorandum and Articles of Association.
- 6) Copy of Registration Certificate (Form-C), in case of Partnership Firm.
- 7) Copy of PAN allotment Certificate/ PAN CARD issued by Income Tax Department in case of Indian Company.
- 8) Copy of GST Registration certificate.
- 9) Copy of Registration with RBI/ any Nationalised Bank.
- 10) The Auditor Certified Turnover statement with Annual Report / certified copies of Balance Sheet, Profit & Loss statement for the last 3 consecutive financial years i.e. 2017-18, 2018-19 and 2019-20. Consolidated annual turnover certificate as per Annexure III
- 11) Relevant experience of the Company/Firm as per Annexure-IV(c)
- 12) Form for Technical Eligibility as per Annexure – IV (a) and IV (b)
- 13) Undertaking letter of the Tenderer (Annexure-V)
- 14) CVs of the key personnel of the CA firm as per Annexure – VI (a) and CVs of the staff deployed having audit experience as per Annexure VI(b).
- 15) Team composition and Task assigned – Annexure VII
- 16) Declaration for not having black listed either by TIIC or by any other Govt. agencies as on date (as per Annexure-VIII).
- 17) Declaration for not having tampered the RFP documents downloaded from the website [www.tenders.tn.gov.in/](http://www.tenders.tn.gov.in/) [www.tiic.org](http://www.tiic.org) (Annexure-IX).
- 18) Notarized translated English version of the documents in a language other than English/Tamil, if any.

Yours faithfully,

**SIGNATURE OF THE TENDERER**

**Encl: As stated above in two separate sets**

**1. In Form A – sl.no.1 to 11 along with Form IV A**

**2. In Form B – sl.no.3 to 11 & 13 to 18 along with Form IV B**

**Annexure -II****Details of the Tenderer**

| <b>Sl.No.</b> | <b>Particulars</b>   | <b>Description/Details</b> |
|---------------|--|----------------------------|
| <b>A</b>      | <b>Name of Tenderer</b>  |                            |
| <b>B</b>      | <b>Contact Details</b>   |                            |
|               | Registered Office Address  |                            |
|               | Telephone No.  |                            |
|               | Fax  |                            |
|               | Email  |                            |
|               | Website  |                            |
| <b>C</b>      | <b>Incorporation Details</b>                                       |                            |
|               | Incorporation Number   |                            |
|               | Date of Incorporation  |                            |
|               | Authority  |                            |
| <b>D</b>      | <b>Name of Authorized Signatory</b>                                |                            |
|               | Position   |                            |
|               | Telephone  |                            |
|               | Fax  |                            |
|               | Mobile   |                            |
|               | Email  |                            |
| <b>E</b>      | <b>Number &amp; Address of Offices</b>                             |                            |
|               | In Chennai   |                            |
|               | Outside Chennai  |                            |
| <b>F</b>      | Distance of audit office from the applying branch of TIIC (In Km.) |                            |

**Signature of Authorised signatory**

**Annexure -III**

**ANNUAL TURN OVER CERTIFICATE**

The Annual turnover of M/s..... for the past three years are given below and certified that the statement is true and correct.

| <b>Sl.No.</b> | <b>Year</b> | <b>Turnover<br/>(Rs. in lakhs)</b> |
|---------------|-------------|------------------------------------|
| 1)            | 2017-2018   |                                    |
| 2)            | 2018-2019   |                                    |
| 3)            | 2019-2020   |                                    |
|               | Total       |                                    |
|               |             |                                    |

Note: Annual Turnover in each of the three consecutive financial years will be considered i.e. F.Y. 2017-18, F.Y. 2018-19 and F.Y. 2019-20.

**DATE:**

**SIGNATURE OF THE TENDERER (Authorised Signatory)**

**SIGNATURE OF CHARTERED ACCOUNTANT**

**(With seal and Address)**

**Annexure -IV (a)****( PART I / FORM A)****ELIGIBILITY CRITERIA for Concurrent Audit of Branch Operations****A) Audit Firm / LLP / Company Details: (TENDERER)**

| <b>S. No.</b> | <b>Requirements</b>   | <b>Compliance</b> | <b>Remarks</b> |
|---------------|---|-------------------|----------------|
| <b>1</b>      | <p>The Tenderer should be a Chartered Accountant Firm / LLP /Company with year of establishment.</p> <p>The Tenderer should have knowledge and experience in carrying out audit works and other day to day operations.</p> <p>Valid registration / Certificate of Practice from the Institute of Chartered Accountants of India for the firm/ company / LLP <b>(furnish documentary proof).</b></p> | Yes/No            |                |
| <b>2</b>      | Whether the firm / LLP / Company is empanelled with RBI / any Nationalised Bank <b>(furnish documentary proof) and its validity is in currency.</b>   | Yes/No            |                |
| <b>3</b>      | Minimum <b>three</b> years of previous track record of carrying out such audits in other Financial Institutions / Public Sector / Private Sector Banks mainly in the area of credit dispensation and other day to day operations of the Financial Institution / bank <b>(furnish documentary proof of the the award and completion certificate from the Bank/Financial Institution concerned).</b>  | Yes/No            |                |
| <b>4</b>      | Regular set-up, either Head Office or full-fledged Branch Offices at respective locations (locally) of TIIC branches <b>(furnish the details regarding branch offices, if any) subject to verification by TIIC. If found to be false, such tenderer will be summarily rejected and next tenderer in reserve will be considered.</b>   | Yes/No            |                |

|          |   |        |  |
|----------|---|--------|--|
| <b>5</b> | Be the CA Firm / Company with minimum Annual Turnover of Rs.20.00 lakhs in FY 19-20 <b>(Audited financial statements for the FY 19-20 shall be enclosed</b> | Yes/No |  |
|----------|---|--------|--|

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

**SIGNATURE OF THE TENDERER**



**Annexure -IV (b)****Format for CA Firm's Technical Evaluation****( PART I / FORM B)****Technical Evaluation for Concurrent Audit of Branch Operations****B) Audit Firm / LLP / Company Details: (TENDERER)**

| <b>S. No.</b> | <b>Requirements</b>  | <b>Compliance</b> | <b>Remarks</b> |
|---------------|--|-------------------|----------------|
| 1(a)          | Name of the Chartered Accountant Firm / LLP / Company with Date of establishment   | Yes/No            |                |
| (b)           | Whether CA firm/LLP/Company have minimum 3 partners/directors <b>(Furnish documentary Proof)</b>   | Yes/No            |                |
| 2             | Be the firm with Knowledge and experience in carrying out audit work and other day to day operations for a minimum 3 years <b>(Furnish documentary Proof)</b>  | Yes/No            |                |
| 3             | Be a Partnership firm / LLP / Company of Chartered Accountants of which 2 partners or directors should be Practicing Chartered Accountants. Details of each partner / director including experience, qualification etc. and their Registration number with CA Institute <b>(furnish a detailed list of all the partners / directors as per format given in – Annexure VI).</b>   | Yes/No            |                |
| 4             | Minimum <b>three</b> years of previous track record of carrying out such audits in other Financial Institutions / Public Sector / Private Sector Banks mainly in the area of credit dispensation and other day to day operations of the Financial Institution / bank <b>(furnish details in Annexure IV(c) alongwith the documentary proof of the award completion certificate from the Bank/Financial Institution concerned).</b> | Yes/No            |                |
| 5             | Valid registration / Certificate of Practice from the Institute of Chartered Accountants of India for the firm/ company / LLP <b>(furnish documentary proof).</b>  | Yes/No            |                |

|       |  |        |  |
|-------|--|--------|--|
| 6 (a) | Whether the firm / LLP / Company is empanelled with RBI / any Nationalised Bank <b>(furnish documentary proof and its validity in currency)</b>  | Yes/No |  |
| (b)   | Whether empanelled with CAG <b>(Furnish documentary proof)</b>   | Yes/No |  |
| 7(a)  | Availability of suitable infrastructural facilities including office set up, adequate manpower-minimum 3 (other than partners/directors) who are specialized in the area of audit of Branch Operations mainly in the area of credit dispensation and other day to day operations of the Financial Institution / bank. Team Leader should be a qualified CA/retired official of Bank/Financial Institution not less than cadre of Manager and other Team Member-furnish <b>(CV as per format given in Annexure – VI(b) and annexure VII)</b> for Team Compositions. | Yes/No |  |
| 7(b)  | The audit team shall visit branch of TIIC on daily basis/in any case not less than 15 days in a month. The partner/director shall visit the branch of TIIC at least once in a week / not less than 4 days in a month or as and when required by the Corporation  | Yes/No |  |
| 8(a)  | Regular set-up, either Head Office or full-fledged Branch Offices at respective locations (locally) of TIIC branches <b>(furnish the details regarding branch offices, if any) subject to verification by TIIC. If found to be false, such tenderer will be summarily rejected and next tenderer in reserve will be considered.</b>  | Yes/No |  |
| 9     | The firm / LLP / Company shall ensure that the audit firm / LLP / Company or any sister / associate concern is not conducting the statutory audit of TIIC (undertaking to be given).   | Yes/No |  |
| 10    | The firm / LLP / Company shall agree to execute undertaking of fidelity and secrecy, Declaration of True Information, Letter of  | Yes/No |  |

|    |   |        |  |
|----|---|--------|--|
|    | Acceptance and Declaration of Non-disqualification on its letterhead in the format <b>(as per the enclosed Annexure XIVa, XIVb and XVI)</b> prescribed by the Corporation, if the contract assigned. (Declaration to be enclosed)   |        |  |
| 11 | The firm / LLP / Company shall ensure that the audit be carried out in a professional manner and in case of any misconduct & negligence, the Corporation is its sole discretion report the matter to ICAI/RBI/CAG as it may deem necessary. (undertaking to be given).  | Yes/No |  |
| 12 | The firm / LLP / Company shall ensure that it will not sub-contract the audit work assigned to any outside firm / LLP / Company or other persons even though such persons are qualified Chartered Accountants (undertaking to be given).  | Yes/No |  |
| 13 | A declaration to be furnished by the firm / LLP / Company that credit facilities availed by the firm / LLP or its partners or Company or its directors or firms or LLPs or companies in which they are partners or directors including any facility availed by a third party for which the firm / LLP or its partners or company or its directors 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 (undertaking to be given). | Yes/No |  |
| 14 | The firm / LLP / Company must submit a undertaking that the firm / LLP / Company does not have any professional relationship with any of the borrowers of TIIC nor will it in future accept professional relationship with any of the borrowers of TIIC during the period during which the firm / LLP / company acts as the concurrent auditor for TIIC (undertaking to be given).  | Yes/No |  |

|    |  |        |  |
|----|--|--------|--|
| 15 | Be the CA Firm / Company with minimum Turnover of Rs.20.00 lakhs in FY 19-20<br><b>(Audited financial statements for the FY 19-20 shall be enclosed- Annexure III)</b> | Yes/No |  |
|----|--|--------|--|

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

**Necessary undertakings called for the above at 9,10,11,12,13 & 14 shall be given in the letter head of the CA firms/LLP/Company either individually or combined together as per Annexure-V, shall be enclosed.**

**SIGNATURE OF THE TENDERER**

**Annexure - IV (C)**

**Format for Firm's Relevant Experience for  
Technical Evaluation**

**( PART 1 - Annexure to Form B)**

**C) Details of Audit of Branch Operations mainly in the area of  
credit dispensation done in banks / FIs**

1. Details of Statutory /Branch audits of various banks' branches /  
Financial Institutions##

| <b>S. No.</b> | <b>Name of the Bank<br/>/ Financial<br/>Institution</b> | <b>Branch</b> | <b>Year of Audit / Period<br/>(From - To)<br/>[Data required Since<br/>establishment of your firm]</b> |
|---------------|---|---------------|--|
|               |   |               |  |

2. Details of Concurrent Audits of various banks' branches /  
Financial Institutions ##

| <b>S. No.</b> | <b>Name of the Bank<br/>/ Financial<br/>Institution</b> | <b>Branch</b> | <b>Year of Audit / Period<br/>(From - To)<br/>[Data required Since<br/>establishment of your firm]</b> |
|---------------|---|---------------|--|
|               |   |               |  |

**## Documentary evidences duly signed by Authorised Signatory of the  
tenderer shall be enclosed without fail.**

**ANNEXURE-V**

**UNDERTAKING**

**(To be furnished in the letter head of CA firm/LLP/Co.)**

I/We, on behalf of the firm/LLP/Company, further declare and undertake the following:

- a)** None of our partners / directors / shareholders is an officer / employee of your Corporation.
- b)** Our Firm / LLP / Company and our partners / directors / shareholders are not otherwise disqualified to accept the audit in terms of Section 141 of the Companies Act, 2013.
- c)** We also confirm that we are full time practising Chartered Accountants/ and are Partners /Directors of the applicant firm/Company and are not employed elsewhere.
- d)** The firm / LLP / Company or any sister / associate concern is not conducting/ the statutory audit of TIIC at present.
- e)** The firm / LLP / Company undertakes to carry out the audit in a professional manner and in case of any misconduct & negligence, the Corporation is its sole discretion report the matter to ICAI/RBI/CAG as it may deem necessary.
- f)** The firm / LLP / Company undertakes that it will not sub-contract the audit work assigned to any outside firm / LLP / Company or other persons even though such persons are qualified Chartered Accountants
- g)** The firm / LLP / Company undertakes that credit facilities availed by the firm / LLP or its partners or Company or its directors or firms or LLPs or companies in which we are partners or directors including any facility availed by a third party for which the firm / LLP or its partners or company or its directors 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.
- h)** The firm / LLP / Company undertakes that the firm / LLP / Company does not have any professional relationship with any of the borrowers of TIIC nor will it in future accept professional relationship with any of the borrowers of TIIC during the period during which the firm / LLP / company acts as the concurrent auditor for TIIC.
- i)** We also confirm that we will not give any room for disqualification during the course of audit for any of the reasons mentioned above.

**j)** We hereby confirm that we fully satisfy the eligibility criteria prescribed by TIIC by applying for audit of operations of Branch Office of TIIC and if found ineligible at any point of time, our contract will be cancelled and security deposit will be forfeited.

**SIGNATURE OF THE TENDERER**  
**(Partner of Firm/LLP/ Director of Company)**

**Annexure -VI (A)****Curriculum Vitae for Key Personnel****Curriculum Vitae for proposed Professional Staff (Partners)**

| Sl. No. | Details   |     |
|---------|---|-----|
| 1       | Proposed Position [only one candidate shall be nominated for each position Expert]  |     |
| 2       | Name of Partner / Director [Insert full name]   |     |
| 3       | Date of Birth   |     |
| 4       | Nationality   |     |
| 5       | Education[Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained and dates of obtainment]                                    |     |
| 6       | Total No. of years of experience  |     |
| 7       | Total No. of years with the firm  |     |
| 8       | Areas of expertise and no. of years of experience in this area (as required for the Profile - mandatory)  |     |
| 9       | Certifications and Trainings attended   |     |
| 10      | Details of Involvement in Projects (only if involved in the same):  |     |
| 11      | Membership of Professional Associations   |     |
| 12      | Employment Record [Starting with present position list in reverse order, giving for each employment (see format here below): dates of employment, name of employing organization, positions held] |     |
|         | From :  | To: |
|         | Employer :  |     |
|         | Position(s) Held :  |     |
| 13      | Pan No.   |     |
| 14      | Aadhar No.  |     |
| 15      | <b>Work Undertaken That Best Illustrates Capability to Handle the Tasks Assigned</b>  |     |
|         | Name of the Assignment :  |     |
|         | Year :  |     |



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RFP for (Concurrent) audit of Operations of TIIC Branches

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|  |                         |  |
|--|-------------------------|--|
|  | Location :              |  |
|  | Main Project Features : |  |
|  | Positions Held :        |  |
|  | Activities Performed :  |  |

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes me, my qualifications, and my experience. I understand that any willful misstatement described herein may lead to my disqualification or dismissal, from the assignment if engaged.

\_\_\_\_\_ Date:\_\_\_\_\_

[Signature of staff member or authorized representative of the staff]Day/Month/Year

**Annexure VI (B)****Curriculum Vitae for Employees/Audit staff****Curriculum Vitae for Team Leader**

| <b>Sl. No</b> | <b>Details</b>   |  |
|---------------|--|--|
| 1.            | Proposed Position [only one candidate shall be nominated for each position ( Team Leader )   |  |
| 2.            | Name of Staff [Insert full name]   |  |
| 3.            | Date of Birth  |  |
| 4.            | Nationality  |  |
| 5.            | PAN No   |  |
| 6.            | Aadhar No  |  |
| 5.            | Education[Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained and dates of obtainment] |  |
| 6.            | Total No. of years of experience   |  |
| 7.            | Total No. of years with the firm   |  |
| 8.            | Areas of expertise and no. of years of experience in this area (as required for the Profile - mandatory)   |  |
| 9.            | Certifications and Trainings attended  |  |
| 10.           | Previous audit experience in Firm/Banks/FIs (Name / Period)  |  |
| 11.           | For retired bank /FI official, details of experience in the cadre of Manager and above   |  |

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes me, my qualifications, and my experience. I understand that any willful misstatement described herein may lead to my disqualification or dismissal, from the assignment if engaged.

\_\_\_\_\_ Date:\_\_\_\_\_

[Signature of staff member]Day/Month/Year

**Annexure VII**

**TEAM COMPOSITION AND TASK ASSIGNED**

| <b>Resource Category</b> | <b>Name of Staff</b> | <b>Qualification &amp; experience</b> | <b>Area of Expertise</b> | <b>Tasks proposed to be Assigned as part of the assignment</b> |
|--------------------------|----------------------|---------------------------------------|--------------------------|--|
| Team Leader              |                      |                                       |                          |  |
| Team Member              |                      |                                       |                          |  |
|                          |                      |                                       |                          |  |
|                          |                      |                                       |                          |  |

**SIGNATURE OF THE TENDERER**

**Annexure -VIII**

**CERTIFICATE**

Date: \_\_\_\_\_

Certified that M/s...../ the firm /company or its partners / shareholders have not been black listed so far by TIIC or any State or Central Government of India /Bank /Financial Institution in India as on date.

**SIGNATURE OF THE TENDERER**

(with seal and address)

**Annexure IX**

**Declaration Form (A)**

Date: \_\_\_\_\_

a) I/We ..... having our office at ..... do declare that I/We have carefully read all the conditions of tender made available to us by TIIC, for the tenders floated vide tender ref.no.\_\_\_\_\_ for the “Selection of Concurrent Auditor for undertaking Concurrent audit cum internal audit on Operations of branches of TIIC”.

b) I/We have downloaded the tender document from the internet site [www.tenders.tn.gov.in](http://www.tenders.tn.gov.in) / [www.tiic.org](http://www.tiic.org) and I / We have not tampered / modified the tender document in any manner. In case, if the same is found to be tampered / modified, I/ We understand that my/our tender will be summarily rejected, and full Earnest Money Deposit will be forfeited and I /We am/are liable to be banned from doing business with TIIC or prosecuted.

**SIGNATURE OF THE  
TENDERER**

(WITH SEAL AND ADDRESS)

**Annexure X**

| <b>TENDERER'S REQUEST FOR CLARIFICATION</b>             |                                     |  |   |
|---|-------------------------------------|--|---|
| Name and Address of the Organization submitting Request |                                     | Name and Position of Person submitting request   | Contact Details of the Organization / Authorized Representative |
|   |                                     |  | Tel: _____  |
|   |                                     |  | Fax: _____  |
|   |                                     |  | Email:<email id   |
| <b>Sl. No.</b>  | <b>Reference(s) (Section, Page)</b> | <b>Content of Tender requiring Clarification</b> | <b>Points of clarification required</b>                         |
| 1   |                                     |  |   |
| 2   |                                     |  |   |
| 3   |                                     |  |   |

**SIGNATURE OF THE TENDERER  
(WITH SEAL AND ADDRESS)**

Annexure **XI – Financial Proposal**

**FINANCIAL PROPOSAL (PART II)**

**Financial Proposal Covering Letter for  
the Branch \_\_\_\_\_ ( Name of the branch )**

From,

Name :

Address :

Ph :

Fax :

E-mail :

To,

**The Chairman & Managing Director,**

The Tamilnadu Industrial Investment Corporation Limited,

MHU Complex, 692, Anna Salai, Nandanam, Chennai - 600035

Chennai-600035.

Sir,

Sub: Request For Proposal for “**Selection of Concurrent Auditor for undertaking Concurrent audit on Operations of Branch \_\_\_\_\_ ( Name of the Branch ) of TIIC-** Submission of Financial Proposal – Price Offer-Reg.

Ref:- Our Technical Proposal submitted for the above mentioned tender.

----

In continuation of our above Technical Proposal, we submit herewith the Financial Proposal for Request for Proposal for “**Selection of Concurrent Auditor for undertaking Concurrent audit on Operations of branch \_\_\_\_\_ ( Name of the Branch ) of TIIC** as specified in this RFP document. We agree to abide by the terms and conditions stipulated by TIIC and also agree to complete the entire contract, at the fees quoted by us. The fee quoted and approved by TIIC in this proposal will hold good as per RFP conditions.

Yours faithfully,

**SIGNATURE OF THE TENDERER**

**Annexure XII - Price Bid (Lumpsum)**

**Name of Work : Request for proposal for Concurrent Audit of  
Operations of TIIC branch office**

**Financial Proposal (PART II)**

**Name of the Branch : -----**

| <b>Description</b>  | <b>Total fees<br/>(INR)<br/>Per month</b> | <b>GST</b> | <b>Total (inclusive<br/>of all taxes in<br/>INR)<br/>For 12 months.</b> |
|---|---|------------|---|
| Lumpsum fees for undertaking (Concurrent) Audit of Operations of TIIC's branch Offices and furnishing connected reports as required by TIIC.<br><br><b><u>Note:</u></b><br>Lump sum fee for providing services including out of pocket expenses and all other expenses. |   |            |   |

(Amount in Words Rupees .....  
.....  
.....)

Yours faithfully,

Signature of the Tenderer.



**Annexure XIII****Checklist of Documents****Documents to be enclosed in Part-I:**

| Sl. No. | Checklist  | Enclosed (Yes/No)     | Reference in the Bid (Page No.) |              |   |                        |                       |   |                       |          |  |  |
|---------|--|-----------------------|---------------------------------|--------------|---|------------------------|-----------------------|---|-----------------------|----------|--|--|
| 1.      | A covering letter on letter head of Tenderer addressed to The Chairman & Managing Director, TIIC (As per Annexure-I)   |                       |                                 |              |   |                        |                       |   |                       |          |  |  |
| 2.      | RfP document duly signed in each page and enclosed in token of accepting the RfP conditions.   |                       |                                 |              |   |                        |                       |   |                       |          |  |  |
| 3.      | <div>Demand Drafts in favour of “The TIIC Limited, Chennai” towards the following:</div> <table><tr><th>Sl No</th><th>Particulars</th><th>Amount (Rs.)</th></tr><tr><td>1</td><td>Tender Application Fee</td><td>1,000/- plus GST @18%</td></tr><tr><td>2</td><td>Earnest Money Deposit</td><td>15,000/-</td></tr></table> | Sl No                 | Particulars                     | Amount (Rs.) | 1 | Tender Application Fee | 1,000/- plus GST @18% | 2 | Earnest Money Deposit | 15,000/- |  |  |
| Sl No   | Particulars  | Amount (Rs.)          |                                 |              |   |                        |                       |   |                       |          |  |  |
| 1       | Tender Application Fee   | 1,000/- plus GST @18% |                                 |              |   |                        |                       |   |                       |          |  |  |
| 2       | Earnest Money Deposit  | 15,000/-              |                                 |              |   |                        |                       |   |                       |          |  |  |
| 4.      | Authorization letter/ Power of Attorney from the Tenderer for the person to sign the proposal.   |                       |                                 |              |   |                        |                       |   |                       |          |  |  |
| 5.      | Details of the Tenderer (as per Annexure-II)   |                       |                                 |              |   |                        |                       |   |                       |          |  |  |
| 6.      | The copy of certificate of incorporation/ registration.  |                       |                                 |              |   |                        |                       |   |                       |          |  |  |
| 7.      | Copy of Registrar Certificate in case of Partnership Firm.   |                       |                                 |              |   |                        |                       |   |                       |          |  |  |
| 8.      | Copy of PAN allotment Certificate/ PAN CARD issued by Income Tax Department in case of Indian Company  |                       |                                 |              |   |                        |                       |   |                       |          |  |  |
| 9.      | Copy of GST Registration certificate.  |                       |                                 |              |   |                        |                       |   |                       |          |  |  |
| 10.     | Copy of Registration with RBI/ any Nationalised Bank.  |                       |                                 |              |   |                        |                       |   |                       |          |  |  |

|    |  |  |  |
|----|--|--|--|
| 11 | a) The Auditor certified Turnover statement along with Annual Report / certified copies of Balance Sheet, Profit & Loss statement for the last 3 consecutive financial years i.e. 2017-18, 2018-19 and 2019-20.<br>b) Consolidated annual Turnover certificate (Annexure-III)      |  |  |
| 12 | Relevant experience of the Company/Firm as per Annexure IV (C)   |  |  |
| 13 | Form for Technical Eligibility as per Annexure IV (a) Form A & IV (b)Form B  |  |  |
| 14 | a) CVs of key personnel / professional staff (Minimum 2 practising CAs) – Annexure VI(a).<br><br>b) CVs of the Team leader to be deployed (CA/Retired Bank Employee not less than the rank of Manager) – Annexure VI(b)<br><br>c) Team composition and task assigned(Annexure VII) |  |  |
| 15 | Declaration for not having black listed either by TIIC or by any other govt. agencies as on date (as per Annexure-VIII).   |  |  |
| 16 | Declaration for not having tampered the Tender documents downloaded from the website <a href="http://www.tenders.tn.gov.in/">www.tenders.tn.gov.in/</a> <a href="http://www.tiic.org">www.tiic.org</a> (as per Annexure-IX).   |  |  |
| 17 | Notarized translated English version of the documents in a language other than English/Tamil, if any.  |  |  |

**Documents to be enclosed in Part-II**

| Sl. No. | Checklist  | Enclosed (Yes/No) |
|---------|--|-------------------|
| 1.      | A covering letter on the letter head addressed to The Chairman & Managing Director, TIIC(as per Annexure-XI) |                   |
| 2.      | Price Bid as per Annexure-XII of the Tender document   |                   |

| <b>Sl. No.</b> | <b>Checklist</b>   | <b>Enclosed (Yes/No)</b> |
|----------------|--|--------------------------|
| 3.             | Declaration as per format given above - (XIV(a))   |                          |
| 4.             | Declaration of fidelity and secrecy - (XIV(b))   |                          |
| 5.             | Proforma letter of Acceptance - (XV)   |                          |
| 6.             | Letter of confirmation regarding non disqualification of audit firm/LLP/Company -- (XVI) |                          |
| 7.             | Do's and Don'ts for Concurrent Auditors – XVII   |                          |

**Note: Tenders submitted in unsealed cover would summarily be rejected.**

**SIGNATURE OF THE TENDERER**

**ANNEXURE – XIV (A)**

**Declaration**

We have reviewed all the terms and conditions of the Tender document and would undertake to abide by all the terms and conditions contained therein.

We hereby declare that the information submitted above is complete in all respects 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 proposal / tender is liable to be rejected.

I / We hereby declare that there are, and shall be, no deviations from the stated terms in the Tender / RfP Document.

**Signature of Tenderer with Company seal.**

**Note:**

1. The rate shall be quoted as per the above format. Taxes should be indicated separately.
2. The rates shall be quoted in figure and words.
3. Conditional tenders will not be accepted, and value once fixed shall be valid for the entire period of the contract.
4. In case of discrepancy in the bid quoted between figures and words, the lowest will prevail.

**Annexure XIV(b)**

**DECLARATION OF FIDELITY AND SECRECY**

*(on the letter head of CA firm)*

I, Managing partner/Director of \_\_\_\_\_, Chartered Accountants firm / LLP / company (firm name) duly authorised by the firm / LLP / company (hereinafter referred to as “firm”) on behalf of the firm, hereby declare that the firm will faithfully, truly and to the best of our skill and ability execute the duties required of the firm as Concurrent Auditor of The Tamilnadu Industrial Investment Corporation Limited (TIIC) and which properly relates to task entrusted to the firm by TIIC of conducting of concurrent Audit of \_\_\_\_\_, the Branch of TIIC.

I, on behalf of the firm, also undertake and declare that the assignment of conducting Audit entrusted to the firm will be done only by appropriately professionally qualified auditors employed by our firm and under any circumstances, the firm shall not, except with the express written consent of TIIC entrust the work to any other audit firm(s) on contract or on any other basis.

I, on behalf of the firm, further declare and undertake, that the firm will not, except under legal compulsion or as a statutory obligation (under due information to TIIC), either during or after completion of any transaction, project or assignment entrusted to the firm, disclose to any person not legally entitled thereto, any information relating to the affairs of TIIC or any information disclosed / furnished by TIIC in connection with the assignment or the information collected / obtained during the course of the assignment as Concurrent Auditor of TIIC which shall include any copy, abstract, sample, note, information/data held on systems or module thereof (confidential information). I, on behalf of the firm, further undertake that our obligations respecting disclosure and confidentiality shall continue to be binding even after the completion of the assignment.

I, on behalf of the firm, also declare and undertake that the firm shall not commercially use or disclose any Confidential Information or any materials derived there from to any other person or entity other than persons in the direct employment who have a need to have access to and knowledge of the Confidential Information solely for the Purpose authorized above. The firm shall take appropriate measures prior to disclosure to such employees to assure against unauthorized use or disclosure.

I, on behalf of the firm, further undertake to disclose to TIIC in case, the firm happens to be the auditors to the concerned borrower unit/ associate concern, whose concurrent transaction/case is to be audited by the firm on behalf of TIIC.

Signature & Seal

Registration No. of ICAI

Place:

Date:

**(Proforma Letter of acceptance to  
be obtained on firm's Letter head)**

**Date:** \_\_/\_\_/\_\_

**To**

The Head of the Dept. of IA & ISO Dept.,  
The Tamilnadu Industrial Investment Corporation Ltd,  
No. 692, Anna Salai, Nandanam,  
Chennai – 600 035.

**Dear Sir,**

**Sub:** Concurrent Audit on Operations of \_\_\_\_\_  
Branch office.

-----

With reference to your letter No. TIIC/HO/IA/2021-22 dated \_\_.\_\_.\_\_\_\_  
on the subject matter, we do hereby convey our acceptance to undertake  
Concurrent audit of your above mentioned branch on the terms and  
conditions mentioned therein.

As desired by you, we send herewith the **Declaration of Fidelity and  
Secrecy and Declaration regarding non-disqualification** etc., in the  
enclosed proforma.

Yours faithfully,

(Chartered Accountants)

Name of Signatory &

Rubber Stamp of Firm

**Encl:** as above.

**Annexure XVI**

**Letter of confirmation regarding**  
**Non-disqualification of Audit firm / LLP / Company**  
**(to be submitted on letter head)**

To

The Head of the Dept. of IA & ISO Dept.,  
The Tamilnadu Industrial Investment Corporation Ltd,  
No. 692, Anna Salai, Nandanam,  
Chennai – 600 035.

Dear Sir,

**Sub:** Concurrent Audit of your \_\_\_\_\_ Branch – reg.

With reference to your letter No. TIIC/HO/IA/2021-22 dated \_\_.\_\_.\_\_\_\_ we confirm the following regarding our eligibility/qualification for appointment as Concurrent Auditors:-

- i) None of our partners / directors / shareholders is an officer / employee of your Corporation.
- ii) None of our partners or Associates firms or sister concern or Branch office, is presently assigned with Statutory Audit of your Corporation.
- iii) Our Firm / LLP / Company and our partners / directors / shareholders are not otherwise disqualified to accept the audit in terms of Section 141 of the Companies Act, 2013.
- iv) We also confirm that we are full time practising Chartered Accountants and are not employed elsewhere.
- v) We undertake not to subcontract the audit work assigned to us to any other third party or person / firm / LLP / company.
- vi) We do/will not have any professional or commercial relationship with the borrowers of the branch which we are auditing.
- vii) We also confirm that we will not give room for disqualification during the course of audit for any of the reasons mentioned above.

Yours faithfully,

Name of Signatory & Rubber Stamp of Firm



**Annexure XVII**

**DO'S AND DON'TS FOR CONCURRENT AUDITORS**

**Do's**

The Concurrent Auditors should

1. Pre-inspection study of the branch by going through the related reports and pre requisites documents.
2. Prepare proper audit plan based on 1 above.
3. To maintain utmost secrecy with regard to inspection program and its findings.
4. Auditors to display team spirit and avoid misunderstandings / arguments in the presence of auditees.
5. Inspection of the branch has to be commenced before commencement of business hours to verify the physical cash, security arrangement etc.
6. To act in a normal friendly fashion and help to improve normal working of the branch.
7. Discuss his/her findings with branch officials on daily basis and try to rectify the defects then and there itself.
8. Give auditees a chance to express their opinion while discussing the issues. Getting proper explanation in a co-operative atmosphere will save precious time.
9. In case of difference of opinion with auditee, the auditor should first discuss with the leader of his/her team. Further discussion with Regional Manager of concerned branch, if required, may be made. Besides, discussion if required with the HoD, Internal Audit Department, Head Office can also be made for guidance / instruction.
10. If the inspecting officer comes across any information which causes him/her to suspect any element of fraud, gross negligence, gross

incompetence or similar unfavorable actions or tendencies, he/she should report the matter immediately.

11. The members of the team should keep continuous dialogue with the leader of the team on important findings and be guided by his advice.
12. Auditor should maintain a neat appearance and a courteous manner.

### **Don'ts**

1. Auditor need not act overly reserved or unfriendly in order to maintain his/her independence as an inspecting officer. A forbidding attitude on his/her part may well cause others to adopt the same attitude towards him/her. This can adversely affect the work entrusted to the inspecting officer.
2. Auditor should not get involved in heated argument with the auditee office/officials.
3. Auditor should not give orders to auditee and seek requirements from the officer assigned to assist him on a particular job. The concerned officer would issue the necessary orders to their staffs if he/she accepts auditor's suggestions and recommendations.
4. Auditor should not delay the submission of audit report.
5. Auditor should not discuss sensitive matters of the auditee with others.

**Annexure XVIII****Date :****FLASH REPORT**

|                       |  |                               |  |
|-----------------------|--|-------------------------------|--|
| <b>Name of the CA</b> |  | <b>Type of Audit</b>          |  |
| <b>Name of Branch</b> |  | <b>Period of Audit</b>        |  |
|                       |  | <b>Audit conducted during</b> |  |

The major observations indicated in the Audit Report dated \_\_\_\_\_ are given below:

|           |                                     |  |
|-----------|-------------------------------------|--|
| <b>1)</b> | <b>Frauds / Serious Lapses</b>      |  |
|           | a)                                  |  |
|           | b)                                  |  |
|           | c)                                  |  |
| <b>2)</b> | <b>Revenue Leakages</b>             |  |
|           | a)                                  |  |
|           | b)                                  |  |
|           | c)                                  |  |
| <b>3)</b> | <b>Deviations in DoP</b>            |  |
|           | a)                                  |  |
|           | b)                                  |  |
|           | c)                                  |  |
| <b>4)</b> | <b>Any other major observations</b> |  |
|           |                                     |  |

**Signature of Concurrent Auditor.**

**Annexure XVIX****UNIT INSPECTION REPORT**

|     |   |   |
|-----|---|---|
| 1.  | Name of the Branch  |   |
| 2.  | Name of the Audit Official  | Thiru.                                      |
| 3.  | Date of Inspection  |   |
| 4.  | Name of the Unit  |   |
| 5.  | Location: Factory:  |   |
|     | Office:   |   |
| 6.  | Type of the Unit<br>(or nature of Business)                       |   |
| 7.  | Name of the Proprietor  |   |
| 8.  | Category/Asset<br>Classification of the unit                      |   |
| 9.  | Information on working<br>results<br>As ascertained from the unit | ( Rs.in lakhs)                              |
| A   | i) Monthly Turnover   |   |
|     | ii) Monthly Expenses  |   |
|     | iii) Surplus / Net Profit   |   |
| B   | Previous year working<br>results (if available)                   | 31/03/ (Rs. in lakhs)                       |
|     | <b>Working Results</b>  |   |
|     | Turnover  |   |
|     | Net Profit  |   |
|     | Cash Profit   |   |
|     | <b>Liabilities:</b>   |   |
|     | Capital   |   |
|     | Reserves & Surplus  |   |
|     | Secured Loans – TIIC  |   |
|     | - Bank  |   |
|     | - Others  |   |
| 10. | Details of Insurance cover<br>and<br>Its adequacy                 | Insurance valid up to / / for<br>Rs. lakhs. |

11. Details of Loan Account Position: As on    /    /  
(Rs. in lakhs)

| A/C No. | Date of Sanction | Amount Sanctioned | Amt. Disbursed | Pl. O/s | OVERDUES |      |        |
|---------|------------------|-------------------|----------------|---------|----------|------|--------|
|         |                  |                   |                |         | Prl.     | Int. | Others |
|         |                  |                   |                |         |          |      |        |
|         |                  |                   |                |         |          |      |        |
|         |                  |                   |                |         |          |      |        |

12. Details of Working Capital Facilities enjoyed

|     |  |  |
|-----|--|--|
| A.  | Name and Address of the Bank                                     |  |
| B.  | Facility enjoyed   |  |
| C.  | Whether they are regular in Meeting the commitment of the Banker |  |
| D.  | Asset Category in Bank   |  |
| 13. | Is the unit working on Single/Two/Three shifts                   |  |
| 14. | Whether all the assets Funded are available                      |  |
| 15. | Sales during last 3 months                                       | Rs.       lakhs  |
| 16. | Power consumed in Last 3 months                                  |  |
| 17. | Number of workers on Rolls                                       | Admn.<br>Nos<br>Skilled               labours<br>Nos<br>Unskilled<br>Nos |

18.        The Inspection Official shall furnish the details such as:-

|    |  | Installed Capacity (Rs. in lakhs) | Actuals (Rs. in lakhs) |
|----|--|-----------------------------------|------------------------|
| a) | Present utilization capacity   |                                   |                        |
| b) | If it is below the capacity assumed at the time of sanction reason be indicated for the same |                                   |                        |
| c) | Whether project is implemented as envisaged in the scheme                                    |                                   |                        |

|    |                                      |  |
|----|--------------------------------------|--|
| d) | Is the unit attempting any expansion |  |
|----|--------------------------------------|--|

19. In case of overdues, reason or problem in servicing the loan :
- i) Diversion of funds }
  - ii) Lack of Orders }
  - iii) Dispute between promoters }
  - iv) Any other reasons }
20. Any other remarks by the Audit Officials/  
Overall observation in brief :

**CONCURRENT AUDITOR**

## ANNEXURE - XX

Audit report for the period(from \_\_\_\_\_ to \_\_\_\_\_)

**Assets Verification** for which disbursement made from \_\_\_\_\_ to \_\_\_\_\_ -

Branch :

Physical verification by:\_\_\_\_\_ (name and Designation of auditor )

| S. L. No | Name of the unit | Type of loan | Date/ Amount sanctioned | Disbursement note |      | Date of Disbmt | Amt disb d | Cumulative disbd | Details of assets | Date of inspection | Availability of assets | Remarks |
|----------|------------------|--------------|-------------------------|-------------------|------|----------------|------------|------------------|-------------------|--------------------|------------------------|---------|
|          |                  |              |                         | No                | Date |                |            |                  |                   |                    | Yes/no                 |         |
|          |                  |              |                         |                   |      |                |            |                  |                   |                    |                        |         |
|          |                  |              |                         |                   |      |                |            |                  |                   |                    |                        |         |
|          |                  |              |                         |                   |      |                |            |                  |                   |                    |                        |         |
|          |                  |              |                         |                   |      |                |            |                  |                   |                    |                        |         |

CONCURRENT AUDITOR

**ANNEXURE - XXI****AUDIT REPORT FORMAT -- (BRANCH)****Confidential****Brief on Audit :**

|          |   |  |
|----------|---|--|
| <b>1</b> | <b>Name of the Branch / Region</b>              |  |
| <b>2</b> | <b>Name and Designation of Branch In-charge</b> |  |
| <b>3</b> | <b>Audit for the period of</b>                  |  |
| <b>4</b> | <b>Audit team members</b>                       |  |
| <b>5</b> | <b>Audit Duration</b>                           |  |

**INTRODUCTION**

- (i) **Staff position of the BO as on \_\_\_\_\_(at the end of audit period)**  
(including temporary staff)

| <b>S.no</b> | <b>Name of staff</b> | <b>Designation</b> | <b>Work allotted</b> |
|-------------|----------------------|--------------------|----------------------|
|             |                      |                    |                      |
|             |                      |                    |                      |
|             |                      |                    |                      |
|             |                      |                    |                      |
|             |                      |                    |                      |
|             |                      |                    |                      |
|             |                      |                    |                      |

- (ii) **Branch Performance**

|          |    | <b>Rs. in lakhs</b>                      |               |          |   |               |          |
|----------|----|--|---------------|----------|---|---------------|----------|
|          |    | <b>Previous audit period ended on( )</b> |               |          | <b>Current audit period ended on( )</b> |               |          |
|          |    | <b>Annual Target</b>                     | <b>Actual</b> | <b>%</b> | <b>Annual Target</b>                    | <b>Actual</b> | <b>%</b> |
| Sanction | TL |  |               |          |   |               |          |



**RFP for (Concurrent) audit of Operations of TIIC Branches**

|                        |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|
| BFS                    |  |  |  |  |  |  |
| Disbursement TL        |  |  |  |  |  |  |
| BFS                    |  |  |  |  |  |  |
| Recovery – Principal   |  |  |  |  |  |  |
| - Interest             |  |  |  |  |  |  |
| -Written off principal |  |  |  |  |  |  |

**(iii) Asset portfolio**

| S.no     | Asset type   | Rs in lakhs  |            |   |            |
|----------|--------------|--|------------|---|------------|
|          |              | Opening as on _____<br>(beginning of audit period) |            | Closing as at the end of<br>_____<br>(Audit period) |            |
|          |              | No of units  | Amount O/s | No of units   | Amount O/s |
| <b>1</b> | <b>STD</b>   |  |            |   |            |
|          | SMA 0        |  |            |   |            |
|          | SMA 1        |  |            |   |            |
|          | SMA 2        |  |            |   |            |
| <b>2</b> | <b>S.STD</b> |  |            |   |            |
| <b>3</b> | <b>D I</b>   |  |            |   |            |
| <b>4</b> | <b>D II</b>  |  |            |   |            |
| <b>5</b> | <b>D III</b> |  |            |   |            |
| <b>6</b> | <b>LOSS</b>  |  |            |   |            |
| <b>7</b> | <b>W.OFF</b> |  |            |   |            |
|          | <b>TOTAL</b> |  |            |   |            |

**(iv) Fresh NPA Slippage during audit period(Standard to Sub Standard):  
( individual case wise)**

| S.no | Name of the unit | Principal O/s | Rs in lakhs |     |            | Action taken by B.Office | Audit observations |
|------|------------------|---------------|-------------|-----|------------|--------------------------|--------------------|
|      |                  |               | Overdues    |     |            |                          |                    |
|      |                  |               | Pri         | Int | Other dues |                          |                    |
|      |                  |               |             |     |            |                          |                    |
|      |                  |               |             |     |            |                          |                    |
|      |                  |               |             |     |            |                          |                    |

- (v) The Audit of \_\_\_\_\_(Name of auditee office) was conducted by \_\_\_\_ (Name of Auditor) comprising Shri/Smt. \_\_\_\_\_(names and designations of members of Auditor) during the period from \_\_\_\_\_to\_\_\_\_\_, as per the audit schedule
- (vi) All audit observations of Part A and Part B were discussed by the Audit officials on \_\_\_\_\_(date of holding concluding discussion) in detail with Shri\_\_\_\_\_, (name and designation of In-charge) of \_\_\_\_\_(name of auditee office), in the presence of \_\_\_\_\_,(other officials with names and designations who were present during discussions). The BO / FO In- charge agreed with all/ all (except those enumerated in the appendix) audit observations and assured compliance thereof in a time bound manner. The views and comments of BO officials on major audit observations, wherever required, have been suitably incorporated in such observations. **The audit report in Part A and Part B is appended.**
- (vii) Further, **the uncomplained audit observations** of the previous period (s) (if any) along with latest compliance furnished by the auditee office were also discussed with the in-charge of the auditee office whose comments on / reasons for not furnishing full compliance of these pending audit observations are given in **below**

| Period of audit | Pending query | Present stage | Reason for pending as per auditee statement | Auditors remark |
|-----------------|---------------|---------------|---|-----------------|
|                 |               |               |   |                 |
|                 |               |               |   |                 |
|                 |               |               |   |                 |

Auditor may please note the following for (c) above :

- All pending audit observations [audit period wise ] may be listed as per format with the status of latest compliance obtained from the auditee office and further course of action proposed / suggested by the Auditor concerned.
- Further, these pending observations may specifically be discussed with in-charge of the auditee office for early compliance

- *The difficulties / practical problems being faced by the auditee office in furnishing full and satisfactory compliance may also be briefly mentioned by auditor in the report.*

**(viii) Observations complied during the course of the audit :**

Audit observations corrected / complied with by the auditee office during the course of current audit are given below.

| Area of audit<br>(Subject name and<br>S.No) | Audit observations | Correction/compliance<br>carried out | Auditors remark |
|---|--------------------|--------------------------------------|-----------------|
|   |                    |                                      |                 |
|   |                    |                                      |                 |
|   |                    |                                      |                 |

*[It is reiterated that audit team should endeavour to get maximum number of audit observations rectified / complied during course of the audit itself].*

**Branch Office's responsibility:**

- (1) Branch Office to initiate rectification process immediately and submit the initial compliance report within 7 days to respective IAD Office.
- (2) The copy of this report duly signed to be kept with In-charge of the BO for future references, treated as confidential, to be used for the intended purpose only and the circulation of the report should be limited to the recipients of the report.

| Signature of Auditors | Signature Of Auditee Office<br>(Name/s, Grade & Signature) |
|-----------------------|--|
| (Auditor)             | (Branch In-charge)   |

Place:

Date:

**Enclosures:**

**Part A, Part B**

**Appendix I ,Appendix II,Appendix III**

**Others (if any)**

**Part A****1. Sanction****1.1.a) Sanctions during audit period from \_\_\_\_\_ to \_\_\_\_\_**

Rs in lakhs

| Sl. No. | Name of the unit | Date of Sanction | Assistance sanctioned (Rs.lakh) | Scheme | Sanction Authority | Availability of minutes Yes/No | Terms and conditions issued on | Present status Documented/ Disbursed /lapsed | KYC compliance Yes/no/partly |
|---------|------------------|------------------|---------------------------------|--------|--------------------|--------------------------------|--------------------------------|--|------------------------------|
|         |                  |                  |                                 |        |                    |                                |                                |  |                              |
|         |                  |                  |                                 |        |                    |                                |                                |  |                              |
|         |                  |                  |                                 |        |                    |                                |                                |  |                              |

**1.1.b) Observations - individual case wise**

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

**Note: Auditor may include comments on a) The master data updation for sanction cases in the applicable software are carried out and verified for it's correctness**

*(In case, there are no shortcomings in the areas under 1.1 (a) and (b), the following paragraph may be added in the report).*

**"Appraisal Note and other papers pertaining to sanction of financial assistance in the above cases have been perused by the audit team and found to be generally in order as per the Corporation's credit policy and guidelines / instructions and other circulars issued by HO from time to time."**

➤ **If there is no deviation, please mention that "No specific deficiency/shortcoming has been observed".**

**1.2.a) Closure / Rejection of Cases [ under all scheme of assistance]**

Details regarding loan proposals, which were rejected / closed by the BO/FO during the audit period along with reasons therefor in brief are given below.

| Sl. No. | Name of the unit | Nature of activity | Date of receipt of | Loan applied | Scheme | Proposal Rejected(R)/ | Rejecting Authority | Date of Rejection | Date of advising | Reasons for |
|---------|------------------|--------------------|--------------------|--------------|--------|-----------------------|---------------------|-------------------|------------------|-------------|
|---------|------------------|--------------------|--------------------|--------------|--------|-----------------------|---------------------|-------------------|------------------|-------------|

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|  |  |  |          |            |  |                   |  |  |           |           |
|--|--|--|----------|------------|--|-------------------|--|--|-----------|-----------|
|  |  |  | proposal | (Rs. lakh) |  | Temp. Closed (TC) |  |  | the party | Rejection |
|  |  |  |          |            |  |                   |  |  |           |           |
|  |  |  |          |            |  |                   |  |  |           |           |
|  |  |  |          |            |  |                   |  |  |           |           |

### 1.2.b) Audit observations, if any individual case wise

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

### 1.3.a) Reporting of relaxations

Details of relaxations in the areas of sanction/Disbursement during audit period

| S.No | Name of the unit | Brief Detail of relaxation | Approved by | Whether informed to the concerned sanctioning authority |
|------|------------------|----------------------------|-------------|---|
|      |                  |                            |             |   |

**Note:** If for relaxations during previous audit periods, informed to sanction authority during current audit, the same may also be indicated above

### 1.3.b. Individual case wise observations by audit

(where relaxation made are yet to be informed )

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

## 2. Loan Documentation / Security Creation during audit period

Security was created in respect of the following units at BO during the audit period from \_\_\_\_\_ to \_\_\_\_\_.

### 2.1 a) Documentation abstract

Details of cases documented/Final security created during the period of audit

| Sl. | Name of the | Date of | Assistance | Date of | Date of | Final Security Creation |
|-----|-------------|---------|------------|---------|---------|-------------------------|
|-----|-------------|---------|------------|---------|---------|-------------------------|

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| No. | unit | Sanction | sanctioned<br>(Rs.in lakh) | Issue of<br>T & C | Documen<br>tation | Date               |     |        |
|-----|------|----------|----------------------------|-------------------|-------------------|--------------------|-----|--------|
|     |      |          |                            |                   |                   | Dt of<br>RM/<br>EM | ROC | CERSAI |
|     |      |          |                            |                   |                   |                    |     |        |
|     |      |          |                            |                   |                   |                    |     |        |
|     |      |          |                            |                   |                   |                    |     |        |
|     |      |          |                            |                   |                   |                    |     |        |

### 2.1.b) Observations –individual case wise

(cases where the time gap is more than 3 months between the date of issue of sanction letter to date of documentation / between date of documentation to final security creation)

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

### 3. Issues relating to disbursement

Disbursements were made in respect of the following units at BO during the audit period from \_\_\_\_\_ to \_\_\_\_\_.

#### 3.1.a) Disbursement during audit period

(First and subsequent disbursements also)

| Sl. No. | Name of the unit | Date of Sanction | Assistance sanctioned (Rs.lakh) | Final Security Creation Date | Date of Disb. | First (F)/Subsequent (S) disbursement | Disbursement Amount (Rs.lakh) | Comment on availability of assets yes/no (as per physical verification report of Auditor) |
|---------|------------------|------------------|---------------------------------|------------------------------|---------------|---------------------------------------|-------------------------------|---|
|         |                  |                  |                                 |                              |               |                                       |                               |   |
|         |                  |                  |                                 |                              |               |                                       |                               |   |
|         |                  |                  |                                 |                              |               |                                       |                               |   |

**Important Note:** Physical verification reports by Auditor on assets including cases where advance payment was made as per TIIC norms in the previous months should be enclosed (as per the prescribed format(XIV-a))-enclosed as Appendix I

#### 3.1.b) Audit observations –individual case wise

| Sl. | Name of the unit | Audit observations | Branch office Reply |
|-----|------------------|--------------------|---------------------|
|-----|------------------|--------------------|---------------------|

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| No. |  |  |  |
|-----|--|--|--|
|     |  |  |  |
|     |  |  |  |
|     |  |  |  |
|     |  |  |  |
|     |  |  |  |

**Note: Auditor may include comments on a)Asset register updation for disbursement,availability of legal clearance certificate, lien creation over the security deposit taken as security,master data capture and verification and Communication of repayment schedule letter for first disbursement cases,**

*In case, no deficiency / shortcoming has been found, following paragraph may be added in the audit report :*

**“Documents / papers pertaining to disbursement of financial assistance have been perused by the audit team as per the circulars and other guidelines / instructions issued by the Corporation from time to time pertaining to disbursement of financial assistance. No specific deficiency / shortcoming has been observed”.**

### 3.2.a) Undisbursed cases

**(All individual cases pending for 3 months and above in both Partly and Fully undrawn)**

| Sl. No. | Name of the unit | Date of Sanction | Assistance sanctioned (Rs.lakh) | Date of Documentation | Date of previous Disbursement | Reasons for pendency as reported by B.O |
|---------|------------------|------------------|---------------------------------|-----------------------|-------------------------------|---|
|         |                  |                  |                                 |                       |                               |   |
|         |                  |                  |                                 |                       |                               |   |
|         |                  |                  |                                 |                       |                               |   |

### 3.2.b) Observations on cases pending for more than 3 months( Individual case wise)

**(cases where the time gap is more than 3 months between date of sanction to date of disbursement / between date of previous disbursement to current date(end of audit period )**

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

### 3.3.a) Deficiencies relating to stock statements (WCTL assisted units under all schemes)

| Sl. | Name of the unit | No of units |
|-----|------------------|-------------|
|-----|------------------|-------------|

| No. |   |  |
|-----|---|--|
|     | Total No of units in the portfolio<br>(WCTL assisted units under all schemes) |  |
|     | stock statement received  |  |
|     | stock statement to be received (*)  |  |

(\*) Give list of cases with reasons

- In case, no observation is there, following line may be incorporated in the audit report  
“ No specific discrepancy observed”.

### 3.3.b) Audit observations if any –individual case wise

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

### 4.Violation of exercise of delegated powers- individual case wise

[Pertaining to sanction, disbursement, relaxation in norms made during  
the period of audit ]

| Sl. No. | Name of the unit | Description of violation | Audit observations | Branch office Reply |
|---------|------------------|--------------------------|--------------------|---------------------|
|         |                  |                          |                    |                     |
|         |                  |                          |                    |                     |
|         |                  |                          |                    |                     |
|         |                  |                          |                    |                     |
|         |                  |                          |                    |                     |

**Note:**Auditor may list out incidents, if any, in respect of violation in exercise of delegated powers in sanction, disbursement, relaxation in norms, etc.

In case, no such observation(s) are there, following line may be incorporated in the audit report

“No specific observation (s)”.

### 5 .Asset Quality /Overdue / NPA Management and Recovery performance:

#### 17.1 5.1. List of NPA cases

As on \_\_\_\_\_(End of audit period), BO / FO has \_\_\_\_\_ [No.] of NPA cases amounting to Rs.\_\_\_\_\_ as per asset portfolio table given at introduction



**5.1 a) Details of top 10 NPA accounts with high principal outstanding and quick mortality case if any**

| Sl. No.  | Name of the unit             | category viz. Sub standard / doubtful /loss asset | Date of NPA/ | principal O/S | Total PI. overdue as at |     |        | Remarks on action taken to recover the dues |
|----------|------------------------------|---|--------------|---------------|-------------------------|-----|--------|---|
|          |                              |   |              |               | PRL                     | INT | Others |   |
| 1        | 2                            | 3   | 4            | 5             | 6                       | 7   | 8      | 9   |
| <b>A</b> | <b>Top ten cases</b>         |   |              |               |                         |     |        |   |
|          |                              |   |              |               |                         |     |        |   |
|          |                              |   |              |               |                         |     |        |   |
|          | <b>Total</b>                 |   |              |               |                         |     |        |   |
| <b>B</b> | <b>Quick mortality cases</b> |   |              |               |                         |     |        |   |
|          |                              |   |              |               |                         |     |        |   |
|          | <b>Total</b>                 |   |              |               |                         |     |        |   |

Note: Quick mortality cases: Units that have turned to NPA within 1 year from the date of final disbursement/ during disbursement

**5.1 b) Audit observations if any –individual case wise**

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

**5.2 a) Details of top 5 Written off accounts ( with asset back up) Principal outstanding wise.**

| Sr. No. | Name of the unit | Date of NPA/ | principal O/S | Total PI. overdue as at |     |        | Type of asset available(*) | Remarks on action taken to recover the dues |
|---------|------------------|--------------|---------------|-------------------------|-----|--------|----------------------------|---|
|         |                  |              |               | PRL                     | INT | Others |                            |   |
| 1       | 2                | 3            | 4             | 5                       | 6   | 7      | 8                          | 9   |
|         |                  |              |               |                         |     |        |                            |   |
|         |                  |              |               |                         |     |        |                            |   |
|         |                  |              |               |                         |     |        |                            |   |
|         | <b>Total</b>     |              |               |                         |     |        |                            |   |
|         |                  |              |               |                         |     |        |                            |   |

(\*) Land, Land and Building, Machinery and collateral security available cases.

**5.2 b) Observations of Audit on top 5 written off accounts**

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
| 1       |                  |                    |                     |
| 2       |                  |                    |                     |
| 3       |                  |                    |                     |
| 4       |                  |                    |                     |
| 5       |                  |                    |                     |

**5.3.a) Details of Default Review Committee Meeting(DRM) conducted during audit period and action taken on Minutes of DRM****Rs in Lakhs**

| Sl.No | Date of DRM | SMA 2                   |         | Sub std                 |         | Doubtful cases          |         |
|-------|-------------|-------------------------|---------|-------------------------|---------|-------------------------|---------|
|       |             | No of accounts reviewed | PRL O/S | No of accounts reviewed | PRL O/S | No of accounts reviewed | PRL O/S |
|       |             |                         |         |                         |         |                         |         |

**5.3.b) Audit observations, if any**

| Sl. No. | Name of the unit | Brief minutes of DRM | Particulars of further action taken | Audit observations | Branch office Reply |
|---------|------------------|----------------------|-------------------------------------|--------------------|---------------------|
|         |                  |                      |                                     |                    |                     |
|         |                  |                      |                                     |                    |                     |
|         |                  |                      |                                     |                    |                     |
|         |                  |                      |                                     |                    |                     |
|         |                  |                      |                                     |                    |                     |

**Note:**Comments of Auditor may be given on the steps taken by BO/FO for follow-up and certify that 'we have perused and convinced that necessary action was taken as per the last DRM minutes'

**5.4 Follow up and monitoring****5.4 a) Details of review of sample NPA cases**

(One file under each category to be perused – (a) Restructured with in two years cases,(b) Above 1 crore cases and (c) Written off cases with asset backed)

**Rs. in lakhs**

| Sl. no | Name of the unit | Date of becoming NPA | PRL O/S | Over dues |     | Details of recovery action taken |
|--------|------------------|----------------------|---------|-----------|-----|----------------------------------|
|        |                  |                      |         | PRL       | INT |                                  |
|        |                  |                      |         |           |     |                                  |
|        |                  |                      |         |           |     |                                  |
|        |                  |                      |         |           |     |                                  |

**5.4.b) Observations of Audit on sample NPA cases**

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

**5.5.a) BFS cases pending for more than 180 days as on the date of end of audit period\_\_\_\_\_**

| Sl. No. | Name of the unit | Name of agency<br>TANGEDCO<br>/TANTRANSCO<br>/TWAD etc | Bill pendency<br>Rs in Lakhs |          |         | No of days pending | Whether counter verification of bill done by BM | Details of recovery action taken |
|---------|------------------|--|------------------------------|----------|---------|--------------------|---|----------------------------------|
|         |                  |  | Disb date                    | Amt disb | Amt O/S |                    |   |                                  |
|         |                  |  |                              |          |         |                    |   |                                  |
|         |                  |  |                              |          |         |                    |   |                                  |
|         |                  |  |                              |          |         |                    |   |                                  |

**5.5.b) Observations of Audit on BFS cases more than 180 days / 240 days**

| Sl. No. | Name of the unit | <u>Audit observations</u> | <u>Branch office Reply</u> |
|---------|------------------|---------------------------|----------------------------|
|         |                  |                           |                            |
|         |                  |                           |                            |
|         |                  |                           |                            |
|         |                  |                           |                            |
|         |                  |                           |                            |

**5.6.a) Unit inspections**

(One unit under each category to be inspected- (a)Performing unit(SMA -2) ,(b) NPA and (c) Above 1 crore by Prl O/S.)

| S.no | Name of the unit | Availability of financed assets | Insurance Valid upto | Working results available Upto | Overdues If any |    |
|------|------------------|---------------------------------|----------------------|--------------------------------|-----------------|----|
|      |                  |                                 |                      |                                | Rs. Lakhs       | In |
| 1    |                  |                                 |                      |                                |                 |    |
| 2    |                  |                                 |                      |                                |                 |    |
| 3    |                  |                                 |                      |                                |                 |    |

Inspection reports enclosed as per format—**enclosed as appendix II**

### 5.6.b) Audit Observations ,if any

| Sl. No. | Name of the unit | <u>Audit observations</u> | <u>Branch office Reply</u> |
|---------|------------------|---------------------------|----------------------------|
|         |                  |                           |                            |
|         |                  |                           |                            |
|         |                  |                           |                            |
|         |                  |                           |                            |
|         |                  |                           |                            |

### 5.7. Status of units under possession

(physical / Constructive),(primary / collateral)

#### 5.7 a) List of units under possession as on \_\_\_\_\_(end of audit period)

| Sl.No | Name of the Unit | Type of property<br>(Primary/<br>Collateral) | Type of possession<br>(Physical/<br>Constructive ) | SF<br>C/<br>SA<br>RF<br>AE<br>SI | Date of possession | Date of last auction | Further action taken by Branch |
|-------|------------------|--|--|----------------------------------|--------------------|----------------------|--------------------------------|
|       |                  |  |  |                                  |                    |                      |                                |
|       |                  |  |  |                                  |                    |                      |                                |
|       |                  |  |  |                                  |                    |                      |                                |

#### 5.7 b) Audit observations of units under possession for more than 1 year

(individual case wise)

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

### 5.8. Status of pending OTS cases

#### 5.8 a) List of OTS approved cases as on \_\_\_\_\_(end of audit period)

Rs in Lakhs

| Sl. No. | Name of Unit | Out standing as on date |     | Date of approval | Date of settlement | Branch Remarks for approved |
|---------|--------------|-------------------------|-----|------------------|--------------------|-----------------------------|
|         |              | Prl                     | Int |                  |                    |                             |
|         |              |                         |     |                  |                    |                             |

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|  |  |  |  |  |  |                              |
|--|--|--|--|--|--|------------------------------|
|  |  |  |  |  |  | <b>but not settled cases</b> |
|  |  |  |  |  |  |                              |
|  |  |  |  |  |  |                              |

**5.8 b) Audit observations of OTS approved cases**

(individual case wise)

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

**5.8 c) List of OTS requests yet to be approved**

(OTS request pending cases as at the end of audit period)

Rs in Lakhs

| Sl. No. | Name of the unit | Asset category (*) | Pri O/S | Dt of request | Present status |
|---------|------------------|--------------------|---------|---------------|----------------|
|         |                  |                    |         |               |                |
|         |                  |                    |         |               |                |
|         |                  |                    |         |               |                |

(\*) as at the end of previous Financial year

**5.8 d) Audit observations of OTS to be approved cases, if any**

(individual case wise)

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

**6.Detection of Fraud cases****6.1.a) Fraud cases pertaining to the previous audits and their current status**

Rs in Lakhs

| S.No. | Name of the Unit | Date of detection & reporting of fraud | Amount involved |         |            | Current Status |
|-------|------------------|--|-----------------|---------|------------|----------------|
|       |                  |  | PRL O/S         | INT O/S | Other dues |                |
|       |                  |  |                 |         |            |                |
|       |                  |  |                 |         |            |                |
|       |                  |  |                 |         |            |                |

*In case, no fraud case [s] have been detected, following line may be incorporated in the audit report.*

**“On the basis of the records / other information available in the BO/FO, no case of fraud was detected in the BO/FO.**

**6.1.b) Audit observations ,if any –(individual case wise)**

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

**6.2.a) Fraud cases detected during the present audit period and their status**

Rs in Lakhs

| S.No | Name of the Unit | Date of detection & reporting of fraud | Amount involved |         |            | Action taken by Branch office |
|------|------------------|--|-----------------|---------|------------|-------------------------------|
|      |                  |  | PRL O/S         | INT O/S | OTHER DUES |                               |
|      |                  |  |                 |         |            |                               |
|      |                  |  |                 |         |            |                               |
|      |                  |  |                 |         |            |                               |

**6.2.b) Audit observations ,if any –(individual case wise)**

| Sl. No. | Name of the unit | Audit observations | Branch office Reply |
|---------|------------------|--------------------|---------------------|
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |
|         |                  |                    |                     |

**7. Revenue leakage****7.1 Quantifiable revenue leakages/excess claims**

Position as on \_\_\_\_\_

[Rs in lakh ]

| S.No. | Name of the Unit | No. of Accounts / | Amt demanded | Actual amount due / to be demanded as per Audit | Short / excess recovery | Amount Recovered | Branch office Reply |
|-------|------------------|-------------------|--------------|---|-------------------------|------------------|---------------------|
|       | <b>1</b>         | <b>2</b>          | <b>3</b>     | <b>4</b>  | <b>5</b>                | <b>6</b>         |                     |
|       |                  |                   |              |   |                         |                  |                     |
|       |                  |                   |              |   |                         |                  |                     |
|       |                  |                   |              |   |                         |                  |                     |
|       | <b>Total</b>     |                   |              |   |                         |                  |                     |

\* wherever possible, details of calculations done by Auditor may be attached with the audit report for easy understanding of the BO/FO. The amount of short recovery may be indicated in the column by prefixing (-) before the figure.

**7.2 Non-quantifiable revenue leakages/excess claims**

| Sl. No. | Area/Subject | Mode of leakage | Audit observations | Branch office Reply |
|---------|--------------|-----------------|--------------------|---------------------|
|         |              |                 |                    |                     |
|         |              |                 |                    |                     |
|         |              |                 |                    |                     |

**8. Others****8.1a Deficiencies relating to insurance policies**

The status of insurance policies are indicated as under

Position as on \_\_\_\_\_(End of audit period)

| Sl. No.  | Name of the unit   |                | No of units Primary | No of units collateral |
|----------|--|----------------|---------------------|------------------------|
| <b>1</b> | Total No of units in the portfolio                               | <b>A</b>       |                     |                        |
| <b>2</b> | No of units where assets not available/ land only case           | <b>B</b>       |                     |                        |
| <b>3</b> | Insurance required for   | <b>C (A-B)</b> |                     |                        |
| <b>4</b> | Insurance coverage available(adequately)                         | <b>D</b>       |                     |                        |
| <b>5</b> | Insurance to be effected/enhanced/ amended for correction if any | <b>E(C-D)</b>  |                     |                        |

**Note:** Few sample cases may be checked for adequacy and validity

**8.1b Audit observations,if any**

| <b>Audit observations</b> | <b>Branch Office reply</b> |
|---------------------------|----------------------------|
|                           |                            |

*In case, no observation is there, following line may be incorporated in the audit report*

**“ No specific discrepancy observed”.**

**8.2.a) Deficiencies relating to site visits**

| <b>Sl. No.</b> | <b>Name of the unit</b>   |                | <b>No of units</b> |
|----------------|---|----------------|--------------------|
| <b>1</b>       | Total No of units in the portfolio (*)                          | <b>A</b>       |                    |
| <b>2</b>       | No of units where assets not available + units under possession | <b>B</b>       |                    |
| <b>3</b>       | Inspection required for   | <b>C (A-B)</b> |                    |
| <b>4</b>       | Inspections made during audit period                            | <b>D</b>       |                    |
| <b>5</b>       | Inspections to be made  | <b>E(C-D)</b>  |                    |

(\*) including units under possession

**8.2b) Observations**

| <b>Audit observations</b> | <b>Branch Office reply</b> |
|---------------------------|----------------------------|
|                           |                            |

*In case, no observation is there, following line may be incorporated in the audit report*

**“ No specific discrepancy observed”.**

**8.3a) Acknowledgment of Debt (AOD)**

The latest status of issue and receipt of AODs in the prescribed format is indicated as under (status given in respect of all the cases where outstanding exists as on the previous month ended of relevant audit period) :

Position as on \_\_\_\_\_(End of audit period)

| <b>Sl. No.</b> | <b>Name of the unit</b>  |          | <b>No of units</b>            |                    | <b>Total</b> |
|----------------|--|----------|-------------------------------|--------------------|--------------|
|                |  |          | <b>Other than written off</b> | <b>Written off</b> |              |
| <b>1</b>       | Total No of units where payment not received for more than 2 years | <b>A</b> |                               |                    |              |
| <b>2</b>       | No of units where Suit filed by TIIC                               | <b>B</b> |                               |                    |              |



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|   |                     |         |  |  |  |
|---|---------------------|---------|--|--|--|
|   | for recovery        |         |  |  |  |
| 3 | AOD required for    | C (A-B) |  |  |  |
| 4 | AOD obtained        | D       |  |  |  |
| 5 | AOD to be obtained. | E(C-D)  |  |  |  |

**8.3b) Audit observations,if any**

| Audit observations | Branch Office reply |
|--------------------|---------------------|
|                    |                     |

**8.4 a) Deficiencies relating to Encumbrance certificate as on\_\_\_\_\_ (End of audit period)**

| Sl. No. | Name of the unit  |         | No of units where E.C taken for |                        |
|---------|---|---------|---------------------------------|------------------------|
|         |   |         | All properties                  | Part of the properties |
| 1       | Total No of units in the portfolio  | A       |                                 |                        |
| 2       | No of units where assets not available  | B       |                                 |                        |
| 3       | E.C required for  | C (A-B) |                                 |                        |
| 4       | E.C taken upto _____( the end of audit period )from the beginning of Financial year | D       |                                 |                        |
| 5       | E.C to be taken   | E(C-D)  |                                 |                        |

**Note:**Brief on the cases with E.C for part of the properties and where any encumbrance noticed shall be detailed below

**8.4b) Audit observations on cases where E.C for part of the proprties / Presence of any Encumbrance**

| S.no | Name of the unit | Branch office remark | Audit observations | B O reply |
|------|------------------|----------------------|--------------------|-----------|
|      |                  |                      |                    |           |

*In case, no observation is there, following line may be incorporated in the audit report  
“ No specific discrepancy observed”.*

**8.5 subsidy status**

**8.5 a) List of cases where SBL is Outstanding**

| S.No | Name of the unit | Date of filing Subsidy application | Date of Subsidy sanction | Date of Subsiby claim with H.O | Date of Subsiby claim received from H.O |
|------|------------------|------------------------------------|--------------------------|--------------------------------|---|
|      |                  |                                    |                          |                                |   |

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|   |  |  |  |  |  |
|---|--|--|--|--|--|
| 1 |  |  |  |  |  |
| 2 |  |  |  |  |  |

### 8.5 b) Audit observations for individual cases

(Please indicate whether subsidy sanctioned and claimed for all SBL sanctioned cases)

| S.No | Name of the unit | Audit observations. | Branch Office reply |
|------|------------------|---------------------|---------------------|
|      |                  |                     |                     |
|      |                  |                     |                     |

### 8.5 c) Subsidy register review

The auditors to review and report on the subsidy register maintained at Auditee office as per the following format and delay if any in sanction of subsidy after project implementation and delay if any in forwarding claim to H.O after sanction of subsidy

Rs in lakh

| Name of the unit | Term loan      |            |            | Whether project implemented yes/No | Type of subsidy eligible (SCS/GS/CLCS/NEEDS etc.) | Subsidy                   |                       | Date of claim forwarded to HO | Remarks |
|------------------|----------------|------------|------------|------------------------------------|---|---------------------------|-----------------------|-------------------------------|---------|
|                  | Dt of Sanction | Amt Sanced | Amt Disb'd |                                    |   | Dt of Sanction of subsidy | Amt of subsidy Sanced |                               |         |
|                  |                |            |            |                                    |   |                           |                       |                               |         |
|                  |                |            |            |                                    |   |                           |                       |                               |         |

### 8.5 d) Audit observations

| Audit observations | Branch Office reply |
|--------------------|---------------------|
|                    |                     |

### 8.6(a) SFC OP to be filed Cases

| Sl. No. | Name of the unit   |             | No of units |
|---------|--|-------------|-------------|
| 1       | Total No of NPA cases where assets disposed (at the beginning of current financial year) | A           |             |
| 2       | Add No of NPA cases where assets disposed (during current F.Y)                           | B           |             |
| 3       | Less No of cases where SFC OP filed for the balance outstanding                          | C           |             |
| 4       | Less No of cases settled (during current F.Y)  | D           |             |
| 5       | No of cases where SFC OP to be filed for the balance outstanding                         | E (A+B-C-D) |             |

**8.6 b) Audit observations for top 3 cases by Principal outstanding wise  
(as at the end of audit period)**

**Rs in lakhs**

| S.No | Name of the unit | PRL O/S | Audit observations. | Branch Office reply |
|------|------------------|---------|---------------------|---------------------|
| 1    |                  |         |                     |                     |
| 2    |                  |         |                     |                     |
| 3    |                  |         |                     |                     |

**8.6(c) SFC OP Decreed Cases**

| Sl. No. | Name of the unit  |                    | <u>No of units</u> |
|---------|---|--------------------|--------------------|
| 1       | Total No of NPA cases where SFC OP Decreed (at the beginning of current financial year) | <b>A</b>           |                    |
| 2       | <b>Add</b> No of NPA cases where SFC OP Decreed (during current F.Y)                    | <b>B</b>           |                    |
| 3       | <b>Less</b> No of cases where E.P(Execution petition) filed                             | <b>C</b>           |                    |
| 4       | <b>Less</b> No of cases settled (during current F.Y)                                    | <b>D</b>           |                    |
| 5       | No of cases where where E.P(Execution petition) to be filed                             | <b>E (A+B-C-D)</b> |                    |

**8.6 d) Observations for top 3 cases by Principal outstanding wise  
(as at the end of audit period)**

**Rs in lakhs**

| S.No | Name of the unit | PRL O/S | Audit observations. | Branch Office reply |
|------|------------------|---------|---------------------|---------------------|
| 1    |                  |         |                     |                     |
| 2    |                  |         |                     |                     |
| 3    |                  |         |                     |                     |

**8.7 Customer Grievance redressal system**

The auditors to review and report on the system of customer grievance redressal system maintained at Auditee office

| Audit observations | Branch Office reply |
|--------------------|---------------------|
|                    |                     |

**8.8 Any Other issues / Observations of Audit**

**9. Conclusion**

Date : \_\_\_\_\_

Place: \_\_\_\_\_

[Signature]  
Name [Head Audit Team]

---

**For use of Branch while replying**

**10. Branch Office's remarks:-**

Date : \_\_\_\_\_

Place: \_\_\_\_\_

[Signature of the Branch manager]  
Name of signatory and Branch

**Part B****Non operational areas Reporting Format****1. Administration****1.1 Leave calculations**

| <b>Subject</b>   | <b>Audit observations</b> | <b>Branch reply</b> | <b>Office</b> |
|--|---------------------------|---------------------|---------------|
| Observations relating to errors in calculation of all types of leaves, inconsistencies observed in attendance register with that of leave records, wrong / non posting of casual leaves in CL record sheet , deficiencies relating to availing of all types of leaves/absenteeism etc may be indicated under this paragraph. |                           |                     |               |

- *In case, no observation is there, following line may be incorporated in the audit report " No specific discrepancy observed".*

**1.2 Staff Welfare activities**

| <b>Subject</b>  | <b>Audit observations</b> | <b>Branch reply</b> | <b>Office</b> |
|---|---------------------------|---------------------|---------------|
| Observations relating to non compliance of guidelines with regard to conduct of staff welfare activities, may be indicated under this paragraph |                           |                     |               |

- *In case, no observation is there, following line may be incorporated in the audit report " No specific discrepancy observed".*

**1.3 Other facilities****a)General Expenses**

| <b>Subject</b>   | <b>Audit observations</b> | <b>Branch reply</b> | <b>Office</b> |
|--|---------------------------|---------------------|---------------|
| Observations relating to reimbursement made to staff i) News papers, ii) telephone bills / |                           |                     |               |

rentals and iii) official entertainment expenditure, etc. The deficiencies relating to excess / short payments to staff, incorrect exercise of DoP to be brought out under this paragraph.

**b) TA/DA / out of pocket expenses**

| Subject   | Audit observations | Branch reply | Office |
|---|--------------------|--------------|--------|
| Observations relating to TA/DA, other misc. reimbursements towards conveyance charges to staff may be indicated under this paragraph. The deficiencies relating to excess / short payments to staff and incorrect exercise of DoP to be brought out under this paragraph. |                    |              |        |

**1.4.Other administrative payments to third parties :**

**a) Payments**

| Subject  | Audit observations | Branch reply | Office |
|--|--------------------|--------------|--------|
| <p>Observations relating to payment towards stationery/printing, car hire,courier, caterer, photo-copier, travel agent, office vehicle expenditure, liveries to workmen employees, postage, calculator, news papers for office, florist etc. may be indicated under this paragraph.</p> <p>The deficiencies relating to excess/short payments, incorrect exercise of DoP, Income Tax, TDS and GST related matters, to be brought out under this paragraph.</p> |                    |              |        |

**b)Registers**

| <b>Subject</b>  | <b>Audit observations</b> | <b>Branch<br/>reply</b> | <b>Office</b> |
|---|---------------------------|-------------------------|---------------|
| <i>Comments on various registers /statements / folios relating to General and Personnel Administration that are maintained by the auditee office in soft form in the computer, RAC/CA may specifically ensure that access to such files is restricted only to authorised officials, the data base is regularly updated and periodic back up is taken.</i> |                           |                         |               |

- In case, no observation is there, following line may be incorporated in the audit report " No specific discrepancy observed".*

**1.5.Premises****1.5 a Maintenance of premises/dead stock :**

Observations relating to maintenance of premises / dead stock/ AMCs / dead stock register / inventory of misc. items not classified as dead stock, repairs and maintenance of office, etc., insurance coverage and timely renewal of policies, security arrangements for office, rent / taxes for office premises and timely renewal of lease, etc. may be indicated under this paragraph. The deficiencies relating to excess/short payments, incorrect exercise of DoP and Income Tax related matters to be brought out under this paragraph.

Observations relating to maintenance of various registers / files / system of keeping old records / closed files, destruction of old records as per HO guidelines, safe custody of duplicate keys, fire extinguishers - adequacy and usable condition, submission of periodical returns to HO etc. may be indicated under this paragraph.]

| <b>Subject</b>   | <b>Audit observations</b> | <b>Branch<br/>reply</b> | <b>Office</b> |
|--|---------------------------|-------------------------|---------------|
| Observations relating to maintenance of premises / dead stock/ AMCs / dead stock register / inventory of misc. items not classified as dead stock, repairs and maintenance of office, etc., may be indicated under this paragraph. |                           |                         |               |

|   |  |  |
|---|--|--|
| Observations relating to security arrangements for office, rent / taxes for office premises and timely renewal of lease, etc may be indicated under this paragraph  |  |  |
| The deficiencies relating to excess/short payments, incorrect exercise of DoP, Income Tax, TDS and GST related matters, to be brought out under this paragraph.   |  |  |
| Observations relating to maintenance of various registers / files / system of keeping old records / closed files, destruction of old records as per HO guidelines, safe custody of duplicate keys, fire extinguishers - adequacy and usable condition, submission of periodical returns to HO etc. may be indicated under this paragraph. |  |  |

**1.5 b INSURANCE COVERAGE AND TIMELY RENEWAL OF POLICIES :**

Observations relating to insurance coverage and timely renewal of policies as per the policy guidelines, may be indicated under this paragraph.

| S.No | Description                                     | Insurance amt | Valid upto | Audit observations | Branch Office reply |
|------|---|---------------|------------|--------------------|---------------------|
| 1    | Cash in Transit                                 |               |            |                    |                     |
| 2    | Cash in Chest                                   |               |            |                    |                     |
| 3    | Fidelity Insurance                              |               |            |                    |                     |
| 4    | Furniture & Fittings and office equipments etc. |               |            |                    |                     |
| 5    | Any other assets                                |               |            |                    |                     |



## 2. Accounts

### 2.1a) General accounts-Abstract

Number of accounts as on \_\_\_\_\_(End of audit period)

| S.No | Type of loan                     | No of Accounts |
|------|----------------------------------|----------------|
| 1    | Term loan                        |                |
| 2    | Transport loan(TPT)              |                |
| 3    | Bill Finance Scheme(BFS)         |                |
| 4    | Grow an Enterprenuer Scheme(GES) |                |
| 5    | Mini loan                        |                |
|      | <b>Total</b>                     |                |

### 2.1b) Audit Observations on Accounts

| S.No | Subject  | Audit observations | Branch Office reply |
|------|--|--------------------|---------------------|
| 1    | <p>Observations on demand checking<br/>(Minimum the following demands to be checked and reported and <b>the list of cases checked shall be annexed- <u>appendix III</u></b></p> <p>a) For cases foreclosed during audit period<br/>b) Foreclosure withdrawn cases<br/>c) Reschedule cases<br/>d) First disbursement cases<br/>e) Atleast 1/3 of the other demand raised cases )(so as to cover all the cases in a cyclical manner)</p> |                    |                     |
| 2    | Observations on demand updation in system and date of last updation  |                    |                     |
| 3    | Observations relating to usage of current account codes, scrutiny of final statements, monthly reconciliation of General Account / Sundry / Suspense, daily funds management / bank reconciliation, maintenance of Cheque Inward Register, Petty Cash/Imprest Cash   |                    |                     |

|   |  |  |  |
|---|--|--|--|
|   | Register, issue and safe custody of cheques/cheque books, third party payment, etc. may be indicated under this paragraph. |  |  |
| 4 | Observations on Ledger postings including manual ledgers   |  |  |
| 5 | Observations relating to follow up of accounting procedures in accounting auction sale proceeds / OTS settlement           |  |  |
| 6 | Observations on G.L Trial Balance for the previous month   |  |  |
| 7 | Observations on Cash checking (on any one day)   |  |  |
| 8 | Observations on remittance of statutory dues like service tax, TDS etc by Branches in time.                                |  |  |

**Note:** .In case, no observation is there, following line may be incorporated in the audit report

“ No specific discrepancy observed”.

## 2.2. Reconciliation of account entries with GL :

| Subject                                   | Audit observations | Branch reply | Office |
|---|--------------------|--------------|--------|
| Reconciliation of account entries with GL |                    |              |        |

## 2.3. Expenditure control

Please furnish data showing comparative position of expenditure actually incurred vis-a-vis Budget approved thereof, by the BO in respect of controllable administrative expenditure heads and comment on the status thereof. In case, there has been increase in expenditure, suitable justifications there of as spelt by BO officials be incorporated against such heads of expenditure. If BO has taken steps to control the

expenditure/ got permission from H.O for the expences may also be suitably indicated in the report.

### **Headwise Revenue Expenditure Details**

| <b>Expenditure</b> | <b>Budgeted Amt.</b> | <b>Expen Diture as on</b> | <b>Difference (Budget-Actual)</b> | <b>Remarks/Justification as spelt by auditee office if exceeds the budget</b> |
|--------------------|----------------------|---------------------------|-----------------------------------|---|
|                    |                      |                           |                                   |   |
|                    |                      |                           |                                   |   |
|                    |                      |                           |                                   |   |
|                    |                      |                           |                                   |   |

*Auditor may note to relate pro-rata budget of the BO with the expenditure incurred under each Head. If BO has taken steps to get permission from H.O for the expenses may also be suitably indicated in the report*

### **2.4. Details of security deposit(S.D) / Follow up deposits(F.D) (matured and pending for more than 2 years.)**

| <b>S.N o</b> | <b>Name of Deposit or</b> | <b>In case of S.D, related Unit's name</b> | <b>S.D / F.D receipt dt</b> | <b>S.D / F.D amount</b> | <b>S.D / F.D maturity dt</b> | <b>Reason for pending</b> | <b>Audit observation</b> | <b>Branch Office reply</b> |
|--------------|---------------------------|--|-----------------------------|-------------------------|------------------------------|---------------------------|--------------------------|----------------------------|
|              |                           |  |                             |                         |                              |                           |                          |                            |
|              |                           |  |                             |                         |                              |                           |                          |                            |

### **2.5. Status of computerisation**

Observations relating to computerisation whether upto date data has been entered into the system,any other issues relating to computerisation that are highlighted by the Branch office

| <b>Audit observations</b> | <b>Branch Office remarks</b> |
|---------------------------|------------------------------|
|---------------------------|------------------------------|

**3. Any Other issues / Observations of Audit**

**4. Conclusion**

**Date :** \_\_\_\_\_

**Place:** \_\_\_\_\_

**[Signature]**  
**Name [Head Audit Team]**

---

**For use of Branch while replying**

**5. Branch Office's remarks:-**

**Date :** \_\_\_\_\_

**Place:** \_\_\_\_\_

**[Signature of the Branch manager]**  
**Name of signatory and Branch**

### Appendix I

To Audit report for the period(from \_\_\_\_\_ to \_\_\_\_\_)

Assets Verification for which disbursement made from \_\_\_\_\_ to \_\_\_\_\_ -

Branch :

Physical verification by:\_\_\_\_\_ (name and Designation of auditor )

| S.<br>L.<br>N<br>o | Name<br>of the<br>unit | Typ<br>e of<br>loa<br>n | Date/<br>Amo<br>unt<br>sanc<br>tioned | Disburseme<br>nt note |      | Date<br>of<br>Disbm<br>t | Amt<br>disb<br>d | Cumula<br>tive<br>disbd | Details of<br>assets | Date of<br>inspecti<br>on | Availability<br>of assets | Remark<br>s |
|--------------------|------------------------|-------------------------|---------------------------------------|-----------------------|------|--------------------------|------------------|-------------------------|----------------------|---------------------------|---------------------------|-------------|
|                    |                        |                         |                                       | No                    | Date |                          |                  |                         |                      |                           | Yes/no                    |             |
|                    |                        |                         |                                       |                       |      |                          |                  |                         |                      |                           |                           |             |
|                    |                        |                         |                                       |                       |      |                          |                  |                         |                      |                           |                           |             |
|                    |                        |                         |                                       |                       |      |                          |                  |                         |                      |                           |                           |             |
|                    |                        |                         |                                       |                       |      |                          |                  |                         |                      |                           |                           |             |

### Appendix II

**UNIT INSPECTION REPORT**

|    |  |                |
|----|--|----------------|
| 1. | Name of the Branch   |                |
| 2. | Name of the Audit Official inspecting the unit                 | Thiru          |
| 3. | Date of Inspection   |                |
| 4. | Name of the Unit   |                |
| 5. | Location: Factory:   |                |
|    | Office:  |                |
| 6. | Type of the Unit<br>(or nature of Business)                    |                |
| 7. | Name of the Promoter<br>(Proprietor/Partner/Director)          |                |
| 8. | Category/Asset Classification of the unit                      |                |
| 9. | Information on working results<br>As ascertained from the unit | ( Rs.in lakhs) |
| A  | i) Monthly Turnover  |                |
|    | ii) Monthly Expenses   |                |
|    | iii) Surplus / Net Profit                                      |                |
|    |  |                |

|     |   |   |
|-----|---|---|
| B   | Previous year working results<br>(if available) | 31/03/ (Rs. in lakhs)                       |
|     | <b>Working Results</b>                          |   |
|     | Turnover  |   |
|     | Net Profit                                      |   |
|     | Cash Profit                                     |   |
|     |   |   |
|     | <b>Liabilities:</b>                             |   |
|     | Capital   |   |
|     | Reserves & Surplus                              |   |
|     | Secured Loans – TIIC<br>- Bank<br>- Others      |   |
|     |   |   |
| 10. | Details of Insurance cover and<br>Its adequacy  | Insurance valid up to / / for<br>Rs. lakhs. |

11. Details of Loan Account Position: As on / / (Date) (Rs. in Lakhs)

| A/C No. | Date of<br>Sanction | Amount<br>Sanctioned | Amt.<br>Disbursed | Pl.<br>O/s | OVERDUES |      |        |
|---------|---------------------|----------------------|-------------------|------------|----------|------|--------|
|         |                     |                      |                   |            | Prl.     | Int. | Others |
|         |                     |                      |                   |            |          |      |        |
|         |                     |                      |                   |            |          |      |        |
|         |                     |                      |                   |            |          |      |        |
|         |                     |                      |                   |            |          |      |        |

## 12. Details of Working Capital Facilities enjoyed

|    |  |  |
|----|--|--|
| A. | Name and Address of the Bank                                     |  |
| B. | Facility enjoyed   |  |
| C. | Whether they are regular in Meeting the commitment of the Banker |  |
| D. | Asset Category in Bank   |  |

|     |  |                     |
|-----|--|---------------------|
| 13. | Is the unit working on Single/Two/Three shifts |                     |
| 14. | Whether all the assets Funded are available    |                     |
| 15. | Sales during last 3 months                     | Rs. lakhs           |
| 16. | Power consumed in Last 3 months                |                     |
| 17. | Number of workers on Rolls                     | Admn. Nos           |
|     |  | Skilled labours Nos |
|     |  | Unskilled Nos       |



18. The Inspection Official shall furnish the details such as:-

|    |  | Installed Capacity<br>(Rs. in lakhs) | Actuals<br>(Rs. in lakhs) |
|----|--|--------------------------------------|---------------------------|
| a) | Present utilization capacity   |                                      |                           |
| b) | If it is below the capacity assumed at the time of sanction reason be indicated for the same |                                      |                           |
| c) | Whether project is implemented as envisaged in the scheme                                    |                                      |                           |
| d) | Is the unit attempting any expansion   |                                      |                           |

19. In case of overdues, reason or problem  
in servicing the loan :

- |       |                           |   |
|-------|---------------------------|---|
| v)    | Diversion of funds        | } |
| vi)   | Lack of Orders            | } |
| vii)  | Dispute between promoters | } |
| viii) | Any other reasons         | } |

20. Any other remarks by the Audit Officials/  
Overall observation in brief :

**INSPECTING OFFICIAL**

**Appendix III****List of Demand Checked cases**

| S.No | Name of the Unit                            | Remarks |
|------|---|---------|
| A    | Foreclosure cases                           |         |
|      |   |         |
|      |   |         |
| B    | Foreclosure cases withdrawal cases          |         |
|      |   |         |
|      |   |         |
| C    | Reschedule cases                            |         |
|      |   |         |
|      |   |         |
| D    | First Disbursement cases                    |         |
|      |   |         |
|      |   |         |
| E    | General cases (Other than above categories) |         |
|      |   |         |
|      |   |         |
|      |   |         |
|      |   |         |
|      |   |         |
|      |   |         |