



प्रधान कार्यालय उदभाग संचालन, सिडबी के  
समवर्ती लेखा परीक्षा हेतु निविदा

**कोषागार और संसाधन प्रबंध उदभाग - मुंबई**

भारतीय लघु उद्योग विकास बैंक

लेखा-परीक्षा वर्टिकल

4<sup>th</sup> तल, सिडबी टावर

15, अशोक मार्ग

लखनऊ- 226001

वेबसाइट-[www.sidbi.in](http://www.sidbi.in)

**निविदा सं. 2022SEP10/T000243841AV**

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

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



**Small Industries Development  
Bank of India**

**Request for Proposal (RfP) for  
Concurrent Audit of Operations of  
Treasury & Resource Management Vertical\_SIDBI Mumbai**

Small Industries Development Bank of India  
Audit Vertical  
4<sup>th</sup> FLOOR, SIDBI TOWER,  
15, ASHOK MARG,  
LUCKNOW - 226001  
Website : [www.sidbi.in](http://www.sidbi.in)

**Tender No.2022SEP10/T000243841AV**

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

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

### महत्वपूर्ण जानकारी का सारांश

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

टिप्पणी:

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

## Critical Information Summary

- 1) The RfP is posted on the SIDBI website [www.sidbi.in](http://www.sidbi.in). SIDBI reserves the sole right for carrying out any amendments/ modifications / changes including any addendum to this RfP. Such amendments / modifications / changes including any addendum to this RfP shall be notified on SIDBI's website [www.sidbi.in](http://www.sidbi.in) and these will be binding on the bidders.
- 2) Bidders are advised to study the tender document carefully. Submission of bids shall be deemed to have been done after careful study and examination of the tender document with full understanding of its implications.
- 3) Any clarifications from bidder or any change in requirement will be posted on SIDBI website. Hence, before submitting bids, bidder must ensure that such clarifications / changes have been considered by them. SIDBI will not have any responsibility in case some omission is done by any bidder.
- 4) In case of any clarification required by SIDBI to assist in the examination, evaluation and comparison of bids, SIDBI may, at its discretion, ask the bidder for clarification. The response / Clarification shall be in writing and no change in the price of substance of the bid shall be sought, offered or permitted.
- 5) Please note that all the information required as per the bidding document needs to be provided. Incomplete information in these areas may lead to non-selection.
- 6) Modification And/ Or Withdrawal of Bids:  
Bids once submitted will be treated as final and no further correspondence will be entertained. No bid shall be modified after the deadline for submission of bids. No bidder shall be allowed to withdraw the bid, if bidder happens to be the successful bidder.
- 7) SIDBI has the right to reject any or all bids received without assigning any reason whatsoever.

NOTE:

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

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### Schedule of events:

<b>Sr. No.</b>	<b>Bid Reference - 2022SEP10/T000243841AV</b>		
1	Purpose	<b>Concurrent Audit of Operations of Treasury &amp; Resource Management Vertical_SIDBI Mumbai</b>	
2	No. of Envelopes (Non window, sealed) to be submitted	One (1) Envelope for 1 Head office Vertical. <i>1 set of Hard copy should be submitted in sealed single envelope for 1 Head office Vertical.</i>	
3	Last date of submission of Bids	<b>October 04, 2021 (Monday) at 2:00 p.m</b>	
4	Venue, Date and Time of opening of Bids.	<b>October 04, 2021 (Monday) at 3:00 p.m at the address given at Sr. No. 8.</b>	
5	Date of Pre-bid meeting	<b>September 27, 2021 (Monday) at 4:00 p.m</b>	
6	Response to clarification/pre-bid meeting	<b>September 28, 2021 (Tuesday) at 4:00 p.m</b>	
7	Bid Validity	<b>6 months</b> from the last date of submission of Bids.	
8	Address for submission of Bids	<b>The General Manager</b> Audit Vertical SIDBI, 4 <sup>th</sup> Floor SIDBI TOWER, 15, ASHOK MARG, LUCKNOW - 226001 Ph : 0522-2288546-50 E-mail: auditvertical_ho@sidbi.in	
9	<b>Contact Persons:</b>		
	<b>Name &amp; Designation</b>	<b>Phone</b>	<b>e-mail</b>
	Arup Kumar Vishwakarma[M]	<b>0522- 4259788</b>	auditvertical_ho@sidbi.in
Arun Kumar Behera [AGM]	<b>0522-4259753</b>	auditvertical_ho@sidbi.in	

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

## Introduction and Disclaimers

### 1.1 Purpose of RfP

The purpose of RfP is to shortlist experienced professional firm/ Limited Liability Partnership (LLP) of Chartered Accountants, for undertaking Concurrent Audit of Operations of Head Office Verticals (HO) of SIDBI at **the following locations**.

**Table – I**

S. No.	Name of the HO Vertical	Head Office	Portfolio as on August 31, 2021 ( in Crore)	Appendix on Scope of work
1	Treasury & Resource Management Vertical (TRMV)	Mumbai	28,000/-	Appendix-I

### 1.2 Purpose of RfP

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

### 1.3 Disclaimer

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

### 1.4 Costs to be borne by Applicants

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

### 1.5 No Legal Relationship

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

### **1.6 Applicant Obligation to Inform Itself**

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

### **1.7 Evaluation of Offers**

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

### **1.8 Maintaining Secrecy and Confidentiality**

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

### **1.9 Errors and Omissions**

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

### **1.10 Acceptance of Terms**

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

## **2. Lodgment of RfP**

### **2.1 RfP submission:**

- ◆ RfP document submission is required to be done by **October 04, 2021 (2.00 PM)** as under: -

**Hard copy should be submitted at the following address in sealed envelope superscribed at the top of the envelope –**

**“Request for Proposal (RfP) for Concurrent Audit of Operations of Treasury & Resource Management Vertical (TRMV)”, at Mumbai.**

#### **The General Manager**

Audit Vertical

Small Industries Development Bank of India (SIDBI)

SIDBI Tower, 15, Ashok Marg,

Lucknow – 226001 (U. P.)

Telephones: (0522) 2288546-50

Email: [auditvertical\\_ho@sidbi.in](mailto:auditvertical_ho@sidbi.in)

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

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

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

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

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

## **2.2 RfP Validity Period**

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

## **2.3 Cost of RfP Document**

No cost has been prescribed for the RfP Document.

## **2.4 One bid / application per applicant**

- Applicant can submit application for engagement as concurrent auditor for **Treasury & Resource Management Vertical (TRMV)**, at Mumbai where applicant has a regular office set-up, either head office or full-fledged branch office(s) at Mumbai / Navi Mumbai / Thane districts.

### **Firms already engaged with SIDBI:**

- SIDBI shall engage the services of a firm / LLP for carrying out Concurrent Audit of only one HO Vertical of SIDBI. Accordingly, in case the applicant has already been engaged as Concurrent Auditor by SIDBI for any of its branches / RO and or HO Verticals, such Firm / LLP will not be eligible to apply under this RfP.
- If the Concurrent Auditor's services are not availed, under such circumstances also, one-year cooling period will be applicable from the date of discontinuation of the assignment for the concurrent audit of the same BO /RO / HO Vertical.
- Any CA firm terminated by SIDBI shall not be eligible to apply under this RfP

## **2.5 Late Applications**

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



## **2.6 Requests for Proposal**

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

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

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

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

## **2.7 Notification**

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

## **2.8 Disqualification**

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

### 3 About SIDBI

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

SIDBI provides its services through a network of Branch Offices located all over India. Detailed information on the functions of SIDBI is provided on the website, [www.sidbi.in](http://www.sidbi.in)

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

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

### 4 Project Particulars:

The scope of work for Treasury & Resource Management Vertical at Mumbai is given in **Annexure- I**

### 5 Fee Structure:

Selected firm for concurrent audit of TRMV, Mumbai, two CAs would need to be deployed for, at Mumbai.

The award of contract to CA firms / LLPs to undertake concurrent audit will be as per fee indicated by the Bank from time to time. The present fee is indicated below:

Head Office Vertical	Outstanding Portfolio/Average Transactions/day	Fee Payable Per Month (excluding applicable service tax, education cess, etc.)
Treasury & Resource Management Vertical (TRMV)	~ 28,000 Crore	~ 50,000/-

Note:

Maximum upto 5% annually enhancement in remuneration may be considered, if the contract is renewed, after one year, provided the performance is found satisfactory.

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

## 6 Selection process

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

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

### Technical evaluation:

a) **The Applicant is required to submit the details of its proposal in sealed envelope. The envelope should be superscribed:**

i. **Request for Proposal (RfP) for Concurrent Audit of Treasury & Resource Management Vertical (TRMV) at Mumbai**

for said Concurrent Audit and should contain detailed statement giving the various technical particulars of the proposal covering aspects of the Applicant like name and location, year of establishment, names of its partners, staff, their qualification/ experience, registration number of the firm / LLP, details of ICAI membership/ Certificate of Practice details, methodology proposed and all other such relevant particulars in the format given in Para 10.

b) **After the expiry of last date for submission of bids/ application**, the envelope containing the compliance on the “Technical Evaluation” would be opened in respect of all the applicants to verify the compliance of the applicants with the prescribed Technical Evaluation information requirements.

c) **The Technical Evaluation of Application would be carried out by SIDBI. The technically qualified applicants would be short listed.**

## 7 Tenure of the contract:

The selected firm/ LLP of Chartered Accountant would initially be assigned the contract for a period of upto **November 30, 2022** extendable for further two more years (extended for one year, at a time), provided the performance is found to be satisfactory on review and on sole discretion of SIDBI, with **NOT MORE THAN 5% increase in professional fee.**

The concurrent audit is likely to start from **December 01, 2021**. The proposed assignment would be subject to periodical review at the discretion of SIDBI and is liable to be terminated at any time, if not found satisfactory, by giving a written notice of 15 days.

## 8 Terms & Conditions:

8.1 The Applicant shall ensure that the audit be carried out in a professional manner and in case of any misconduct & negligence, the Bank may approach the concerned professional bodies with complaints of professional misconduct, if any, on the part of any professional engaged by the Bank.

Accordingly, we may also recommend their name to ICAI/ RBI/ IBA or any other authority, for suitable action thereon by them.

- 8.2 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.
- 8.3 The applicant appointed as Concurrent Auditor should nominate and deploy as under:
  - i. **One Chartered Accountant (*Designated Auditors*)**, who will head the concurrent audit team as the “Lead Designated Auditor” duly authorised by the FCA partner of the CA firm / LLP to act on behalf of the firm for concurrent audit of TRMV at Mumbai.
  - ii. The Designated Auditors would be required to submit their identity proof and address proof together with specimen signatures with a request to be allotted biometric enabled unique login ID for access to the system. The Designated Auditors would require to log in and log out of the system each working day. The Designated Auditors would require to surrender the login ID on completion of the concurrent audit tenure or on any change in the Designated Auditor(s) by the firm / LLP.
- 8.4 The audit team composition for Concurrent Audit and attendance requirements should be specified as under: -
  - a) The FCA partner of the firm / LLP who shall visit the Vertical/s at least 4 days in a month; and
- 8.5 The Chartered Accountant (deployed for audit of TRMV, Mumbai), who shall visit the Vertical preferably on all working days but for a minimum of 20 days in a month (provided that the number of working days are more than 20 days in a month).
- 8.6 The concurrent auditors should not undertake any other activities / assignment on behalf of the HO Vertical without obtaining the concurrence of the Audit Vertical at Head Office, in writing.
- 8.7 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.
- 8.8 Necessary arrangement would be made for providing space, workstation and access to systems (viewing rights only) to the concurrent auditor for ensuring smooth conduct of the audit.

- 8.9 The concurrent auditors shall be granted read only access to the systems of the Vertical.
- 8.10 The concurrent auditors shall not be allowed to carry any mass storage device such as pen drive / flash drive / thumb drive or any laptop inside the HO premises as these devices will not be required for the job. Concurrent auditor shall be provided with computer system with disabled USB ports by the concerned HO Vertical.
- 8.11 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 concurrent auditors shall daily go through all the vouchers and books of the TRMV for the previous day and identify areas to be scrutinized in detail.
- 8.12 Should maintain and keep back up papers in support of observations made.
- 8.13 Any other terms and conditions of the assignment would be decided by the Bank on a case to case basis.

#### **A. Declarations and undertaking**

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

#### **B. Selection Process**

- The applications received would be examined by "Applications Opening and Evaluation Committee" which would be constituted at Head Office Level at Lucknow.
- All applicants scoring **65 marks** or more (in Technical Evaluation) will be considered as the Technically Qualified Applicant.

- On the recommendation of the Committee, name of the successful top 3 applicants would be identified for empanelment for concurrent audit of TRMV, Mumbai. Out of these 3 applicants, the Committee will recommend the applicant scoring the highest marks to be appointed as concurrent auditor of TRMV.
- In case the applicant with the highest marks declined the assignment for concurrent Audit the next applicant with second highest marks would be assigned.
- The validity of empanelment of concurrent audit of TRMV Operations is 3 years from the date of issuance of letter of empanelment.

## **9 Guidelines & Instructions for applying:**

SIDBI will endeavour to make available all relevant information in the RfP. In case of need of any further information or clarification during the application period, the applicant must contact only the Contact Officer named above. On no account should the Applicants communicate directly with any other SIDBI personnel. Failure to comply with this requirement may result in the disqualification of the applicant from this competition.

### **ii. Government Tax**

Applicants are responsible for establishing the status of the Services for the purpose of any government tax including GST, cess etc.

### **iii. Alterations to Application**

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

### **iv. Letters and Declaration to Accompany Applications**

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

### **v. Packaging and Delivery of Applications**

- a) The Applicant is required to submit the details of its proposal in a sealed envelope. The envelope should clearly superscribed as under:

**“Request for Proposal (RfP) for Concurrent audit of Treasury & Resource Management Vertical (TRMV)”, at Mumbai**

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

Applications must be received at **Audit Vertical, Small Industries Development Bank of India, 4<sup>th</sup> Floor, SIDBI Tower, 15, Ashok Marg, Lucknow – 226001 (U. P.) for the attention of The General Manager by 2.00 PM** on the due date.

Late applications will not be accepted under any circumstance. No special pleadings will be accepted. Faxed or e-mailed applications will not be accepted.

vi. **Conflict of Interest**

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

vii. **Disclosures**

The applicant must disclose:

- a. If they are OR have been the subject of any proceedings or other arrangements relating to bankruptcy, insolvency or the financial standing of the applicant including but not limited to the appointment of any officer such as a receiver in relation to the applicant's personal or business matters or an arrangement with creditors or of any other similar proceedings.
- b. If they are OR any of the applicant's staff have been convicted of, or are the subject of any proceedings, relating to:
  - A criminal offence or other offence, a serious offence involving the activities of a criminal organisation or found by any regulator or professional body to have committed professional misconduct.
  - Corruption including the offer or receipt of any inducement of any kind in relation to obtaining any contract, with SIDBI, or any contracting authority.
  - Failure to fulfill any obligations in any jurisdiction relating to the payment of taxes or social security contributions.

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

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

viii. **Indemnity**

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

ix. **Assigning to Others**

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

x. **Termination**

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



## Appendix-I

### Project & Scope for Operation of Treasury & Resource Management Vertical (TRMV) at Mumbai

SIDBI has an Integrated (Rupee and Forex) Treasury set up at Mumbai which functions as a separate business unit. The Treasury has Front, Mid and Back Offices which are manned by experienced officers. The Treasury has required IT infrastructure to support the day to day operations and MIS requirement. The forex treasury is equipped with Thomson Reuters Eikon and Dealing terminals, Bloomberg terminal and SWIFT settlement system.

#### 3.1 Integrated Treasury functions in SIDBI

SIDBI's Treasury functions include maintaining liquidity and providing funds for day to day operational requirements and investment of surplus funds in the Treasury into such instruments as enumerated in its Investment Policy duly approved by the Board. The guiding principle of investment policy is to provide safety, liquidity and risk and return. The rupee investment portfolio broadly covers the following:

- (i) investment in G-Securities, Treasury Bills, Corporate Bonds and Debentures and other Fixed Income Securities.
- (ii) money market operations like Collateralised Borrowing and Lending Obligations (CBLO), Fixed Deposit placements with banks / institutions, Bills Rediscounting, Repo and Reverse repo with interbank participants, various schemes of Mutual Fund investments, etc.
- (iii) equity investments in the Primary and Secondary market.
- (iv) other type of investments approved by the Board and within RBI guidelines.

The number of Treasury transactions are as under:

S.No	Particulars	INR	Forex	Resource	Total
1	Average Transactions per day - considering only working days	40	10	4	54
2	Average Transactions per day - all days	40	10	4	54
3	Average Transactions per year*	10500	2600	1000	14250

*Transaction includes, purchase, redemption, repayment and settlement.*

In addition to the above transactions, LCs are opened by the TFMV. Average number of LCs opened by TFMV per month is from **10 to 12 numbers**.

The total portfolio size of the Treasury Operations is ` 28,000/- crore (as on **August 31,2021**).

### **3.2 Scope of Currency Operations in SIDBI**

SIDBI is licensed as the Authorised Dealer – Category III by Reserve Bank of India. As an Authorised Dealer Category-III, SIDBI has been undertaking various forex transactions permitted by RBI. The Bank has raised foreign currency borrowings from multilateral / bilateral agencies.

The Bank has Nostro Accounts in USD, EUR, JPY and GBP with various correspondents. SIDBI extends loans to MSME entrepreneurs by way of FCTL, trade finance operations and places temporary surplus as deposits in foreign currency. The major types of forex transaction being undertaken by SIDBI are as follows:

- (i) Foreign currency borrowings and lending and servicing of borrowings.
- (ii) Maintenance of foreign currency accounts with banks and correspondents abroad.
- (iii) Buying / selling of foreign exchange in the domestic market to cover merchant transactions and other debt servicing obligations.
- (iv) Enter into forward contracts on behalf of clients and also as a measure of risk management.
- (v) Undertake foreign currency sell / buy or buy / sell swaps.
- (vi) FLC operations on behalf of customers.
- (vii) Foreign exchange derivatives transactions to hedge underlying risks including Swaps, Depo/Loan structures, etc.

### **3.3 Scope of Treasury Operations:**

The selected firm/ LLP of Chartered Accountant would undertake the concurrent audit of Integrated Treasury (Rupee and Forex) operations of SIDBI on daily basis at SIDBI's Mumbai office covering the following areas and based on their findings also regularly suggest measures to improve the functioning of Treasury and Forex operations. Assignment would also include verification and confirmation on the adequacy of internal controls and IT system for sustaining operations. The staff deputed by the firm/ LLP for carrying out the audit should be qualified and experienced in the area of work.

- (i) To verify Rupee money market operations like Collateralised Borrowing and Lending Obligations (CBLO), Fixed Deposit placements with banks / institutions, Bills Rediscounting Scheme, Repo and Reverse repo with interbank participants, various schemes of Mutual Fund investments, etc.
- (ii) To verify Equity investments in the Primary and Secondary market operations including investment, if any, in Portfolio Management Services (PMS).
- (iii) To verify Investment in G-Securities, Treasury Bills, Bonds and Debentures and other fixed income securities.
- (iv) To verify Any other Integrated Treasury activity specifically permitted by the Board / RBI.

- (v) To verify Day to day forex dealing room operations which includes maintenance of exchange position, application of merchant rates for export / import transactions.
- (vi) To verify Short term swap transactions.
- (vii) To verify Booking of forward exchange contract on behalf of customer and SIDBI.
- (viii) To verify Derivative transactions, if any, including pricing of deals.
- (ix) To verify Deposit of daily surplus foreign currency amounts with banks.
- (x) To verify Calculation of interest in respect of PCFC / FCTL / EBF / LOCFC transactions.
- (xi) To verify Foreign Letter of Credit (FLC) operations.
- (xii) To verify MTM Valuation of derivative deals.
- (xiii) To verify Accounting of all transactions.
- (xiv) To verify Compliance with extant RBI norms and internal control guidelines.
- (xv) To verify Returns submitted to RBI.
- (xvi) MIS to Senior Management.
- (xvii) To verify Approval notes put up to competent authority.
- (xviii) To verify Gap position, Daylight and Overnight position norms.
- (xix) To verify Adherence of Delegation of Powers (DoP).
- (xx) To verify Reconciliation of Nostro Accounts.
- (xxi) To verify Reconciliation of Overdraft Accounts against Foreign Currency Deposits.
- (xxii) To verify Reconciliation of all Bank Accounts operated by Treasury.
- (xxiii) To verify Settlement of Rupee Treasury and Forex dealing room operations.
- (xxiv) To verify Verification of Accruals in Rupee and Forex operations.
- (xxv) To verify that computer-generated deal confirmation slips are duly signed by authorised signatories.
- (xxvi) Verification of all operations related to Debt Servicing.
- (xxvii) Any other areas of work involving Integrated Treasury operations not covered above.

### **3.4 Scope of work for SWIFT Related Operations**

#### **3.4.1 General Controls**

- (i) To verify that no direct creation of payment messages (all messages irrespective of the message format having financial implications to one/more banks in such transaction) in the SWIFT environment. All payment messages shall be made with necessary appropriate entries passed in the CBS/accounting system.
- (ii) To verify that Straight Through Processing between CBS/accounting system and SWIFT messaging system were completed expeditiously, if there is any pending.

- (iii) To verify that the users entering/passing/authorizing the transactions in CBS is integrated and final authorization is done on SWIFT).
- (iv) To verify that at any point of time, list of authorised users of SWIFT along with user privileges should be readily available and the usage is monitored closely.
- (v) To verify that review of the authorised users is done periodically. The user privileges for SWIFT users is decided on “need to know/need to do” basis. NO generic user IDs is used.
- (vi) To verify that the users with administrative privileges including privileges to create user-ids, update/modify roles/privileges of user-ids in any system, application of the bank having financial implication (such as CBS, Treasury, SWIFT, accounting system) does not have any operational role and responsibility defined. (The operational roles shall include but not be limited to creation/updatons/modification of transactions/payment/confirmation messages either directly in the system or through file upload process).
- (vii) To verify that users with administrative privileges are centralised with access given to limited set of internal staff.
- (viii) To verify that there is strict compartmentalisations and followed at all times between maker/checker and verifier/approver.
- (ix) To verify that no roles cross the users accessing the SWIFT and /or CBS shall be violating principle of need to have/segregation of duties, four/six eye principle and no user shall be allocated roles/privileges across systems, applications that are conflicting in nature or in violation of four eye principle.
- (x) To verify whether the transaction logs (of outward payment messages) are archived from the SWIFT server (whichever SWIFT environment is used by the bank).
- (xi) To verify that SWIFT messages are transmitted only after accounting for the transactions in their books/CBS/ accounting software.
- (xii) To verify that all the logs generated from SWIFT system are reconciled 100% for all financial and non-financial messages to ensure that all transactions/messages/files having implications on the exposure of the bank-both FUND based and NON-FUND based –are matched with corresponding LIMIT set as well as entry is passed in the CBS/accounting system of the bank.

- (xiii) To verify that all corporate customers have their fund based/non-fund based limits set and monitored centrally by risk management function of the bank. On a weekly basis, the risk-management function shall monitor the limit utilisation through appropriate mechanism.

#### **3.4.2 Controls at pre-transmission stage** (i.e., before sending payment messages to bank with which Nostro account is maintained)

- i. To verify that there is a limit set on the payments that have individuals as beneficiaries, beyond which the correspondent bank shall be asked to seek positive confirmation from the remitting bank before effecting payment.
- ii. To verify that an additional layer of approval is introduced for all payment messages exceeding a particular threshold, (to be decided internally on the basis of business volumes and trends). Such approval shall be preferably centralised at a nodal department.

#### **3.4.3 Controls post transmission of payment messages**

- i. To verify that Reconciliation of payment messages is undertaken every 1-2 hours by comprising the outward messages with SWIFT confirmations.
- ii. To verify that Nostro reconciliation is undertaken on real time basis and the escalations of differences, if any, identified should be done immediately.

#### **3.4.4 Technical Aspects**

- i. To verify that Security Incident and Event Management (SIEM) tool is integrated with the concerned servers and consoles/PCs connected to critical systems directly in its VLN to generate automatic alerts.
- ii. To verify that SWIFT system and Privileged User Management Systems /Identity and Access Management systems are integrate. The logs of the same are monitored through Security Operation Centre (SOC) setup.
- iii. To verify that Bank subscribes to online monitoring services of correspondent banks so as to monitor the transactions as they happen.
- iv. To verify that Banks continuously monitor the functioning of printer(s) used in auto report printing in SWIFT environment for printed confirmation of transactions put through.
- v. To verify that time restrictions is enforced for SWIFT transactions at least for outward messages. While implementing time restrictions, it shall be ensured to check for genuineness of all outward messages.
- vi. To verify that the network hosting SWIFT and its terminals shall be secured with restricted access and appropriate, strict rules being set in firewall, router, etc.

- vii. To verify that a system is put in place to generate alerts on breach of any control limits as well as any other unusual feature in the transactions/messages.

**3.4.5** The firm / LLP will have to submit the following reports to the Management relating to Integrated Treasury (Rupee & Forex) Operations.

- (i) Daily reports covering day-to-day Rupee Treasury and foreign currency dealing room transactions with regard to their correctness, monitoring of risks and observations, if any, on counterparty limits, instrument wise limits, on open foreign currency position, adverse movement of MTM of Swap deals, compliance of Delegation of Powers, etc.
- (ii) Monthly reports covering comments on adherence to regulatory and internal policy guidelines and areas of audit as indicated at para 3.3 including submission of MIS to Management in respect of Rupee and Foreign currency Treasury operations, reports to RBI, MTM valuation of derivative deals. Reconciliation of Nostro accounts and other similar periodic verifications like broker-wise exposure, counter party exposure etc.
- (iii) Quarterly report on closing work pertaining to rupee Treasury operations and tallying of forex trial balance in respect of various currencies with Rupee trial balance.
- (iv) Half-yearly certification of Bill of Entry statements etc.
- (v) Any other related report as may be required by SIDBI from time to time.

Further, the selected firm / LLP would have to audit the books of select Branch Offices, in addition to Office at Mumbai, pertaining to Integrated Treasury and foreign currency operations of SIDBI, as and when the need arises.

The above reports with regard to Integrated Treasury (Rupee & Forex) Operations should be submitted to Country Head, Treasury & Funds Management Vertical at Mumbai, both in soft and hard forms, within a week of the reporting period for which the report pertains. Daily reports should be released at the end of the day to Country Head, Treasury & Funds Management Vertical at Mumbai, both in soft and hard form. The formats of the reports would have to be devised, wherever required, by the firm / LLP in consultation with and approval of SIDBI.

SIDBI will prescribe structured formats for the audit reports and also stipulate the time limits for submission of the reports. The audit formats would be reviewed on annual basis. The firm /LLP should strictly adhere to the format and the time limit. SIDBI may prescribe different periodicity for different reports of the Treasury Operations.

**3.5 Technical Evaluation Procedure of the bidders for Treasury Operations of TRMV, Mumbai**

The technical capabilities of the bidders with regard to the Treasury Operations of TRMV, Mumbai would be evaluated based on the following criteria and weightage:

### 3.5.1 Pre-Requisite for Applying

The Applicant should

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

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

### 3.5.2 Technical Evaluation Criteria for Integrated Treasury Operations, TRMV, (Rating Criteria)

Sl. No.	Criteria	Maximum Marks (Weightage)
i	<ul style="list-style-type: none"> <li>• Year of establishment of the Chartered Accountancy firm</li> <li>• Knowledge and <b>experience</b> in carrying out audit of <b>integrated Treasury and Forex operations.</b></li> </ul>	<b>35</b>
	<b>Experience – Above 5 years and upto 10 years – 15 marks</b>	
	<b>- More Than 10 years – 35 marks</b>	
	<b>CISA / DISA qualified persons in the firm / LLP (furnish documentary proof).</b>	<b>15</b>
ii.	Be a Partnership firm / LLP of Chartered Accountants with minimum 3 number of partners/ Directors of which 2 number of partners / Directors should be CA(s).	<b>10</b>
iii	Minimum five years of previous track record of carrying out such audits in other Financial Institutions / Public Sector Banks <i>mainly in the area of Integrated Treasury and Forex Dealing Room Operations</i> (furnish documentary proof).	<b>20</b>
iv.	Weightage to the firm / LLP empanelled with RBI. <ul style="list-style-type: none"> <li>• Statutory Central Auditor - <b>10 Marks</b></li> <li>• Statutory Branch Auditor(Category I) – <b>7 Marks</b></li> <li>• Statutory Branch Auditor (Category– II) – <b>5 Marks</b></li> </ul>	<b>10</b>
v	Regular set-up, either Head Office or full-fledged Branch Offices, at Mumbai. Address furnished.	<b>10</b>
	<b>Maximum technical score</b>	<b>100</b>

Information to be provided for Technical Evaluation etc.

**(i) Chartered Accountant Firm/ LLP Details:**

SI. No.	Requirements	Remarks																								
1	Name of the Chartered Accountant Firm / LLP with year of establishment.																									
2	Registration Number / Certificate of Practice from the Institute of Chartered Accountants of India <b>(furnish documentary proof, Registration should be valid).</b>																									
3	Previous Track Record of carrying out concurrent audit in Financial Institution / Public / Private Sector Banks in the area of financing to NBFCs/ Refinance to banks. In addition to the above, previous track record of carrying out concurrent audit in FIs/ Public/ Private banks in areas: a) Credit dispensation to MSMEs b) Financing of NBFCs / Refinancing to Banks. Details may be given as per Table (A)																									
4	Details of every partner including experience, qualification etc. and their Registration number with ICAI <b>(furnish a detailed list of all the partners)</b> <table border="1" data-bbox="293 1037 1166 1234"> <thead> <tr> <th>SI. No.</th> <th>Name of the Partner</th> <th>Age (completed year as on 31/08/2021)</th> <th>Education Qualification</th> <th>Experience</th> <th>Period of Association with the firm</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	SI. No.	Name of the Partner	Age (completed year as on 31/08/2021)	Education Qualification	Experience	Period of Association with the firm																			
SI. No.	Name of the Partner	Age (completed year as on 31/08/2021)	Education Qualification	Experience	Period of Association with the firm																					
5	Minimum five years of previous track record of carrying out concurrent audits in other Financial Institutions / Public / private Sector Banks (furnish documentary proof)																									
6	Whether the firm / LLP empanelled with RBI <b>(furnish documentary proof).</b>																									
7	Availability of suitable infrastructural facilities including office set up (Branch office / Head office at Mumbai / Navi Mumbai / Thane districts may be specifically indicated), adequate manpower who are specialized in the area of audit in other Financial Institutions / Public / private Sector Banks. Competence and qualification of key professional staff who shall carry out the assignment in a time bound manner <b>(furnish a detailed list of all the skilled / semi-skilled employees / staff).</b>																									
8	Whether the audit firm / LLP or any sister/ associate concern is conducting the statutory audit of SIDBI or Concurrent Audit in any of SIDBI branches / HO Verticals.																									

**Note:** All the relevant details & documentary evidence, etc. are to be furnished. The above is only a format. Information may be submitted in additional sheet(s) as may be required.



**(ii) Details of Concurrent Audit of Treasury Operations done in Banks / FIs:**

SI. No.	Name of the Bank	Branch / Head Office	Year of Audit / Period (From - To) [Data required for last 10 years]
1			
2			
3			

**(iii) Details of Statutory Central Audits (SCA)/ Statutory Bank Auditor (SCB) of various Banks:**

Sr. No.	Name of the Bank/FIs	Branch/HO	Specify SCA/ SCB (Category I/II)	Year of Audit/ Period (From - To) [Data required for the last 10 years of your firm]

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

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

**Note: Formats for the above are given in later pages.**

**Declarations:**

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

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

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

Date:

Authorised Signatory

**(ii) Declaration of Eligibility**

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

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

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

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

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

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

Our Firm has conducted / has not conducted concurrent audit of \_\_\_\_ (BO) / \_\_\_\_ (HO Vertical)/ \_\_\_\_ (other offices of SIDBI) during the period \_\_\_\_\_. (Give status since 01/11/2014).

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

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

For \_\_\_\_\_  
Chartered Accountants

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

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

Partner