



**समवर्ती लेखा परीक्षा
शाखा कार्यालय संचालन और प्रधान कार्यालय उद्भाग, सिडबी**

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निविदा सं. 2023APR13/T000264171/AV

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 Branch Office and Head Office Verticals of SIDBI**

Small Industries Development Bank of India

Audit Vertical

4th FLOOR, SIDBI TOWER,

15, ASHOK MARG,

LUCKNOW - 226001

website: www.sidbi.in

Tender No. 2023APR13/T000264171/AV

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महत्वपूर्ण जानकारी का सारांश

- 1) सिडबी इस आरएफपी में किसी भी परिशिष्ट सहित किसी भी संशोधन / परिवर्तन करने का एकमात्र अधिकार सुरक्षित रखता है। इस आरएफपी में किसी भी परिशिष्ट सहित इस तरह के संशोधन / परिवर्तन सिडबी की वेबसाइट www.sidbi.in पर अधिसूचित किए जाएंगे और ये बोलीदाताओं पर बाध्यकारी होंगे।
- 2) बोलीकर्ताओं को सूचित किया जाता है कि निविदा दस्तावेज़ का ध्यानपूर्वक अध्ययन कर लें। बोली प्रस्तुत करने पर यह माना जाएगा कि निविदा दस्तावेज़ को ध्यान से देख लिया गया है और उसके निहितार्थों को भली भाँति समझ लिया गया है।
- 3) बोलीकर्ता से प्राप्त समस्त स्पष्टीकरण अथवा अपेक्षा में किसी परिवर्तन की जानकारी सिडबी की वेबसाइट पर दी जाएगी। अतः बोली प्रस्तुत करने से पहले बोलीकर्ता को यह अवश्य सुनिश्चित कर लेना चाहिए कि ऐसे स्पष्टीकरणों/ परिवर्तनों पर उन्होंने विचार कर लिया है। किसी बोलीकर्ता द्वारा चूक किए जाने पर सिडबी की कोई जिम्मेदारी नहीं होगी।
- 4) बोलियों की जाँच, आकलन और तुलना में सिडबी को जैसी भी मदद की आवश्यकता होगी, उसके लिए वह अपने विवेकानुसार बोलीकर्ता से स्पष्टीकरण का अनुरोध कर सकता है। उत्तर/ स्पष्टीकरण लिखित में दिए 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) SIDBI reserves the sole right for carrying out any amendments/ modifications / changes including any addendum to this RfP. Such amendments / modifications / changes including any addendum to this RfP shall be notified on SIDBI's website www.sidbi.in and these will be binding on the bidders.
- 2) Bidders are advised to study the tender document carefully. Submission of bids shall be deemed to have been done after careful study and examination of the tender document with full understanding of its implications.
- 3) Any clarifications from bidder or any change in requirement will be posted on SIDBI website. Hence, before submitting bids, bidder must verify 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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1. Critical Information / महत्वपूर्ण सूचना

Sr. No. क्र.सं.	Events / कार्यक्रम	Date/ तिथि	Time/ समय
1	निविदा संख्या एवं जारी तिथि/ Tender No & issue date	2023APR13/T000264171/AV April 13, 2022	
2	निविदा का संक्षिप्त विवरण / Brief description of tender	Request for Proposal for appointment of Concurrent Auditor for Branch office and Head Office Verticals operations of SIDBI.	
3	बोली-पूर्व बैठक में स्पष्टीकरण जानने की अंतिम तिथि / Last date for seeking clarifications for pre-bid meeting	April 22, 2022	1700 hrs
4	पूर्व-बोली बैठक / Pre-Bid meeting (पूर्व-बोली बैठक के बाद कोई स्पष्टीकरण नहीं दिया जायेगा no clarifications would be given after pre-bid meeting)	April 25, 2022	1100 hrs
5	बोली जमा करने की अंतिम तिथि / Last date for submission of bids	May 04, 2022	1530 hrs
6	बोली / पूर्व बोली जमा करने का पता /Address for Bid Submission of pre-bid	The General Manager Audit Vertical SIDBI, 4th Floor, SIDBI TOWER, 15, ASHOK MARG, LUCKNOW - 226001 Ph : 0522-2288546-50 E-mail: auditvertical_ho@sidbi.in	
7	न्यूनतम पात्रता बोली व तकनीकी बोली खोलने की तिथि व समय Date & Time of Opening of Minimum Eligibility bid & Technical bid	May 04, 2022	1730 hrs
8	बयाना राशि Earnest Money Deposit	₹.2,80,000/- (रुपये दो लाख अस्सी हजार) ₹.2,80,000/- (Rupees Two lakh eighty Thousand)	
9	वाणिज्यिक बोली खोलने की तिथि व समय Date and time of opening of commercial bids.	बाद में सूचित किया जायेगा To be intimated at a later date	
10	बोली की वैधता /Bid Validity	बोली जमा करने की अंतिम तिथि से 180 दिन तक /180 days from the last date of bid submission.	
11	बोलीदाताओं द्वारा की जाने वाली प्रस्तुतियाँ Presentations to be made by bidders	बोलीदाताओं से अपेक्षित है कि वे प्रस्तुतीकरण की व्यवस्था करें। बोली जमा करने के बाद तिथि की सूचना दी जाएगी। The bidders are required to arrange for Presentation. Date would be intimated after bid submission.	
12	सिडबी अधिकारियों के संपर्क विवरण / Contact details of SIDBI officials		
13	Shri V. Sridharan, General Manager Audit Vertical SIDBI, 4 th Floor, SIDBI TOWER, 15, ASHOK MARG, LUCKNOW - 226001 Ph: 0522-2288546-50 E-mail: auditvertical_ho@sidbi.in	Shri K.R. Samuel, Dy. General Manager Audit Vertical SIDBI, 4 th Floor, SIDBI TOWER, 15, ASHOK MARG, LUCKNOW - 226001 Ph: 0522-2288546-50 E-mail: auditvertical_ho@sidbi.in	

2. Abbreviations

Acronym	Description
RFP	Request for Proposal
SIDBI	Small Industries Development Bank India
EMD	Earnest Money Deposit
DFI	Development Financial Institutions
HO	Head Office
RO	Regional Office
BO	Branch Office
TRMV	Treasury & Resource Management Vertical
IFV	Institutional Finance Vertical
SFMC	SIDBI Foundation for Micro Credit

3. Introduction and Disclaimers

3.1. Purpose of RfP

The purpose of RfP is to shortlist experienced professional firms / Limited Liability Partnership (LLP) of Chartered Accountants / Cost Accountants, for undertaking **region wise** Concurrent Audit of Operations of Branch Offices (BOs)/HO verticals of SIDBI at **the Seven regions / following locations.**

Table – I

Sl.No	No. of BOs	Regional Office (RO)	Branch Office	Portfolio as on 31/03/2022 (Provisional figures ₹ crore)	Region
1	1	AHMEDABAD_RO	AHMEDABAD	556	Region 1
2	2		CHANGODAR	300	
3	3		GANDHIDHAM	352	
4	4		MAHESANA	76	
5	5		MORBI	579	
6	6		ODHAV	322	
7	7		RAJKOT	464	
8	8		SURAT	240	
9	9		VADODARA	205	
10	10		VATVA	260	
11	1	PUNE_RO	AURANGABAD	139	Region 2
12	2		CHINCHWAD	181	
13	3		INDORE	210	
14	4		KOLHAPUR	131	
15	5		NAGPUR	133	
16	6		NASIK	258	
17	7		PUNE	364	
18	8		THANE	452	
19	9		VASAI	73	
20	1	HO, Mumbai	Indirect Finance Vertical (Banks/SFB/SFC)	16,6027	Region 2
21	1	HO, Mumbai	Treasury & Resource Management Vertical	-	
22	1	HO, Mumbai	NBFC Vertical (including SIDBI Foundation for Micro Credit & PRAAYAS / TReDs)	20601	
23	1	LUCKNOW_RO	KANPUR	169	
24	2		VARANASI	93	
25	1	HO, Lucknow	Staff Payments, HRV, HO, Lucknow	NA	
26	2	HO, Lucknow	Third Party Payments (CAPV), HO, Lucknow	NA	
27	1	Eastern Zonal Office	KOLKATA	87	
28	2		BHUBANESWAR	68	
29	3		RAIPUR	51	
30	4		RANCHI	62	
31	1	CHANDIGARH_RO	CHANDIGARH	499	Region 4
32	2		JALLANDHAR	74	
33	3		LUDHIANA	271	
34	4		YAMUNA_NAGAR	36	

Sl.No	No. of BOs	Regional Office (RO)	Branch Office	Portfolio as on 31/03/2022 (Provisional figures ₹ crore)	Region
35	1	NEW_DELHI_RO / Gurugram RO	BAHADURGARH	115	
36	2		BALLABHGARH	99	
37	3		BHOPAL	135	
38	4		FARIDABAD	462	
39	5		GURUGRAM	322	
40	6		HARIDWAR	224	
41	7		KUNDLI	160	
42	8		NEWDELHI	517	
43	9		RUDRAPUR	83	
44	1	LUCKNOW_RO	NOIDA	271	
45	1	HO, New Delhi	VC Fund Operations Vertical	N.A	
46	1	JAIPUR_RO	BHILWARA	55	Region 5
47	2		BHIWADI	107	
48	3		JAIPUR	460	
49	4		JODHPUR	115	
50	5		KISHANGARH	157	
51	6		SITAPURA INDUSTRIAL AREA	75	
52	7		UDAIPUR	87	
53	8		VISHWAKARMA INDUSTRIAL AREA	175	
54	1	BENGALURU_RO	BENGALURU	280	Region 6
55	2		HOSUR	113	
56	3		KOCHI	275	
57	4		MYSORE	93	
58	5		PANAJI	50	
59	6		PEENYA	100	
60	1	CHENNAI_RO	AMBATTUR	134	Region 7
61	2		CHENNAI	285	
62	3		COIMBATORE	602	
63	4		ERODE	261	
64	5		KANCHIPURAM	133	
65	6		MADURAI	90	
66	7		PUDUCHERRY	68	
67	8		TIRUPUR	413	
68	1	HYDERABAD_RO	HYDERABAD	366	
69	2		VIJAYAWADA	111	
70	3		VISAKAPATNAM	131	

3.1.1. No of Bid / application per applicant

Applicant can submit bid for engagement as concurrent auditor for more than one region as per the details furnished at 3.1 above. If the applicant applied for multiple regions and found suitable, they may be considered for upto **two** regions only at the sole discretion of SIDBI.

- (i) Bids has to be submitted for each region separately in separate envelope only.
- (ii) Each envelop should be super scribed "Request for Proposal for Appointment of Concurrent Auditor for Branch office operations and HO Vertical for Region No.....,Tender No.....".

- 3.1.2.** 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 give 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. This request for proposal document ('RFP document' or RFP) has been prepared solely for the purpose of enabling SIDBI to shortlist experienced professional firms / Limited Liability Partnership (LLP) of Chartered Accountants / Cost Accountants, for undertaking **region wise** Concurrent Audit of Operations of Branch Office (BO) of SIDBI.
- 3.1.3.** The RFP document is not a recommendation, offer or invitation to enter into a contract, agreement or any other arrangement, in respect of the services. The provision of the services is subject to observance of selection process and appropriate documentation being agreed between SIDBI and any successful Bidder as identified by SIDBI, after completion of the selection process as detailed in this document.

3.2. Information Provided

The RFP document contains statements derived from information that is believed to be true and reliable at the date obtained but does not purport to provide all of 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 Bank in relation to the provision of services. Neither Bank nor any of its directors, officers, employees, agents, representative, contractors, or advisers gives any representation or warranty (whether oral or written), express or implied as to the accuracy, updating or completeness of any writings, information or statement given or made in this RFP document. Neither Bank nor any of its directors, officers, employees, agents, representative, contractors, or advisers has carried out or will carry out an independent audit or verification or investigation or due diligence exercise in relation to the contents of any part of the RFP document.

3.3. Disclaimer

Subject to any law to the contrary, and to the maximum extent permitted by law, Bank and its directors, officers, employees, contractors, representatives, agents, and advisers disclaim all liability from any loss, claim, expense (including, without limitation, any legal fees, costs, charges, demands, actions, liabilities, expenses or disbursements incurred therein or incidental thereto) or damage, (whether foreseeable or not) ("Losses") suffered by any person acting on or refraining from acting because of any presumptions or information (whether oral or written and whether express or implied), including forecasts, statements, estimates, or projections contained in this RFP document or conduct ancillary to it whether or not the Losses arise in connection with any ignorance, negligence, inattention, casualness, disregard, omission, default, lack of care, immature information, falsification or

misrepresentation on the part of Bank or any of its directors, officers, employees, contractors, representatives, agents, or advisers.

3.4. Costs to be borne by Respondents

All costs and expenses incurred by Respondents in any way associated with the development, preparation, and submission of responses, including but not limited to the attendance at meetings, discussions, demonstrations, presentations etc. and providing any additional information required by SIDBI, will be borne entirely and exclusively by the Recipient/ Respondent. Stamp duty that may be incurred towards entering into agreement with the successful bidder for awarding the contract has to be borne by the bidder.

3.5. No Legal Relationship

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

3.6. Recipient Obligation to Inform Itself

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

3.7. Evaluation of Offers

The issuance of RFP document is merely an invitation to offer and must not be construed as any agreement or contract or arrangement nor would it be construed as any investigation or review carried out by a Recipient. The Recipient unconditionally acknowledges by submitting its response to this RFP document that it has not relied on any idea, information, statement, representation, or warranty given in this RFP document.

3.8. Acceptance of Terms and Selection Process

- 3.8.1.** A Recipient will, by responding to the Bank for RfP, be deemed to have accepted the terms of this RfP.
- 3.8.2.** Each Recipient / Respondent having responded to this RfP acknowledges to have read, understood and accepts the selection & evaluation process mentioned in this RfP document. The Recipient / Respondent ceases to have any option to object against any of these processes at any stage subsequent to submission of its responses to this RfP.
- 3.8.3.** All claims for functional / technical delivery made by the bidders in their responses to the RfP shall be assumed as deliverable, within the quoted financials.

3.9. Errors and Omissions

Each Recipient should notify SIDBI of any error, fault, omission, or discrepancy found in this RFP document.

3.10. Proposal Ownership

All the submissions, including any accompanying documents, will become property of the Bank. The Bidders shall be deemed to license, and grant all rights to the Bank, to reproduce

the whole or any portion of their Bid document for the purpose of evaluation and to disclose the contents of submission for regulatory and legal requirements.

3.11. Non-Transferable Offer

This RfP is not transferable. Only the bidder who has submitted the bid will be eligible for participation in the evaluation process.

3.12. Notification

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

3.13. EMD

EMD should be in the form of Demand Draft / Pay order / Bankers Cheque in favour of “Small Industries Development Bank of India” payable at Lucknow or

Bank Guarantee (BG) from a Scheduled Commercial Bank valid for a minimum period of 6 months with an additional claim period of 3 months.

The validity of BG should be from the last date of submission of bid and should be in the format as prescribed in Annexure VIII. In case bid submission date is extended the BG also needs to be extended by the bidder or

Direct Deposit to SIDBI, Lucknow Account and submission of proof along with the bid. The details of SIDBI Lucknow Account are given in Section 3.14

Any bid received without EMD in proper form and manner shall be considered unresponsive and rejected. Request for exemption from EMD (Security Deposit) will not be entertained.

The EMD amount / BG (in lieu of EMD) of all unsuccessful bidders would be refunded immediately upon happening of any the following events:

Issue of LoI to the successful bidder OR

The end of the bid validity period, including extended period (if any)

whichever is earlier.

Shortlisted Bidder will be refunded the EMD amount / BG (in lieu of EMD) only after submission of PBG-1.

The bid security (EMD) may be forfeited:

If a Bidder withdraws its bids during the period of bid validity

If a Bidder makes any statement or encloses any form which turns out to be false / incorrect at any time prior to signing of the contract

In case of shortlisted Bidder, if a Bidder fails to:

Accept the LOI / Purchase Order / Offer Letter or sign the contract

In all the above cases, the bidder would also be banned for a period of 3 years from subsequent bidding in any of the Banks (SIDBI) tenders.

3.14. Details of SIDBI Account

The payment towards EMD / bid price (as indicated in the tender document) can be submitted through online mode in the following account of SIDBI (Beneficiary) through RTGS/NEFT

Beneficiary Name	Small Industries Development Bank of India (SIDBI)
Nam of the Bank	State Bank of India
Branch	Ashok Marg, Lucknow
Type of Account	Current
Account No	37819113150
IFSC	SBIN0003347
PAN	AABCS3480N
GSTIN	09AABCS3480N4ZT

The bidder to submit proof of payment (Payment Receipt Generated and Ref No) along with the bid.

The Bank would not be liable for Non-submission of proof of deposit, depositing into wrong beneficiary account etc. In all such cases, the bid will be liable to be rejected.

Public Procurement Policy for MSEs:

Procurement through MSEs will be done as per the policy guidelines issued by the Ministry of Micro, Small & Medium Enterprises vide Gazette notification No. D.L33004/99 dated March 23, 2012 and as amended from time to time.

Ministry of MSE has started Udyog Aadhaar Memorandum which is an online registration system (free of cost) w.e.f. 18th September 2015 and all Micro & Small Enterprises (MSEs) who are having Udyog Aadhaar Memorandum should also be provided all the benefits available for MSEs under the Public Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012.

Purchase preference to MSEs will be given as defined in Public Procurement Policy for Micro and Small Enterprises order, 2012 dated 23.03.2012 issued by Ministry of Micro, Small and Medium Enterprises and its subsequent orders/notifications issued by concerned Ministry, if the bidder wants to avail the purchase preference, the bidder must be the manufacturer of the offered product in case of bid for supply of goods. Traders are excluded from the purview of Public Procurement Policy for Micro and Small enterprises.

MSEs are exempted from paying tender form cost & EMD, subject to furnishing of valid registration certificate issued by relevant registration authority for claiming exemption.

3.15. Clarification of Bids

To assist in the scrutiny, evaluation and comparison of offers/bids, the Bank may, at its sole discretion, ask some or all bidders for clarification of their offer/bid. The request for such clarifications and the response will necessarily be in writing and no change in the price or substance of the bid shall be sought, offered or permitted. Any decision of the Bank in this regard shall be final, conclusive and binding on the bidder.

3.16. Pre-Bid Meeting

The Bank shall hold a pre-bid meeting on the date and time mentioned in **‘Critical Information’** section above. Purpose of the meeting is to bring utmost clarity on the scope of work and terms of the RFP being floated. The Bidders are expected to use the platform to have all their queries answered. No query will be entertained after the pre-bid meeting.

Clarification sought by bidder should be as per the format given below, made in writing (Letter/e-mail) along with details of vendor (name, company name, email id and mobile no.) and submitted on or before the date as indicated in the **‘Critical Information’** section. Bank has discretion to consider any other queries raised by the bidder’s representative during the pre-bid meeting.

All pre-bid queries to be addressed to the bank officials as per contact details given in **‘Critical Information’** section of RfP. The designated email id for submission of the pre bid queries is auditvertical_ho@sidbi.in.

The bidders can attend pre-bid meeting online through Microsoft Teams, due to current Covid-19 situation. In-order to schedule the meeting and forward invitation the bidders are required to communicate the following details addressed to Bank officials:

- i. Details of bidders such as Name of Participant, Company Name, email ID and Mobile No.
- ii. The Bank would be able to connect only one online session per bidder.
- iii. The Bank will not be responsible for any issue in connectivity, audio/video quality etc.

The text of the clarifications asked (without identifying the source of enquiry) and the response given by the Bank, together with amendment to the bidding document, if any, will be posted on the Bank (www.sidbi.in) website and Central Public Procurement Portal (CPPP) after the pre-bid meeting. It would be responsibility of the bidder to check the websites before final submission of bids.

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 Respondents.

The format for submission of pre-bid clarifications is as under:

Sr No	Page no of RfP	Clause No of RfP	Bidder Query

3.17. Amendment to the bidding document

The Bank reserves the right of discretion to:

- a. Amend, rescind or reissue the RfP, at any time prior to the deadline for submission of bids
- b. Change, modify, add or alter any or all of the provisions of this RfP and / or the bidding process, without assigning any reasons whatsoever.

The Bank, for any reason, whether, on its own initiative or in response to a clarification requested by a prospective Bidder, may modify the RFP, by amendment which will be made available to the Bidders by way of corrigendum/addendum.

All such Changes /Corrigendum's/ Addendums and clarification, if any, related to RfP will be posted/uploaded on the bank website (www.sidbi.in) and Central Public Procurement Portal (eprocure.gov.in) only and it will become part and parcel of RfP. No individual communications would be made in this respect.

Interested Bidders are advised to check the Bank's website regularly till the date of submission of Bid document specified in the '**Critical Information**' Section and verify that clarifications / amendments issued by the Bank, if any, have been taken into consideration before submitting the Bid. Such amendments/ clarifications/changes/addendums, if any, issued by the Bank will be binding on the participating Bidders. Bank will not take any responsibility for any such omissions by the Bidder.

In order to allow prospective Bidders reasonable time in which to take the amendment into account in preparing their Bids, the Bank, at its discretion, may extend the deadline for the submission of Bids.

Nothing in this RFP or any addenda/corrigenda or clarifications issued in connection thereto is intended to relieve Bidders from forming their own opinions and conclusions in respect of the matters addresses in this RFP or any addenda/corrigenda or clarifications issued in connection thereto.

3.18. Period of Validity of Bids

Prices and other terms offered by Bidders must be firm for an acceptance period as mentioned in "**Critical Information**" section, from date of closure of this RFP.

In exceptional circumstances the Bank may solicit the Bidders consent to an extension of the period of validity. The request and response thereto shall be made in writing. Any extension of validity of Bids or price (if applicable) will not entitle the Bidder to revise / modify the Bid document. Bank, however, reserves the right to call for fresh quotes at any time during the period, if considered necessary.

3.19. Deadline for submission of Bids

The bids must be received by the Bank at the specified address not later than the date & time specified in “**Critical Information**”.

In the event of the specified date for the submission of bids, being declared a holiday for the Bank, the bids will be received upto the appointed time on the next working day.

The Bank may, at its discretion, extend the deadline for submission of bids by amending the Bid Documents, in which case, all rights and obligations of the Bank and Bidders previously subject to the deadline will thereafter be subject to the deadline as extended.

3.20. Late Bids

Any bid received by the Bank after the deadline for submission of bids prescribed by the Bank will be rejected and returned unopened to the bidder.

3.21. Language of Bid

The bid prepared by the Bidders as well as all correspondence and documents relating to the Bid exchanged by the Bidder and the Bank and supporting documents and printed literature shall be written in English.

3.22. Modification And/ Or Withdrawal of Bids

3.22.1. The Bidder may modify or withdraw its bid after the bid’s submission, provided that written notice of the modification including substitution or withdrawal of the bids is received by the Bank, prior to the deadline prescribed for submission of bids.

3.22.2. The Bidder modification or withdrawal notice shall be prepared, sealed, marked and dispatched. A withdrawal notice may also be sent to auditvertical_ho@sidbi.in and followed by a signed confirmation copy received by the Bank not later than the deadline for submission of bids.

3.22.3. No bid may be modified or withdrawn after the deadline for submission of bids.

3.22.4. Bank has the right to reject any or all bids received without assigning any reason whatsoever. Bank shall not be responsible for non-receipt / non-delivery of the bid documents due to any reason whatsoever.

3.23. Details of Bids to be submitted

3.23.1. The bid shall consist of minimum eligibility criteria, Technical Bid and Commercial Bid.

3.23.2. Bidders are required to submit their responses in non-window sealed envelopes and duly marked the **tender number and the content details**.

Envelop 1 – Minimum Eligibility Bid (two hard copies and one soft copy in pen drive)		
Sr.No	Cover Contents	
a.	Bid Forwarding letter	Annexure – I
b.	Minimum eligibility criteria	Annexure - II
c.	Self-Declaration for non-backlisting	Annexure IV
d.	Power of Attorney	Annexure V
e.	Letter of Conformity	Annexure VI

f.	EMD	Annexure VII
g.	Non-Disclosure Agreement	Annexure VIII
h.	Statement of Deviations	Annexure X
i.	Pre-Contract Integrity pact	Annexure XII
Envelop 2 – Technical Bid (two hard copies and one soft copy in pen drive)		
	Technical Bid with all relevant Annexures and proof	Annexure III
Envelop 3 – Commercial Bid (One hard copy)		
i	Commercial Bid	Annexure XI
ii	Bank Mandate Form	Annexure IX

- 3.23.3.** All the three individual sealed envelopes should be kept in one large envelop (outer cover) and super scribed “**Request for Proposal for Appointment of Concurrent Auditor for Branch office operations and HO Vertical for – Region No..... , Tender No.....**”. The company and contact details of bidder to be written on the envelop. If the envelop(s) are not sealed and marked as indicated above, the Bank will assume no responsibility for the Bid's misplacement or its premature opening.
- 3.23.4.** Responses should be concise and to the point. Relevant documents must be submitted as proof wherever necessary. Submission of irrelevant documents must be avoided. If the bids do not contain all the information required or is incomplete, the proposal is liable to be rejected.
- 3.23.5.** Any deviations from the specifications should be clearly brought out in the bid.
- 3.23.6.** The offers containing any inter-lineation, erasure or overwriting shall be valid only if they are duly signed by the authorized signatory and supported by a rubber stamp impression of the Bidders’ firm. There should be no hand-written material, corrections or alterations in the offer.
- 3.23.7.** The Bid shall be typed, all pages numbered and shall be signed by the Bidder authorized signatory and supported by rubber stamp impression. Faxed copies of any submission are not acceptable and will be rejected by the Bank.
- 3.23.8.** The Bid document shall be bound or filed.
- 3.23.9.** The bidder to note that, under no circumstances the Commercial Bid should be kept in Technical Bid Covers. The placement of Commercial Bid in Minimum Eligibility / Technical Bid covers will make bid liable for rejection.
- 3.23.10.** Each of the envelope(s) shall be addressed to the Bank at the address given below:

General Manager
Audit Vertical,
Small Industries Development Bank of India
4th floor, SIDBI Tower,
15, Ashok Marg,
Lucknow-226001
Phone: 0522-2288546-50

3.24. Pre-Contract Integrity Pact (IP)

- 3.24.1. Central Vigilance Commission (CVC) vide circular no. 015/VGL/012/-276469 dated 25.02.2015 has directed adoption of Integrity pact in Public Sector Banks.
- 3.24.2. Pre-Contract Integrity Pact is an agreement between the prospective vendors / bidders and the buyer committing the persons / officials of both the parties not to exercise any corrupt influence on any aspect of the contract.
- 3.24.3. Only those bidders who have entered into such an integrity pact with the buyer would be competent to participate in the bidding. In other Words, entering into this pact would be a preliminary qualification (Minimum Eligibility). Those bids not containing the Integrity pact are liable to be rejected.
- 3.24.4. The integrity pact in respect of a particular contract would be effective from the stage of invitation of bids till the complete execution of the contract.
- 3.24.5. The bidder has to submit signed Pre-Contract Integrity Pact as per the format at **Annexure-XII** on non-judicial stamp paper of requisite value (to be borne by the bidder) applicable at the place of its first execution along with the minimum eligibility bid.
- 3.24.6. The Integrity pact shall be signed by the person who is authorised to sign the bid along with witness.
- 3.24.7. The details of IEM are:

Name	Shri Nageshwar Rao Koripalli, IRS (Retd.)
Email ID	knageshwarrao@gmail.com
Contact Number	97889 19555
Address	38, The Trails, Manikonda, R R District, Hyderabad 500089

3.25. Erasures or Alterations

The offers containing erasures or alterations will not be considered until it is duly signed and stamped by the authorized signatory. There should be no hand-written material, corrections or alterations in the offer. Technical details must be completely filled in. Correct technical information of the product being offered must be filled in. Filling up of the information using terms such as "OK", "accepted", "noted", "complied", "as given in brochure / manual is not acceptable. The Bank may treat such offers as not adhering to the tender guidelines and as unacceptable

3.26. Conditional Bids

Conditional bids shall not be accepted on any ground and shall be rejected straightway. If any clarification is required, the same should be obtained before submission of bids.

3.27. Authorised Signatory

- 3.27.1. The bidder should submit power of attorney as per the format given in **Annexure-VI** OR a certified copy of the resolution of their board, authenticated by the Company Secretary, authorizing an official or officials of the bidder to sing the bid documents, to discuss, sign

agreements /contracts / purchase order with the Bank, raise invoice and accept payments and also to correspond.

3.27.2. The proposal / bid documents shall be duly signed by the authorized signatory (in whose favour Power of Attorney is issued)

3.27.3. The bid signed by authorized signatory would be binding on the bidder company.

3.28. Opening of Bids

3.28.1. On the scheduled date and time, bids will be opened by the Bank Committee in presence of Bidder representatives. It is the responsibility of the bidder's representative to be present at the time, on the date and at the place specified in the tender document. The bidders' representatives who are present in the meeting shall sign a document evidencing their attendance.

3.28.2. If any of the bidders or all bidders who have submitted the tender and are not present during the specified date and time of opening it will be deemed that such bidder is not interested to participate in the opening of the Bid/s and the bank at its discretion will proceed further with opening of the technical bids in their absence.

3.28.3. The Bidder name and presence or absence of requisite tender form cost (if any) and such other details as the Bank, at its discretion may consider appropriate will be announced at the time of technical bid opening. No bid shall be rejected at the time of bid opening, except for late bids which shall be returned unopened to the Bidder.

3.28.4. Bids that are not opened at Bid opening shall not be considered for further evaluation, irrespective of the circumstances. Withdrawn bids will be returned unopened to the Bidders.

3.29. Sub-contracting

The Bank expects a single bidder having in-house capabilities to deliver the scope as per the Terms of Reference. **Formation of consortium or association of consultants or sub-contracting of services in whole or part with other firms shall not be permitted.** In case the bidder is found to not possess the requisite capabilities, it will be summarily disqualified from the process for this assignment.

3.30. No Commitment to Accept Any Offer / Bid

3.30.1. The Bank reserves its right to reject any or all the offers without assigning any reason thereof whatsoever.

3.30.2. The Bank will not be obliged to meet and have discussions with any bidder and/ or to entertain any representations in this regard.

3.30.3. The bids received and accepted will be evaluated by the Bank as per the evaluation process mentioned in this document. However, the Bank does not bind itself to accept any or all Bids and reserves the right to reject any or all bids at any point of time prior to the order without assigning any reasons whatsoever.

3.30.4. The Bank reserves the right to re-tender or cancel the bidding process at any stage of the bidding process.

3.31. Contacting the Bank

3.31.1. Bidder shall NOT contact the Bank on any matter relating to its Bid, from the time of opening of Bid to the time a communication in writing about its qualification or otherwise received from the Bank.

3.31.2. Any effort by the Bidder to influence the bank in its decisions on Bid evaluation, bid comparison may result in the rejection of the Bidder's Bid.

3.32. Right to Reject Bids

3.32.1. The Bank reserves the absolute and unconditional right to reject the response to this RFP if it is not in accordance with its requirements and no correspondence will be entertained by the Bank in the matter.

3.32.2. The bid is liable to be rejected due to occurrence of the following conditions:

- i. It is not in conformity with the instructions mentioned in the RFP document.
- ii. It is not properly or duly signed.
- iii. It is received through Telex / telegram / fax / e-mail.
- iv. It is received after expiry of the due date and time.
- v. It is incomplete including non-furnishing of the required documents.
- vi. It is evasive or contains incorrect information.
- vii. There is canvassing of any kind.
- viii. It is submitted anywhere else other than the place mentioned in the RFP.

4. Background

4.1. Introduction

4.1.1. Small Industries Development Bank of India (SIDBI) was established under an Act of Parliament in 1990. SIDBI is the Principal Financial Institution engaged in Promotion, Financing & Development of the Micro, Small and Medium Enterprises (MSME) sector and in coordinating the functions of various institutions engaged in similar activities. The bidders can visit www.sidbi.in for more information.

The statutory mandate of the Bank is broadly divided into two segments viz Financing Role and Promotional & Developmental Role.

4.2. Financial Role

The statutory mandate of the Bank is fulfilled through following activities.

4.2.1. Indirect Finance

The Bank provides refinance support to create a multiplier effect or a deeper and wider reach in financing of the MSME sector, which is undertaken through Banks, SFBs, NBFCs, New age FinTech's and MFIs. The operation of Indirect Finance is centralised at HO, Mumbai.

- **Refinance to Banks (including SFBs & SFCs):** The Bank, through its refinance operations, facilitated flow of funds to MSEs by suitably augmenting PLIs resources. The portfolio outstanding stood at Rs 1,31,664 crore as on March 31, 2021, a decline of 8.1% as compared to FY2020, on account of lower MSE credit offtake and the presence of surplus liquidity in the system. The Bank has 31 commercial banks and 10 SFBs as live customers as on FY2021.
- **Assistance to NBFCs:** Assistance to NBFCs increased by 8.8% to Rs 11292 crore as on March 2021 from Rs 10375 crore as on March 2020. During FY2021, the Bank onboarded 35 new NBFCs and the total number of live NBFCs as of March 2021 stood at 71. The Bank introduced pilot scheme for assistance to Fintech NBFCs, considering their potential reach to NBFCs. Under this scheme, the Bank onboarded 8 New age Fintech NBFCs, disbursing Rs 75 crore in FY2020. The scheme has graduated into a mainline scheme during the fag end of FY2021 to cover more Fintech NBFCs.
- **Assistance to MFIs:** Assistance to MFIs stood at Rs 1672 crore as on March 2021, a decline of 8.2%. The Bank has onboarded 18 new MFIs during FY2021 and total number of live MFIs as of March 2021 stood at 78.

4.2.2. Direct Finance

SIDBI provides direct credit to MSMEs mainly to fill credit gaps in the MSME sector through demonstrative and innovative lending products, which can be further scaled up by the Banking system. Direct Finance portfolio outstanding stood at Rs 11581 crore as of March 2021, as compared to Rs 9867 crore as of March 2020. During FY2021, the Bank focused on ensuring uninterrupted flow of credit to MSMEs, especially to those engaged in fighting the pandemic and in implementation of relief measures announced by RBI.

Operational set up for direct finance operations is as given under:

Regional Offices/Zonal Offices	11
Branch Offices	82 including 8 branches of North East Region.
XBOs (Single Man Branches)	6
Express Loan Service Centres (Loan Processing Cell)	6
Stressed Asset Recovery Branches (SARB)	3

Further, the Bank has taken steps like widening reach, diversifying base, faster delivery and retention of good customers to increase the direct lending portfolio.

Business enablers under Direct Finance

- **Tie-ups with OEMs / Industry Associations:** The Bank has entered in Credit Delivery Arrangements (CDA) with 58 machinery suppliers and six industry Associations to accelerate Credit delivery to MSMEs.
- **Promoting Renewable energy usage:** to give impetus to adoption of cleaner energy among MSMEs, the Bank has entered into partnership with three OEMs in the solar power sector.
- **Launch of New & Quick Deliverable Products:** The Bank launched four new products, mainly focused on helping MSMEs fight the pandemic. These products catered mainly to small borrowers, with average TAT of five days.
- **Sustainable Development:** The Bank has been operating focused lending schemes for promoting investment in clean production and energy efficient technologies / production processes under bilateral line of credit from international agencies such as JICA, AFD and KfW.

4.2.3. Micro Lending

The Bank has launched the PRAYAAS scheme to facilitate enterprise promotion and to bring down the cost of credit to borrower at the bottom of the pyramid. Scheme leverages the outreach of Partner Institutions like MFIs / SHPIs / NBFCs / FinTech's and other entities in extending affordable finance to the budding micro entrepreneurs. The customers have end to end mobile application based digital journey for fast and efficient credit delivery process encompassing on boarding, sanction process, digital document execution and disbursement.

4.3. Promotional and Developmental (P & D) Support

- 4.3.1.** P&D initiatives of the Bank are woven around Mission Swavalamban, which is an umbrella framework for stimulating the entrepreneurship culture and supporting various livelihood and entrepreneurship programmes. Mission Swavalamban has four distinguishing pillars viz **Sampark, Samwad, Suraksha and Sampreshan (4S)**.

5. Scope of Work

5.1. Introduction

This Request for Proposal (RfP) document has been prepared solely to inform potential respondents and to solicit proposals for empanelment / Engagement of professional firms / agencies for carrying concurrent audit of branch offices / select Head Office Verticals of the Bank.

SIDBI's Branch Office(s) functions include credit dispensation under Direct Credit and other day to day operations of the Bank. The selected Chartered Accountants firms/cost accountants would undertake the 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 Branch of SIDBI. Assignment would also include verification and confirmation on the adequacy of internal controls and IT system for sustaining operations. The staff deputed by the firm / LLP of Chartered Accountants firm for carrying out the concurrent audit should be qualified Chartered Accountant / Cost Accountant and experienced in the area of work.

Concurrent Audit covers the Branch Operations including its core functions such as credit appraisal, pre-sanction and post-sanction supervision mainly under Direct Credit, Working Capital, Receivable Finance, Refinance and other day to day operations, various lists/ statements being submitted to SIDBI towards finance availed by them and other Companies/ Banks/ Institutions covered under resource support business of the Bank. The objective and scope of the Concurrent

5.2 Objectives

1. Objective of Concurrent Audit

Concurrent Audit is an examination that is contemporaneous with the occurrence of transactions or is carried out as near thereto as possible. The objective of Concurrent Audit is to supplement the efforts of the Bank in carrying out simultaneous internal checks of transactions and compliance with laid down systems and procedures of the Bank.

2. Role of Concurrent Auditor

The role of Concurrent Auditor is to see that the transactions are properly recorded, authorized, documented, and vouched. It should lead to spot rectification of the irregularities and implementation of systems and procedures. The Concurrent Auditor should be in a position to throw early warning signals for incipient sicknesses of account which should be promptly analysed for timely remedial action. The supplementary role of a concurrent auditor is to comment on the follow up action taken up in respect of potential / existing NPA account.

5.3 Broad Scope of work for Concurrent Audit for BO operations

A. SCOPE OF CONCURRENT AUDIT:

The following areas will be covered in the Concurrent Audit:

B. All Loans under Direct Credit Scheme:

- a) Verifying that the sanction of loans is done by the appropriate authority as per delegated powers.
- b) Verifying that the terms and conditions of sanctions are as per criteria approved in the loan policy.
- c) Verifying that the sanctioning authority has used the combined rating which takes into account both the Borrower Rating and Facility Rating for taking credit decisions.
- d) Verifying that all proposals attracting provisions of 'connected lending' are sanctioned by delegated authority.
- e) To review and comment whether a declaration from the borrowers regarding credit facilities enjoyed from other banks (Annexure I to RBI circular DBOD.No.BP. BC. 46/08.12.001/2008-09 dated September 19, 2008) is on record in respect of loans sanctioned under multiple banking arrangements.
- f) Verifying the loan agreements and security documents and to ensure that the terms and conditions of sanctions are reflected therein.
- g) 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 off by the concurrent auditors (CA Partner/ Authorised Chartered Accountant).
- h) Verify whether all charges of SIDBI on the assets mortgaged/ hypothecated are registered with MCA/CERSAI.
- i) Ensuring that the disbursal is in compliance with the approved loan policy.
- j) Verifying the accounting of disbursals as well as the accruals of interest.
- k) Verifying that the income recognition and provisioning of income receivable is as per the accounting policies and RBI norms.
- l) Verifying the receipts of installments (principal + interest) on the due dates.
- m) Ensuring that interest, principal, fees (processing fees, service fees, documentation fees, commitment fees, upfront fees etc.), penal interest, liquidated damages, additional interest to be charged as per sanction terms on prospective or retrospective basis on account of any delay in creation of security stipulated e.g. Mortgage/ escrow/ pledge of shares etc. or non-compliance with specific sanction terms are calculated accurately and accounted under the appropriate income head.
- n) Verifying timely receipt of fees (processing, service fees, documentation fees, commitment fees, upfront fees etc.), penal interest, liquidated damages, additional interest to be charged as per sanction terms or any other revenue leakage.
- o) Verifying the adequacy of insurance cover and validity of the same.
- p) Verify whether unhedged foreign currency exposure statement / certificate is obtained from borrowers on a quarterly basis.
- q) Verify whether exchange of credit information under multiple banking arrangement is done at regular intervals.
- r) Verify specific internal approval as per Delegation of Power (DoP) for extending timelines for creation of security with or without additional interest as stipulated.

- s) Verifying that periodical site inspections are carried out by the Bank Officials at the stipulated intervals and proper record of such inspections is maintained.
- t) Verifying that the classification of Loans as NPA (Non –Performing Assets) is done as per the RBI norms.
- u) Regular Reporting on accounts, which are likely to become NPA (such as SMA accounts).
- v) To verify that a review of all restructured loan accounts is periodically submitted to competent authority.
- w) Auditors to give comments on the credit supervision aspects of the loan portfolio (through reviews such as site visit reports, end use certificates and insurance policies).
- x) To verify that the exception reports are generated and verified (based on RBI circular dated July 16, 2015).
- y) To verify whether there is any misutilisation of the loans and whether there are instances indicative of diversion of funds and indicate separately in the report (based on reviews such as site visit reports and end use certificates). (based on RBI circular dated July 16, 2015).
- z) For all PA and NPA accounts, to check whether the latest Audited Balance Sheets are available or not and indicate separately in the report.
- aa) For all PA and NPA accounts, to verify and mention the total value of Insurance policies available and the total borrowings of the Borrower availed from all banks (all funded and non funded facilities availed from all banks), as per the borrower’s signed copy of existing charges and also as per ROC charge list post creation of charge in favor of the Bank and indicate separately in the report. (based on RBI circular dated July 16, 2015).
- bb) To verify that all regulatory provisions/ guidelines are duly complied with (e.g. areas including TDS and service tax / professional tax/GST etc).
- cc) Verify whether subsidy claims like CLCSS/TUFS etc. are as per the respective scheme and lodged timely with govt. authorities by the Branch through Head Office.
- dd) Verify whether claims submitted by Branch to CGTMSE and NCGTC in time.
- ee) Carrying out Credit Audit in respect of the eligible cases, as and when assigned, as per the extant guidelines of the Bank.
- ff) Verify whether guarantee fee for coverage under CGTMSE is collected and deposited with Credit Guarantee Trust Fund.
- gg) Verify whether assets have been verified by the BO within 30 days from the date of classification of account as NPA.
- hh) To verify updation of security value (primary and collateral – movable & immovable) in the (Recovery and NPA Management System)RNMS in respect of all loans.
- ii) Verify whether RAM / CART ratings are approved .
- jj) Verify whether Safe Custody verification is being carried out by BO as per the extant guidelines.
- kk) Verify whether validation of sanction / review of undisbursed sanctions has been carried out as per extant guidelines.
- ll) To verify / review the interim disbursements / final security creations.
- mm) Any other areas on the operations of the Bank which are vital, in nature.

Scope for Working Capital Cases:

- a) To verify that margin on stock/ book debts; Rate of Interest & Drawing Power is considered / fixed as per the terms of sanction.
- b) To verify that the limits have not been made operational beyond the validity period, without approval of the competent authority for extension of the validity period.
- c) To verify that the periodic visits to the borrower units have been undertaken as per the Scheme guidelines.
- d) To verify that the monthly stock statement from the borrower is obtained in time and duly updated in the system.
- e) To scrutinize the monthly stock statements to verify correct valuation/ calculation of drawing power (e.g. by exclusion of non-moving / obsolete stocks for calculation of DP and by excluding old & doubtful book debts, margins. etc.) and sign off monthly DP.
- f) To verify that the CA certified book debt statements from the borrowers are obtained on half-yearly basis.
- g) To verify that stocks are adequately insured as per the extant guidelines of the bank and are in the joint names / with bank clause and the policies are renewed on timely basis.
- h) To verify that Quarterly Information System (QIS) statements & other financial statements are obtained, wherever applicable and indicate the observations on the general business operations / profitability etc.
- i) To verify that stock audit is undertaken, wherever applicable and that the compliance of stock audit observations are met.
- j) To examine the overdue accounts closely (in terms of operations in the a/c, Stock & Book Debt statement, Credit Summation, QIS & other statements, Renewal, Cheque Bouncing etc.).
- k) To verify compliance of extant guidelines, in case of multiple current accounts and / or multiple banking arrangement.

A. Scope for Letters of Credit (LC) / Bank Guarantee (BG)

- a) Check whether LCs are for genuine trade transactions and necessary vouchers reflecting LC opening are passed by BO.
- b) Check whether the Letters of Credit issued by the branch are within the delegated powers.
- c) Check that LC commission is taken correctly, and necessary vouchers passed.
- d) Check whether LCs are retired in time and necessary reversal vouchers are passed by BO.
- e) Check whether Guarantees are issued after vetting by Legal Department and guarantee number is auto generated from Direct Finance System.
- f) Check whether bank guarantees issued are properly worded and recorded in the register of the bank. Whether they have been promptly renewed on the due dates.
- g) Check that Guarantees are closed and reversed in time as per extant guidelines.

Branch Specific

- a. Bank reconciliation – Verification of transaction both credit and debit is based on legitimate instruments. Comments/Confirmation on whatever reconciliation undertaken by the dealing offices is in order.
- b. To verify the transactions and accounts viz. receipts & payments validated through instruments, verify the process of reconciliation undertaken by BO of various sensitive accounts viz. Sundry, Suspense, Receipts Pending Appropriation, bank reconciliation etc., instead of reporting merely based on the certificates / statements by the branch officials.
- c. To verify timely reconciliation of entries outstanding in the Branch with regard to inter-branch and inter bank accounts, Suspense Account, Sundry Deposits Account, etc.
- d. To verify that all the accounting transactions are carried out in accordance with the extant guidelines of the Bank.
- e. To scrutinize quarterly trial balance codes and verify the quarterly closing returns prepared by the Branch Office and sign off.
- f. To verify Housekeeping of the Branch Office
- g. To verify audit compliance – comments on quality of compliance and pendency
- h. To verify administrative & premises maintenance – administrative payments, petty cash, AMC, insurance, leased rental contract, office security & periodic mock drill, etc.
- i. Any other areas on the operations of the Bank which are vital, in nature.

The above areas of operation are illustrative and not exhaustive.

5.4 Broad Scope of work for Concurrent Audit of HO Verticals

5.4.1 Administration: All Staff Payments (under Human Resource Vertical)

Introduction:

SIDBI has a centralized payment process for all the staff/officers under Human Resource Vertical. The administrative payments made to all staff both serving and retired are centrally paid from Lucknow viz. salary, PF / Pension / Gratuity / loans & advances of staff members, leave fare concession, foreign tour bills, medical bills, TA/HA bills, etc.

5.4.2 Scope for Administrative payments: Staff payments (HRDV)

- i) To verify that all payments to the staff and other administrative payments / transactions viz. monthly CAP payments, settlement of TA/HA bills, reimbursement of Medical Expenses, taxi hiring, air tickets, security bills, etc. are within the extant Bank's guidelines, including delegation of power (DOP).
- ii) To verify all staff advances / PF withdrawal are within the extant Bank's guidelines and DOP.
- iii) To verify that payment of salary / pension / terminal benefits to the employees / retired employees are as per the extant Bank's guidelines and DOP.
- iv) To verify whether monthly Bank reconciliation for the month has been done.
- v) To verify that the TDS has been calculated correctly and deducted as per the law in force and paid to tax authorities.
- vi) To verify that the statutory payment and return are made as per the law.
- vii) Any other aspects of transactions of the Vertical
- viii) Any other areas on the operations of the Bank which are vital, in nature.

5.5 Vendor Payments under Corporate Accounts Payments Vertical (CVPC-CAPV)

5.5.1 Scope of work for operation of CVPC-CAPV:

- i. To verify whether the transactions are as per the extant Bank's guidelines and delegation of power (DOP).
- ii. To verify that there is no repeat payment made to the same party for the same bill.
- iii. To verify whether the TDS and GST have been calculated correctly as per the law in force and paid to tax authorities.
- iv. To verify that Input Tax Credit was properly utilized between CGST, SGST and IGST as per the Input tax credit rules.
- v. To verify that Bank is in compliance with the GST law in force.
- vi. To verify whether the statutory payments and return are made as per the law.
- vii. Any other areas on the operations of the Bank which are vital, in nature.

5.6 Institutional Finance Vertical (IFV), Mumbai (Refinance to Banks, SFBs/SFCs/ SIDCs)

5.6.1 Broad scope of work – Banks & SFBs SFCs/ SIDCs

- i. Day to day transactions, including checking of exposure limits, sanction, fixing of rate of interest, disbursements and repayments, refinance sanction / disbursement applications.
- ii. Letter of Intent is issued (LOI) as per the approved terms & condition ,
- iii. Compliance with pre-sanction conditions/ Lol / pre-disbursement / post-disbursement conditions. Deviations made, if any, are within the guidelines issued from time to time. Disbursement notes to be signed off by the concurrent auditor.
- iv. Accounting of all transactions. (data entry to appropriation in system). Periodic reconciliation of books of accounts.
- v. Compliance with respect to RBI norms and internal control guidelines.
- vi. MIS / Returns submitted to HO Verticals / RBI /Govt. of India.
- vii. MIS to Senior Management.
- viii. Adherence to Delegation of Powers (DoP), Post Sanction Reporting (PSR), wherever applicable.
- ix. Periodical verification of advance income tax calculations.
- x. Detection and arresting of leakage of income, if any.
- xi. Any other critical areas of operations not covered above.
- xii. Recovery of pending dues.
- xiii. Follow-up in respect of NPA accounts.
- xiv. Receipt / review of Nominee Directors' report.
- xv. Annual Review and Re-rating of the accounts as per guidelines has been done.
- xvi. Safe Custody verification is being carried out by Vertical as per the extant guidelines.
- xvii. Receipt of beneficiaries data from banks, follow-up end use verification visits and inspections carried out as per the laid down policies / practice.
- xviii. Receipt of Balance Confirmation Certificate.
- xix. Receipt of annual report.
- xx. Any other areas on the operations of the Bank which are vital, in nature

5.7 Broad scope of work – NBFCs

- a) Whether the transactions are within the policy parameters laid down by the Bank.
- b) Sanction and disbursement of loans & advances are within the policy parameters laid down by the Bank. 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 off by the concurrent auditors (CA Partner).
- c) Compliance to RBI guidelines relating to defaulters list / Caution Advice / CIBIL List / IBA caution list for Third Party Entity / fraudulent borrowers list, KYC / AML, etc. is done satisfactorily.
- d) DoP has been exercised properly and Post Sanction Reporting (PSR), wherever applicable, is sent to Post Sanction Reporting Authority (PSRA).
- e) Verify whether all charges of SIDBI on the assets hypothecated are registered with Registrar of Companies (ROC).
- f) Pre-disbursement conditions are duly complied with.
- g) Verify the end use of term loan disbursed by the Vertical for the purpose it is meant for.
- h) Verify whether visits to the beneficiary units have been carried out as per the guidelines.
- i) All regulatory provisions/ guidelines are duly complied with (e.g. areas including TDS and service tax / professional tax/GST etc).
- j) Whether in all cases where the statements/ documents (book debt statement, Balance Confirmation Certificate, Acknowledgment of Debt, Annual report etc.) are received.
- k) Verify whether there are any borrowal accounts (other than those reported by the Vertical) which are showing early warning signals or symptoms of sickness and/or can be classified as NPAs. If so, ascertain the reasons thereof and analyse the steps taken by the Vertical in the matter.
- l) Verify whether interest rate is charged as per approved rate of Interest and entered correctly in system.
- m) Early reconciliation of entries outstanding in the Vertical with regard to inter-branch and inter bank accounts, Suspense Account, Sundry Deposits Account, etc. Verify early adjustment of entries in the Vertical.
- n) To verify that all the transactions viz. receipts, payments, journal vouchers are validated by proper instruments/ approval note, etc.
- a) To examine and verify the appropriations done by the Vertical office for the repayments received during the month are in order.
- b) To verify that the CA Certified half yearly stock statement from the borrower is obtained.
- c) To scrutinize the half yearly stock statements to verify adequate MSME assets are available to cover the exposure of SIDBI.
- d) To verify that quarterly NBS 7/2, half yearly ALM statement, half yearly due diligence certificate, other financial statements are obtained, wherever applicable and indicate the observations on the relevant aspects like CRAR, NOF, Asset Liability Profile etc.
- e) To check the correctness of upfront fee, interest / penal interest, etc.
- f) Verify whether Registration of charge(s) with MCA(ROC) and CERSAI for all eligible cases has been done.
- g) To verify exchange of credit Information with other banks
- h) Any other areas on the operations of the Bank which are vital, in nature.

5.8 SFMC

(Part A - MFI assistance / IMEF)

5.8.1 Broad scope of work

- i. Whether the transactions are within the policy parameters laid down by the Bank.
- ii. Sanction and disbursement of loans & advances are within the policy parameters laid down by the Bank. 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 off by the concurrent auditors (CA Partner).
- iii. Compliance to RBI guidelines relating to defaulters list / Caution Advice / CIBIL List / fraudulent borrowers list, KYC / AML, etc. is done satisfactorily.
- iv. DoP has been exercised properly and Post Sanction Reporting (PSR), wherever applicable, is sent to Post Sanction Reporting Authority (PSRA).
- v. Security creation has been done properly. All the prescribed and necessary documents are collected from borrowers.
- vi. Verify whether all charges of SIDBI on the assets hypothecated are registered with MCA / CERSAI Entry carried out.
- vii. Pre-sanction /LoI/ Pre-disbursement conditions and Post Disbursement Conditions are duly complied with. Deviations made, if any, are within the guidelines issued from time to time/ requisite approval obtained for the same from the competent authority.
- viii. Verify the end use of term loan disbursed by the Vertical for the purpose it is meant for.
- ix. Verify whether visits to the beneficiary units have been carried out as per the guidelines and observations, if any, bring to the notice of the authority of the Vertical.
- x. All regulatory provisions/ guidelines are duly complied with (e.g. areas including TDS and service tax / professional tax/GST etc).
- xi. Verify whether in all cases where the statements/ documents (Book Debt statement, Balance Confirmation Certificate, Acknowledgment of Debt, Annual report etc.) are received.
- xii. Verify whether interest rate is charged as per approved rate of Interest and correctly entered in system.
- xiii. Any other critical area of operations not covered above
- xiv. Early reconciliation of entries outstanding in the Vertical with regard to inter-branch and inter bank accounts, Suspense Account, Sundry Deposits Account, etc. Verify early adjustment of entries in the Vertical.
- xv. All the transactions viz. receipts, payments, journal vouchers are validated by proper instruments/ approval note, etc.
- xvi. To verify that all the accounting transactions are carried out in accordance with the extant guidelines of the Bank.
- xvii. To examine and verify the appropriations done by the Vertical office for the repayments received during the month. The objective is to verify that the appropriations done by the Vertical is correctly captured in the system and are in order so that correct position of overdues / dues / RPA etc. is reflected at the time of quarterly and annual closing of accounts as on March 31.
- xviii. To check the correctness of upfront fee, interest / penal interest, etc.

- xix. To verify the correctness of security, Legal compliance, ROC search etc.
- xx. Safe custody verification as per extant guidelines.
- xxi. Review of Trial Balance and clearly mention the correctness / completeness of the related GL Codes, any GL-SL mismatch at monthly internal, adequacy of provision of outstanding liabilities at the end of each quarter end and certification of Trial Balance of IFV (MFIs/IMEF).
- xxii. The CA shall be accountable, on its part, for wrongly verifying any document or signing off disbursement notes or such other important documents based on which the Bank takes a decision.
- xxiii. To verify that the CA Certified quarterly book debt statement from the borrower is obtained in time. To scrutinize the book debt statements to verify adequate MFI assets are available to cover the exposure of SIDBI.
- xxiv. Monthly monitoring reports is being submitted by the assisted MFIs.
- xxv. End use verification of requisite sample size by bank officials post disbursement.
- xxvi. Periodical visit to the MFIs / field areas by bank officials as per extant guidelines.
- xxvii. To verify exchange of credit Information with other banks.
- xxviii. Nominee Director Reports are being submitted in time.
- xxix. Safe Custody verification is being carried out by Vertical as per the extant guidelines.
- xxx. Receipt of Balance Confirmation Certificate (BCC) / Acknowledgement of Debts (AoDs).
- xxxi. Receipt of Annual report from the assisted MFIs.
- xxxii. Detection & prevention of revenue leakages in the operations.
- xxxiii. Any other areas on the operations of the Bank which are vital, in nature

The above areas of operation are illustrative and not exhaustive.

Part - B (SFMC-PRAYAAS & TReDs)

- a) To verify the eligibility of the borrowers covered under the scheme and are complying to the scheme norms.
- b) To verify that the Application No., Batch No., and Date of Application are cross verified with Customer Hands Off. Application has to be scrutinised with attached documents for its completeness and correctness and to verify that due diligence of the borrower has been carried out.
- c) Mandatory Due Diligence has been carried out by PI or SIDBI in r/o the Borrower & Co-Borrower i.e. Credit report, CIBIL Report , UN Terrorist List and Central Fraud Registry.
- d) Application form is duly signed by the Borrower / Co-Borrower.
- e) To verify that KYC of the borrower has been complied and KYC Stamp of "Verified from Original" affixed and authenticated by maker / checker.
- f) To verify that the loans sanctioned/disbursed are within the approved exposure limit to the MFI/PI.
- g) To verify that LOI has been issued incorporating Key / Other terms of sanction as stipulated in term sheet and as stipulated by the sanctioning committee. =
- h) To verify that documentation done as per the extant Legal Vertical Formats
- i) To verify that the Rate of Interest being charged is as per the sanctioned interest rate.
- j) To verify correctness of invoice and payment thereof through CAPV towards release of Commission to PI.
- k) To verify that Quarterly review of the Portfolio / operations, have been undertaken.
- l) Review of Trial Balance / balances of all GL codes, any SL-GL mismatch at monthly interval and reporting to CAPV.
- m) Audit of all transactions in TReD platform from SIDBI.
- n) Any other areas on the operations of the Bank which are vital, in nature

5.9 VCF Operations Vertical, New Delhi

5.9.1 Scope of Work:

- (i) To check the application form received from the Investment Manager (IM) seeking contribution from SIDBI for Alternative Investment Funds (AIFs).
- (ii) To verify the completeness and appropriateness of various certificates/ documents/ information submitted by the IM.
- (iii) To verify the compliance of KYC guidelines and other Due diligence measures.
- (iv) To verify the proper and correct entry of data/ information into the systems.
- (v) To verify the compliance with eligibility parameters for sanction as per the extant guidelines of the Bank/ as also with various guidelines issued by SIDBI, Government of India/SEBI and other regulatory authorities in connection with contribution to Venture Capital Funds (VCF's)/AIFs.
- (vi) To verify the compliance with all extant guidelines and terms of sanction.
- (vii) To verify that the terms of sanction are captured while conveying sanction to the Fund Manager.
- (viii) To verify contribution agreement executed by IM & Trustee.
- (ix) To verify the drawdowns/disbursement.
- (x) To verify accounting entry into the system related to drawdowns and distributions.
- (xi) To verify the Periodic/ recurring Compliance, if any, related to sanction.
- (xii) To verify the compliance of all applicable internal, RBI, SEBI/GOI guidelines relating to VCF operations
- (xiii) To verify the periodic MIS/data/information being submitted to various authorities internally as well as externally.
- (xiv) Review of Trial Balance and clearly mention the correctness / completeness of the related GL Codes, any GL-SL mismatch at monthly internal, adequacy of provision of outstanding liabilities at the end of each quarter end and certification of Trial Balance of VCF Operations.
- (xv) Any other areas on the operations of the Bank which are vital, in nature

5.10 TREASURY & RESOURCE MANAGEMENT VERTICAL

5.10.1 SCOPE OF CONCURRENT AUDIT OF TRMV

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.

a. 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.

b. 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.

c. 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) To verify Approval notes put up to competent authority.
- (xvii) To verify Gap position, Daylight and Overnight position norms.
- (xviii) To verify Adherence of Delegation of Powers (DoP).
- (xix) To verify Reconciliation of Nostro Accounts.
- (xx) To verify Reconciliation of Overdraft Accounts against Foreign Currency Deposits.
- (xxi) To verify Reconciliation of all Bank Accounts operated by Treasury.
- (xxii) To verify Settlement of Rupee Treasury and Forex dealing room operations.
- (xxiii) To verify Verification of Accruals in Rupee and Forex operations.
- (xxiv) To verify that computer-generated deal confirmation slips are duly signed by authorised signatories.
- (xxv) Verification of all operations related to Debt Servicing.
- (xxvi) Any other areas of work involving Integrated Treasury operations not covered above.

d. Scope of work for SWIFT Related Operations

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 / updations / 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.

e. 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.

f. 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.
- viii. Any other areas on the operations of the Bank which are vital, in nature

5.11 Monthly Fee Structure

- The fees would be based on commercial bid value. The commercial bid should be submitted in the prescribed format indicating quoted fee branch -wise / HO Vertical wise and for the region as a whole.

6. Evaluation Methodology

6.1. Evaluation process

- 6.1.1. The Bank has adopted a three (3) bid processes in which the Bidder has to submit following bids in separate envelopes at the time of submission of bids as stipulated in this document.
- Eligibility Criteria
 - Technical Bid
 - Commercial Bids
- 6.1.2. The Bank shall evaluate first the 'Eligibility Criteria' bids and based on its evaluation, 'Technical Bids' shall be undertaken for evaluation at the second stage. 'Commercial bids' shall be opened for only the shortlisted bidders out of technical evaluation. The final selection will be done based on Quality cum Cost Based System (QCBS) wherein Relative Technical Bid Score will get a weightage of 80% and Relative Commercial Bid Score a weightage of 20%.
- 6.1.3. The evaluation by the Bank will be undertaken by a Committee of officials or/and representatives formed by the Bank and its decision will be final.
- 6.1.4. All the documentary proofs are to be submitted along with the bid in this regard.
- 6.1.5. Bidders must not present any reference as credential for which it is not in a position to present the verifiable facts/documents. SIDBI would not consider any statement as a credential if same cannot be verified as per its requirement for evaluation.
- 6.1.6. During evaluation, Bank at its discretion can ask the bidders for clarifications.
- 6.1.7. Bank may waive off any minor infirmity or nonconformity or irregularity in a bid, which does not constitute a material deviation, provided such a waiving, does not prejudice or affect the relative ranking of any bidder.
- 6.1.8. **Normalization** - SIDBI reserves the right to go for normalization process after technical evaluation and accordingly may request all the bidders to submit revised bid (technical or commercial or both) to avoid any possible ambiguity in evaluation process or make apple-to-apple comparison or to bring further transparency in the evaluation process.

6.2. Opening of Minimum Eligibility and Technical Bids

- 6.2.1. Bids, except commercial bids, received within stipulated time, shall be opened as per schedule given in the '**Critical information**' sheet.
- 6.2.2. On the scheduled date and time, bids will be opened by the Bank Committee in presence of Bidder representatives. It is the responsibility of the bidder's representative to be present at the time, on the date and at the place specified in the tender document. The bidders' representatives who are present shall sign the required documents evidencing their attendance and opening of bids in their presence.

- 6.2.3.** If any of the bidders or all bidders who have submitted the tender and are not present during the specified date and time of opening, bank at its discretion will proceed further with opening of the technical bids in their absence.
- 6.2.4.** Bids that are not opened at Bid opening shall not be considered for further evaluation, irrespective of the circumstances. Withdrawn bids will be returned unopened to the Bidders.

6.3. Preliminary Examinations

- 6.3.1.** The Bank will examine the Bids to determine whether they are complete, the documents have been properly signed, supporting papers/ documents attached and the bids are generally in order.
- 6.3.2.** The Bank may, at its sole discretion, waive any minor infirmity, nonconformity or irregularity in a Bid which does not constitute a material deviation, provided such a waiver does not prejudice or affect the relative ranking of any Bidder.
- 6.3.3.** Prior to the detailed evaluation, the Bank will determine the substantial responsiveness of each Bid to the Bidding document. For purposes of these Clauses, a substantially responsive Bid is one, which conforms to all the terms and conditions of the Bidding Document without material deviations. Deviations from or objections or reservations to critical provisions, such as those concerning qualification criteria, insurance, Force Majeure etc will be deemed to be a material deviation. The Bank's determination of a Bid's responsiveness is to be based on the contents of the Bid itself, without recourse to extrinsic evidence.
- 6.3.4.** If a Bid is not substantially responsive, it will be rejected by the Bank and may not subsequently be made responsive by the Bidder by correction of the nonconformity.
- 6.3.5.** The Bidder is expected to examine all instructions, forms, terms and specification in the Bidding Document. Failure to furnish all information required by the Bidding Document or to submit a Bid not substantially responsive to the Bidding Document in every respect will be at the Bidder's risk and may result in the rejection of its Bid.

6.4. Clarification of bids

To assist in the scrutiny, evaluation and comparison of offers/bids, the Bank may, at its sole discretion, ask some or all bidders for clarification of their offer/bid. The request for such clarifications and the response will necessarily be in writing and no change in the price or substance of the bid shall be sought, offered or permitted. Any decision of the Bank in this regard shall be final, conclusive and binding on the bidder.

6.5. Evaluation of Eligibility Criteria

- 6.5.1.** Bids submitted by all the bidders would be evaluated for eligibility as mentioned in the 'Eligibility Criteria'. Bids not complying with any of the eligibility criteria are liable to be rejected and will not be considered for further evaluation.
- 6.5.2.** The minimum eligibility criteria to participate in bidding process are mentioned below. Only those bidders, who satisfy all the eligibility criteria as mentioned herein below, may respond. Document in support of all eligibility criteria are required to be submitted in

Eligibility Bid. Offers received from the bidders who do not fulfil any of the following minimum eligibility criteria will be rejected.

Sl.No.	Eligibility Criteria	Supporting Documents Required to be Submitted
1	To furnish proof of Valid registration / Certificate of Practice from the Institute of Chartered Accountants of India (ICAI)/ Institute of Cost Accountants of India (ICMAI)	Latest ICAI certificate / ICMAI Certificate.
2	To be a Partnership firm/ LLP of Chartered Accountants with minimum 10 partners of which at least 5 partners should be FCA(s). At least five partners should have a continuous association with the firm of a minimum of 5 years and another five partners should have a continuous association with the firm of a minimum of 3 years.	
4	Minimum five years of previous track record of carrying out concurrent audits in Scheduled commercial banks mainly in the area of credit dispensation under Direct Credit / MSME financing and other day to day operations of the bank. in the last 10 years as on 31/03/2022.	With documentary proof.
6	The bidding company, as on the date of submission of bid, should not have been verified / blacklisted/ banned / barred / disqualified / prohibited by Gol or State Government or any regulator or any court of law including NCLT / NCLAT or any quasi-judicial authority or any other statutory authority.	Self-declaration to this effect on the company's letter head should be submitted.
7	The Bidder should have annual revenue of at least Rs.5 crore in any three of the previous five financial years starting from FY2017.	Copy of relevant audited financial statements.
	<i>Without compliance of the above minimum eligibility criteria, the applicant will not be eligible for applying.</i>	

6.5.3. Bidder must comply with all above-mentioned criteria. Non-compliance of any of the Eligibility criteria will entail rejection of the offer summarily. The evaluation committee reserves the right to verify /evaluate the claims made by the vendor independently. Any

discrepancy could lead to censuring / blacklisting of the bidder. Any decision in this regard shall be final and binding upon the bidder.

- 6.5.4. Those who fulfil all the eligibility criteria as mentioned above would be eligible to take part in this bid exercise.
- 6.5.5. Minimum Eligibility Bid format as per **Annexure -II** given in this RfP to be submitted by Bidders and should contain detailed responses to each of the above eligibility criteria along with documentary proofs as specified above.
- 6.5.6. Successful bids out of this stage would be considered for technical evaluation.

6.6. Evaluation of Technical Bids

- 6.6.1. Technical evaluation will be carried out only for the bidders who succeed the pre-qualification (minimum eligibility) criterion.
- 6.6.2. SIDBI may seek specific clarifications from any or all the Bidder(s) at this stage. All the clarifications received within the stipulated time shall be considered for evaluation. In case satisfactory clarifications are not received from the bidders within the stipulated time, the respective technical parameters would be treated as non-compliant and decision to qualify the bidder shall be accordingly taken by SIDBI.
- 6.6.3. A maximum of 100 marks will be allocated for the technical bid. Only the technical proposals will be evaluated at this stage. **Bidders scoring less than 60 marks (cutoff score) out of 100 marks in the technical evaluation shall not be considered for further selection.** Once the evaluation of technical proposals is completed, the bidders who score more than the prescribed cut off score will only be short listed.
- 6.6.4. Technical bids would be evaluated based on the following parameters:

Sl. No.	Criteria		Maximum Marks (Weightage)
1	Bidder should be a limited company (Public/Private) registered in India under the Companies Act, 1956/2013 or Partnership firm / LLP registered in India under Partnership Act 1932/2008 as amended for the last 3 years as on RFP issuance date.	10	<p>Only the period / years having operational income will be considered for evaluation.</p> <ul style="list-style-type: none"> ✓ 10 years of existence – 5 Marks ✓ More than 10 years of existence but less than 15 years– 7 Marks ✓ More than 15 years of existence – 10 Marks <p><i>Copy of relevant audited financial statements.</i> <i>Auditors Certificate stating operation income in relevant financial years.</i></p>

Sl. No.	Criteria		Maximum Marks (Weightage)
2	The average of annual revenue (best of three in the five financial years starting from FY2017) of the bidder.	15	<p>Average Turnover revenue (best of three in the five years financial years starting from FY2017):</p> <ul style="list-style-type: none"> ✓ ₹ 5 crore but less than ₹ 10 Crore– 5 marks ✓ More than ₹ 10 crore but less than ₹ 20 Crore– 10 marks ✓ More than ₹ 20 crore – 15 marks <p><i>Copy of relevant audited financial statements.</i></p>
3	Experience in carrying out concurrent audits in Scheduled commercial banks mainly in the area of credit dispensation under Direct Credit and other day to day operations of the bank.	15	<ul style="list-style-type: none"> ✓ Upto 5 years of experience – 5 Marks ✓ More than 5 years of experience and upto to 7 years– 7 Marks ✓ More than 7 years of experience – 15 Marks <p><i>Copy of relevant letter of assignment duly signed by the bank and acceptance / completion.</i></p> <p>The Bank reserves the right to ask for contact details (Name, email, contact number) of the clients at the time of technical evaluation.</p>
4	Experience in concurrent audit in the area of credit dispensation under MSME in scheduled commercial banks	10	<ul style="list-style-type: none"> ✓ 5 years of experience – 5 Marks ✓ More than 5 years of experience – 10 Marks <p><i>Copy of relevant letter of assignment duly signed by the bank and acceptance.</i></p>
5	Geographical coverage of the bidder in terms of its operations in India	10	<ul style="list-style-type: none"> ✓ Having Branch offices at 50% or more locations of the quoted region (s) – 10 Marks ✓ Having Branch offices at less than 50% locations of the quoted region (s) – 5 Marks
6	Composition of the team, quality and suitability – includes number and experience of professionals deployed for duration of assignment, other experts / capabilities proposed to be drawn, etc	15	<p>CV should cover</p> <ul style="list-style-type: none"> ✓ Having upto /minimum 5 years experience in carrying out concurrent audit of scheduled commercial banks - 5 marks

Sl. No.	Criteria		Maximum Marks (Weightage)
			<ul style="list-style-type: none"> ✓ Having more than 5 years experience in carrying out concurrent audit of scheduled commercial banks - 10 marks ✓ Additional 5 marks for having qualified Information System Auditor (CISA/ DISA) with necessary exposure of systems audit, as member / Head of the team <p>Scoring shall be done through Evaluation and qualitative Assessment of CV and credentials submitted.</p>
7	<p>Presentation</p> <ul style="list-style-type: none"> ✓ Understanding of the scope of the assignment ✓ Understanding of Financial Institutions / banks / Regulatory environment ✓ Understanding of deliverables of the engagement 	15	<p>Assessment by Evaluation Committee based on the presentation and interaction during the presentation to the Evaluation Committee</p> <ul style="list-style-type: none"> ✓ 5 Marks for Understanding of the scope of the assignment and deliverables. ✓ 5 Marks for understanding of Financial Institutions, banks and Regulatory environment. ✓ 5 Marks for Understanding of deliverables of the assignment. <p>Assessment by Evaluation Committee based on the written submission and interaction during the presentation to the Evaluation Committee</p>
8	<ul style="list-style-type: none"> ➤ Proposed approach and methodology for the entire scope of work ➤ Relevance and robustness of plan created by the bidder in terms of delivering outcomes and meeting timelines 	10	<p>Assessment by Evaluation Committee based on the written submission and interaction during the presentation to the Evaluation Committee</p>
	Maximum technical score	100	

6.7. Commercial Evaluation

6.7.1. Only technically shortlisted bidders would be invited for opening of commercial bids, the date and time for opening of commercial bids would be separately advised by the Bank. The bidders are required to depute their representative for the same.

6.7.2. In respect of all the qualified bidders, in whose case, the commercial bid has been opened, a combined techno-commercial evaluation will be done by the evaluation committee as per the following procedure:

Technical score will be arrived at treating the marks of the bidder scoring the highest marks (A) in Technical evaluation as 100. Technical score for other bidders (B, C etc.) will be computed using the formula, $T = \text{Marks of B} / \text{Marks of highest scorer A} * 100$.

Similarly, Commercial score of all technically qualified bidders will be arrived at taking the cost quoted by L1 bidder i.e. the lowest quote from all technically qualified bidders (say C) as 100. Marks for other bidders will be calculated using the formula $\text{Combined Score} = \text{Cost of L1 bidder (C)} / \text{Cost quoted by bidder} * 100$.

A "Combined Score" will be arrived at, taking into account both marks scored through technical bid evaluation and the commercial quotes with a weightage of 80% for technical and 20% for commercials as detailed below.

Then combined score is arrived at by adding Technical Score and Commercial Score. The successful bidder will be the one who has the highest Combined Score (H1), up to 2 decimals.

Formula for calculating the Combined Score of technically qualified bidder is as follows.

$$H = (T / (T \text{ High}) \times 80) + ((C \text{ Low}) / C \times 20)$$

T = Technical Score ; T High = Highest Technical Score among the bidders

C = Commercial Quote ; C Low = Lowest commercial quote of C among the bidders

Whereas: H = Combined Score

Bidder	Technical Evaluation Marks (T)	Nominal Bid Price in INR (C)	Technical Score	Commercial Score	Combined Score (out of 100)
A	95 (T 1)	18	$(95/95) * 80 = 80.0$	$(10/18) * 20 = 11.11$	$80.0 + 11.11 = 91.11$ (H-2)
B	90	13	$(90/95) * 80 = 75.78$	$(10/13) * 20 = 15.38$	$75.78 + 15.38 = 91.16$ (H-1)
C	80	10 (C 1)	$(80/95) * 80 = 67.36$	$(10/10) * 20 = 20.00$	$67.36 + 20 = 87.36$ (H-3)

In the above example, Bidder B with highest score (H-1) becomes the successful Bidder. In case of a tie between bidders i.e. if two or more bidders receive the same combined score, the bidder with the higher technical score shall be declared as (H-1). Two decimals (rounded off) will be considered for evaluation.

Kindly note that the evaluation committee reserves the right to finalize the scores from the available bid documents and presentation made by the bidder and the evaluation committee decision on techno-commercial evaluation is FINAL.

6.8. Commercial Bid

- 6.8.1.** All prices should be quoted in (INR) only. The Total cost will be exclusive of GST and other applicable taxes. However, GST and other applicable taxes will be paid as per actuals.
- 6.8.2.** The Commercial Bid should be submitted in the format prescribed in the RFP. Consideration of commercial bids, not submitted as per requisite format, will be at the discretion of the bank.
- 6.8.3.** In case there is a mismatch between the words and figures, the amount mentioned in words will be considered.
- 6.8.4.** Please note that any Commercial offer which is conditional and/ or qualified or subjected to suggestions will also be summarily rejected. This offer shall not contain any deviation in terms & condition or any specifications, if so, such offer will be summarily rejected.

6.9. Arithmetic errors correction

Arithmetic errors, if any, in the price break-up format will be rectified on the following basis:

- 6.9.1.** If there is discrepancy in the price quoted in figures and words, the price, in figures or in words, as the case may be, which corresponds to the total bid price for the item shall be taken as correct.
- 6.9.2.** If the vendor has not worked out the total bid price or the total bid price does not correspond to the unit price quoted either in words or figures, the unit price quoted in words shall be taken as correct.
- 6.9.3.** Bank may waive off any minor infirmity or nonconformity or irregularity in a bid, which does not constitute a material deviation, provided such a waiving, does not prejudice or effect the relative ranking of any bidder.

7. General Terms and Conditions

7.1. Terms of the contract

7.1.1. The selected firm/ LLP of Chartered Accountant would initially be assigned the contract for a period of one year (01), 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. 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.

7.1.2. Terms & Conditions:

- a) The applicant appointed as concurrent auditor shall nominate a CA or retired bank officer for each branch under the region who will head the concurrent audit team as the "Designated Auditor" duly authorised by the FCA partner of the CA firm/LLP to act on behalf of the firm. The Designated Auditor would be required to submit his/her identity proof and address proof together with specimen signatures with a request to be allotted biometric enabled unique login ID for access to the system. The Designated Auditor would require to log in and log out of the system each working day. The Designated Auditor would require to surrender the login ID on completion of the concurrent audit tenure or on any change in the Designated Auditor by the firm/LLP.
- b) The audit team composition for Concurrent Audit and attendance requirements should be specified as under:
- c) The designated FCA partner of the firm / LLP who shall visit the branch office at least 4 days in a month.
- d) Chartered Accountant / Retired Bank Officer who shall visit the branch preferably on all working days but for a minimum of 20 days in a month.
- e) Chartered Accountant / Retired Bank Officer who lead the concurrent team should have the authority to sign off the disbursement notes.
- f) Audit assistant who shall visit the branch preferably on all working days but for a minimum of 20 days in a month.
- g) 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.
- h) 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.

- i) On appointment, the Applicant shall execute an undertaking of fidelity and secrecy on its letterhead in the format prescribed by the Bank.
- j) 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.
- k) The concurrent auditors should not undertake any other activities / assignment on behalf of the region / branch without obtaining the concurrence of the Audit Vertical at Head Office, in writing.
- l) 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.
- m) The concurrent auditor should attend Preventive Vigilance Committee (PVC) in the Bank 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 Regional Office of the Bank.
- n) 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.
- o) 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.
- p) The concurrent auditors would give rating or grade to the Branch, if desired by SIDBI.
- q) 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 Bank. The Branch In-charge will shoulder the responsibility of the arrangements.
- r) The Applicant shall verify that the audit firm/ LLP or any sister / associate concern, is not conducting the statutory audit of the Bank or any of its branches.
- s) The Applicant shall verify 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.

- t) The Applicant shall verify 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.
- u) The concurrent auditor shall be granted read only access to the systems at the branch office.
- v) The concurrent audit report shall be pre-formatted and available on the SIDBI's systems to the Designated Auditor who shall be required to enter the audit findings into the system on a day-to-day basis.
- w) The concurrent auditor shall not be allowed to carry any mass storage device such as pen drive/flash drive/thumb drive or any lap top inside the branch premises as these devices will not be required for the job. Concurrent auditors shall be provided with computer system with disabled USB ports by the concerned branches.
- x) 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.
- y) 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.
- z) Should maintain and keep back up papers in support of observations made.
- aa) Any other terms and conditions of the assignment would be decided by the Bank on a case-to-case basis.

Guidelines & Instructions

- bb) 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 process of bidding.

Government Tax

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

Alterations to Application

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

Letters and Declaration to Accompany Applications:

- dd) The RfP / 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.

Packaging and Delivery of Applications:

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

Selection of CA for operations at Region No, _____.

Application Due Date

Applicant's Name

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

- ee) Applications must be received at Audit Vertical, Small Industries Development Bank of India, SIDBI Tower, 15, Ashok Marg, Lucknow – 226001 (U. P.) for the attention of The General Manager by 2.00 PM on the due date. Late applications will not be accepted under any circumstances and will be returned unopened. No special pleadings will be accepted. Fax or e-mail applications will not be accepted.

Conflict of Interest:

- ff) 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.

Disclosures:

The applicant must disclose:

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.

- gg) If they are OR any of the applicant's staff have been convicted of, or are the subject of any proceedings, relating to:
- hh) 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.
- ii) corruption including the offer or receipt of any inducement of any kind in relation to obtaining any contract, with SIDBI, or any contracting authority.
- jj) failure to fulfill any obligations in any jurisdiction relating to the payment of taxes or social security contributions.
- kk) 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, 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.

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.

Assigning to Others

The successful applicant shall not, without the prior written consent of SIDBI, assign or transfer or cause to be assigned or transferred, whether actually or as the result of take over, merger or other change of identity or character of the CAs, any 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.

Termination

SIDBI may, at its sole discretion and at any time after giving 15 days notice can terminate the Contract 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.

7.2. Settlement of Disputes

7.2.1. Amicable Settlement

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or the interpretation thereof.

7.2.2. Dispute Settlement

Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in **Clause 7.2.3.**

7.2.3. Dispute Settlement Mechanism

7.2.3.1. Arbitration

- a. It will be the Bank's endeavor to resolve amicably any disputes or differences that may arise between the Bank and the Bidder from misconstruing the meaning and operation of the Tender and the breach that may result.
- b. In case of Dispute or difference arising between the Bank and a Bidder relating to any matter arising out of or connected with this agreement, such disputes or difference shall be settled in accordance with the Arbitration and Conciliation Act, 1996. The Arbitrators shall be chosen by mutual discussion between the Bank and the Bidder OR in case of disagreement each party may appoint an arbitrator and such arbitrators may appoint an Umpire before entering on the reference. The decision of the Umpire shall be final.
- c. The Bidder shall continue work under the Contract during the arbitration proceedings unless otherwise directed in writing by the Bank or unless the matter is such that the work cannot possibly be continued until the decision of the Arbitrator or the umpire, as the case may be, is obtained.
- d. Arbitration proceedings shall be held at Lucknow, India, and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.
- e. Notwithstanding anything contained above, in case of dispute, claim & legal action arising out of the contract, the parties shall be subject to the jurisdiction of courts at Lucknow, India only.
- f. Any notice given by one party to the other pursuant to this Contract shall be sent to the other party in writing or by fax and confirmed in writing to the other party's specified address. The same has to be acknowledged by the receiver in writing.

- g. A notice shall be effective when delivered or on the notice's effective date, whichever is later.
- h. No conflict between Bidder and SIDBI will cause cessation of services. Only by mutual consent the services will be withdrawn.

7.2.3.2. Jurisdiction

In case of any dispute, jurisdiction shall be a court in Lucknow, India only.

1. Annexures and Appendix

1.1. Annexure –I: Bid Covering Letter

(To be submitted on Bidder's company letter head)

Date:

General Manager

Audit Vertical
SIDBI, 4th Floor
SIDBI TOWER,
15, ASHOK MARG,
LUCKNOW - 226001

Dear Sir,

Request for Proposal for region-wise appointment of Concurrent Auditor for Branch office operations Tender No: dated

1. We, the undersigned bidders, having read and examined the aforesaid RfP document in detail, do hereby propose to extend the services as specified in the above-mentioned Tender document
2. We hereby declare that our bid is made in good faith, without collusion or fraud and the information contained in the bid is true and correct to the best of our knowledge and belief.
3. We hereby agree to comply with all the terms and conditions / situations as contained in the RfP and the related addendums and other documents including the changes made to the original tender documents if any, issued by the Bank. The Bank is not bound by any other extraneous matters or deviations, even if mentioned by us elsewhere either in our proposal or any subsequent deviations sought by us, whether orally or in writing, and the Banks decision not to accept any such extraneous conditions and deviations will be final and binding on us. We understand that any deviation may result in disqualification of our bid.
4. We agree to abide by this offer till 180 days from the date of last day for submission of offer (bid)

Thanking you,

Yours sincerely,

Date:

Signature of Authorised Signatory:

Place:

Name of the Authorised Signatory:

Designation:

Name of the Organization:

Seal ...

1.2. Annexure –II: Minimum Eligibility Bid

A. Bidder Profile

Sr No	Particulars	Bidder Response
1.	Name of the bidder	
2.	Date of Incorporation	
3.	Date of Commencement of Business	
4.	Constitution of bidder	
5.	Address of Registered office	

B. Details of Authorised Signatory / Representative of Bidder (on whose favour PoA is submitted)

Sr No	Particulars	Bidder Response
1.	Name	
2.	Designation	
3.	Land Line No	
4.	Mobile No	
5.	Email Id	
6.	Power of Attorney in favour of authorised representative submitted	(Yes / No) <i>Please submit the copy of the PoA</i>

C. Eligibility Criteria

Sl.No.	Eligibility Criteria	Supporting Documents Required to be Submitted
1	To furnish proof of Valid registration / Certificate of Practice from the Institute of Chartered Accountants of India (ICAI)/ Institute of Cost Accountants of India (ICMAI)	Latest ICAI certificate / ICMAI Certificate.
2	To be a Partnership firm/ LLP of Chartered Accountants with minimum 10 partners of which at least 5 partners should be FCA(s). At least five partners should have a continuous association with the firm of a minimum of 5 years and another five partners should have a continuous association with the firm of a minimum of 3 years.	
4	Minimum five years of previous track record of carrying out concurrent audits in Scheduled commercial banks mainly in the area of credit dispensation under Direct Credit / MSME financing and other day to	With documentary proof.

Sl.No.	Eligibility Criteria	Supporting Documents Required to be Submitted
	day operations of the bank. in the last 10 years as on 31/03/2022.	
6	The bidding company, as on the date of submission of bid, should not have been verified / blacklisted/ banned / barred / disqualified / prohibited by GoI or State Government or any regulator or any court of law including NCLT / NCLAT or any quasi-judicial authority or any other statutory authority.	Self-declaration to this effect on the company's letter head should be submitted.
7	The Bidder should have annual revenue of at least Rs.5 crore in any three of the previous five financial years starting from FY2017.	Copy of relevant audited financial statements.
	<i>Without compliance of the above minimum eligibility criteria, the applicant will not be eligible for applying.</i>	

D. EMD

Sr No	Particulars	Bidders Response
1	EMD Details	
a	Mode of payment – DD / Pay order / Bank Guarantee / RTGS/NEFT	
b	Number of DD/Pay Order / BG / UTR	
c	Date of Issue of DD / Pay Order / BG or NEFT / RTGS Transfer	
d	Issuing Bank of DD / Pay Order / BG / NEFT / RTGS	
e	Amount (Rs)	
f	Proof of direct deposit	
2	Tender Form Cost details	
a	Mode of payment – DD / Pay order / Bank Guarantee / RTGS/NEFT	
b	Number of DD/Pay Order / BG / UTR	
c	Date of Issue of DD / Pay Order / BG or NEFT / RTGS Transfer	
d	Issuing Bank of DD / Pay Order / BG / NEFT / RTGS	
e	Amount (Rs)	
f	Proof of direct deposit	

Date:

Signature of Authorized Signatory:

Place:

Name of the Authorized Signatory:

Designation:

Name of the Organization:

Seal ...

1.3. Annexure –III: Technical Bid

Sl. No.	Criteria		Maximum Marks (Weightage)
1	Bidder should be a limited company (Public/Private) registered in India under the Companies Act, 1956/2013 or Partnership firm / LLP registered in India under Partnership Act 1932/2008 as amended for the last 3 years as on RFP issuance date.	10	<p>Only the period / years having operational income will be considered for evaluation.</p> <ul style="list-style-type: none"> ✓ 10 years of existence – 5 Marks ✓ More than 10 years of existence but less than 15 years– 7 Marks ✓ More than 15 years of existence – 10 Marks <p><i>Copy of relevant audited financial statements.</i> <i>Auditors Certificate stating operation income in relevant financial years.</i></p>
2	The average of annual revenue (best of three in the five financial years starting from FY2017) of the bidder.	15	<p>Average Turnover revenue (best of three in the five years financial years starting from FY2017) :</p> <ul style="list-style-type: none"> ✓ ₹ 5 crore but less than ₹ 10 Crore– 5 marks ✓ More than ₹ 10 crore but less than ₹ 20 Crore– 10 marks ✓ More than ₹ 20 crore – 15 marks <p><i>Copy of relevant audited financial statements.</i></p>
3	Experience in carrying out concurrent audits in Scheduled commercial banks mainly in the area of credit dispensation under Direct Credit and other day to day operations of the bank.	15	<ul style="list-style-type: none"> ✓ Upto 5 years of experience – 5 Marks ✓ More than 5 years of experience and upto to 7 years– 7 Marks ✓ More than 7 years of experience – 15 Marks <p><i>Copy of relevant letter of assignment duly signed by the bank and acceptance / completion.</i></p> <p>The Bank reserves the right to ask for contact details (Name, email, contact number) of the clients at the time of technical evaluation.</p>
4	Experience in concurrent audit in the area of credit dispensation under MSME in scheduled commercial banks	10	<ul style="list-style-type: none"> ✓ 5 years of experience – 5 Marks ✓ More than 5 years of experience – 10 Marks <p><i>Copy of relevant letter of assignment duly signed by the bank and acceptance .</i></p>

Sl. No.	Criteria		Maximum Marks (Weightage)
5	Geographical coverage of the bidder in terms of its operations in India	10	<ul style="list-style-type: none"> ✓ Having Branch offices at 50% or more locations of the quoted region (s) – 10 Marks ✓ Having Branch offices at less than 50% locations of the quoted region (s) – 5 Marks
6	Composition of the team, quality and suitability – includes number and experience of professionals deployed for duration of assignment, other experts / capabilities proposed to be drawn, etc	15	<p>CV should cover</p> <ul style="list-style-type: none"> ✓ Having upto /minimum 5 years experience in carrying out concurrent audit of scheduled commercial banks - 5 marks ✓ Having more than 5 years experience in carrying out concurrent audit of scheduled commercial banks - 10 marks ✓ Additional 5 marks for having qualified Information System Auditor (CISA/ DISA) with necessary exposure of systems audit, as member / Head of the team <p>Scoring shall be done through Evaluation and qualitative Assessment of CV and credentials submitted.</p>
7	<p>Presentation</p> <ul style="list-style-type: none"> ✓ Understanding of the scope of the assignment ✓ Understanding of Financial Institutions / banks / Regulatory environment ✓ Understanding of deliverables of the engagement 	15	<p>Assessment by Evaluation Committee based on the presentation and interaction during the presentation to the Evaluation Committee</p> <ul style="list-style-type: none"> ✓ 5 Marks for Understanding of the scope of the assignment and deliverables. ✓ 5 Marks for understanding of Financial Institutions, banks and Regulatory environment. ✓ 5 Marks for Understanding of deliverables of the assignment. <p>Assessment by Evaluation Committee based on the written submission and interaction during the presentation to the Evaluation Committee</p>

Sl. No.	Criteria		Maximum Marks (Weightage)
8	<ul style="list-style-type: none"> ➤ Proposed approach and methodology for the entire scope of work ➤ Relevance and robustness of plan created by the bidder in terms of delivering outcomes and meeting timelines 	10	Assessment by Evaluation Committee based on the written submission and interaction during the presentation to the Evaluation Committee
	Maximum technical score	100	

Date:

Signature of Authorized Signatory:

Place:

Name of the Authorized Signatory:

Designation:

Name of the Organization:

Seal ...

Note: Documents submitted with response bid towards proof of evidence must be suitably tagged for easy identification during evaluation.

1.4. Annexure –IV: Self Declaration for non blacklisting

(To be submitted on Bidder's company letter head)

Date:

General Manager

Audit Vertical
SIDBI, 4th Floor
SIDBI TOWER,
15, ASHOK MARG,
LUCKNOW - 226001

Dear Sir,

**Declaration Regarding Clean Track Record
Request for Proposal for region-wise appointment of Concurrent Auditor for Branch office operations Tender No:dated.....**

I have carefully gone through the Terms & Conditions contained in the RFP **Tender No:dated.....** for Appointment of Concurrent Auditor for Branch Audit

We hereby declare that our company has not been cverifyd / black listed / banned / barred / disqualified / prohibited by Government of India or State Government or any regulator or any court of law including NCLT / NCLAT or any quasi judicial authority or any other statutory authority, as on date of submission of the bid.

I further certify that I am competent officer in my company to make this declaration that our bid is binding on us and persons claiming through us and that you are not bound to accept a bid you receive.

Thanking you,

Yours sincerely,

Date Signature of Authorised Signatory ...

Place Name of the Authorised Signatory ...

Designation ...

Name of the Organisation ...

Seal ...

1.5. Annexure –V: Power of Attorney

(To be executed on a non-judicial stamp paper of Rs.100/-)

BY THIS POWER OF ATTORNEY executed at _____ on _____, 2022, We, _____, a Company incorporated under the Companies Act, 1956, having its Registered Office at _____ (hereinafter referred to as “the Company”) doth hereby nominate, constitute and appoint <Name>, <Employee no.>, < Designation> of the Company, as its duly constituted Attorney, in the name and on behalf of the Company to do and execute any or all of the following acts, deeds, matters and things, namely :-

Execute and submit on behalf of the Company a Proposal and other papers / documents with ‘Small Industries Development Bank of India’ (“SIDBI”) relating to Request for proposal **Tender No:dated.....** for ‘**Request for Proposal for region-wise appointment of Concurrent Auditor for Branch office operations**’ and to attend meetings and hold discussions on behalf of the Company with SIDBI in this regard.

THE COMPANY DOTN hereby agree to ratify and confirm all whatsoever the attorney shall lawfully do or cause to be done under or by virtue of these presents including anything done after revocation hereof but prior to actual or express notice thereof being received by the person or persons for the time being dealing with the attorney hereunder.

IN WITNESS WHEREOF, _____ has caused these presents to be executed by _____ on the day, month and year mentioned hereinabove.

For and on behalf of the Board of Directors of

WITNESS:

Signature of _____

Attested

1.6. Annexure –VI Letter of Conformity

(To be submitted on Bidder's company letter head)

Date:

To,
General Manager
Audit Vertical
Small Industries Development Bank of India,
SIDBI Tower, 15, Ashok Marg,
Lucknow-226001

Dear Sir,

Request for Proposal for region-wise appointment of Concurrent Auditor for Branch office operations Tender No: dated

We, the undersigned bidders, having read and examined the aforesaid RfP document, issued by SIDBI and hereinafter referred as 'Bank' do hereby covenant, warrant and confirm as follows:

We hereby agree to comply with all the terms and conditions / stipulations as contained in the RFP and the related addendums and other documents including the changes made to the original tender documents issued by the bank, provided however that only the list of deviations furnished by us in **Annexure-X** of the main RfP document which are explicitly clarified by the Bank and communicated to us in writing, shall form a valid and binding part of the aforesaid RFP document.

The Bank is not bound by any other extraneous matters or deviations, even if mentioned by us elsewhere either in our proposal or any subsequent deviations sought by us, whether orally or in writing, and the Bank's decision not to accept any such extraneous conditions and deviations will be final and binding on us and persons claiming through us.

We also here by confirm that our prices as specified in our Commercial Bid are as per the Payment terms specified in the Tender document.

Thanking you,

Yours sincerely,

Date

Signature of Authorised Signatory ...

Place

Name of the Authorised Signatory ...

Designation ...

Name of the Organisation ...

1.7. Annexure –VII: EMD / Bid Security Form

(Sample Format - TO BE EXECUTED ON A NON-JUDICIAL STAMPED PAPER)

To: **SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA**

WHEREAS (Name of Vendor) (hereinafter called the ‘the Vendor’) has undertaken, in pursuance of Request for Proposal Tender No: 2023 APR13/T0002641171 Strategy dated April 13, 2022 for **Request for Proposal for region-wise appointment of Concurrent Auditor for Branch office operations** (Herein after called the ‘the RFP’) to you.

AND WHEREAS, it has been stipulated by you in the said RFP that the Vendor shall furnish you with a Bank Guarantee from a commercial Bank for the sum specified therein, as security for compliance with the Vendor’s performance obligations in accordance with the RFP.

AND WHEREAS we -----Bank having its registered office at ---- and inter alia a branch office situate at ----- have agreed to give a performance guarantee in lieu of EMD of ` ----- (Rupees ---- only) on behalf of the Vendor.

We -----**Bank** further undertake not to revoke and make ineffective the guarantee during it’s currency except with the previous consent of the buyer in writing.

We ----- Bank do hereby unconditionally and irrevocably undertake to pay to SIDBI without any demur or protest, merely on demand from SIDBI, an amount not exceeding Rs. ----- (----- only).by reason of any breach of the terms of the RFP dated ---- by vendor. We hereby agree that the decision of the SIDBI regarding breach of the terms of the RFP shall be final, conclusive and binding

WE do hereby guarantee and undertake to pay forthwith on demand to SIDBI a sum not exceeding `...../- (Rupees only) (amount of the Guarantee in words and figures) and we undertake to pay you upon your first written demand declaring the Vendor to be in default under the RFP and without cavil or argument, any sum or sums within the limit of `...../- (Rupees only) (Amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

Our obligation to make payment under this Guarantee shall be a primary, independent and absolute obligation and we shall not be entitled to delay or withhold payment for any reason. Our obligations hereunder shall not be affected by any act, omission, matter or thing which but for this provision might operate to release or otherwise exonerate us from our obligations hereunder in whole or in part, including and whether or not known to us or you:

1. Any time or waiver granted to the vendor;
2. The taking, variation, compromise, renewal or release of or refusal or neglect to perfect or enforce any rights, remedies or securities against the vendor;

3. Any Variation of or amendment to the RFP or any other document or security so that references to the Contract in this Guarantee shall include each such Variation and amendment;
4. any unenforceability, invalidity or frustration of any obligation of the VENDOR or any other person under the RFP or any other document or security waiver by you of any of the terms provisions conditions obligations UNDER RFP or any failure to make demand upon or take action against the VENDOR;
5. any other fact, circumstance, provision of statute or rule of law which might, were our liability to be secondary rather than primary, entitle us to be released in whole or in part from our undertaking; and;
6. any change in constitution of the vendor;
7. any petition for the winding up of the VENDOR has been admitted and a liquidator or provisional liquidator has been appointed or an order of bankruptcy or an order for the winding up or dissolution of the vendor has been made by a Court of competent jurisdiction;

The written demand referred to in paragraph above shall be deemed to be sufficiently served on us if you deliver to us at the address as set out in paragraph 3.

This guarantee is valid until the day of And a claim in writing is required to be presented to us within three months from i.e. on or before ----all your rights will be forfeited and we shall be relieved of and discharged from all our liabilities mentioned hereinabove.

Signature and Seal of Guarantors (Vendor's Bank)

.....

Date.....

Address

.....

.....

1.8. Annexure –VIII: Non-Disclosure Agreement

(Sample Format - TO BE EXECUTED ON A NON-JUDICIAL STAMPED PAPER)

WHEREAS, we, _____, having Registered Office at _____, hereinafter referred to as the COMPANY, are agreeable to execute "**Request for Proposal for region-wise appointment of Concurrent Auditor for Branch office/Head-Office operations**" as per scope defined in the Request for Proposal (RfP) Tender No:datedfor Small Industries Development Bank of India, having its Head office at SIDBI Tower, 15 Ashok Marg, Lucknow, 226001 (hereinafter referred to as the BANK) and,

WHEREAS, the COMPANY understands that the information regarding the Bank's Infrastructure shared by the BANK in their Request for Proposal is confidential and/or proprietary to the BANK, and

WHEREAS, the COMPANY understands that in the course of submission of the offer for the said RfP and/or in the aftermath thereof, it may be necessary that the COMPANY may perform certain jobs/duties on the Bank's properties and/or have access to certain plans, documents, approvals, data or information of the BANK;

NOW THEREFORE, in consideration of the foregoing, the COMPANY agrees to all of the following conditions, in order to induce the BANK to grant the COMPANY specific access to the BANK's property/information, etc.;

The COMPANY will not publish or disclose to others, nor, use in any services that the COMPANY performs for others, any confidential or proprietary information belonging to the BANK, unless the COMPANY has first obtained the BANK's written authorisation to do so;

The COMPANY agrees that information and other data shared by the BANK or, prepared or produced by the COMPANY for the purpose of submitting the offer to the BANK in response to the said RfP, will not be disclosed to during or subsequent to submission of the offer to the BANK, to anyone outside the BANK;

The COMPANY shall not, without the BANK's written consent, disclose the contents of this Request for Proposal (Bid) or any provision thereof, or any specification, plan, pattern, sample or information (to be) furnished by or on behalf of the BANK in connection therewith, to any person(s) other than those employed/engaged by the COMPANY for the purpose of submitting the offer to the BANK and/or for the performance of the Contract in the aftermath. Disclosure to any employed/ engaged person(s) shall be made in confidence and shall extend only so far as necessary for the purposes of such performance.

Yours sincerely,

Date _____ Signature of Authorised Signatory ...

Place _____ Name of the Authorised Signatory ...

Designation ...

Seal _____ Name of the Organisation ...

(Sample Format – To be executed on a non-judicial stamped paper of Rs.100/-)

1.9. Annexure – IX: Bank Mandate Form

(To be submitted in Duplicate and to be print to be taken back to back)

(Please fill in the information in CAPITAL LETTERS. Please TICK wherever it is applicable)

1. Name of Vendor/Bidder: _____

Vendor Code (if applicable) _____

2. Address of the Vendor/bidder : _____

City _____ Pin Code _____

E-mail id: _____

Phone No. with STD code: _____

Mobile No.: _____

Permanent Account Number _____

MSE Registration / CA Certificate _____ (if applicable)

3. Particulars of Bank account:

Beneficiary Name			
Bank Name		Branch Name	
Branch Place		Branch City	
PIN Code		Branch Code	
MICR No.			
Account type	Saving	Current	Cash Credit
Account No.	(as appearing in the Cheque book)		
(Code number appearing on the MICR¹ cheque supplied by the Bank. Please attach a cancelled cheque of your bank for ensuring accuracy of the bank name, branch name & code and Account Number)			
IFSC CODE ²	For RTGS transfer		For NEFT transfer

4. Date from which the mandate should be effective :

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected for reasons of incomplete or incorrect information, I shall not hold SIDBI / IDBI Bank responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of amount through **RBI RTGS/NEFT**.

Place : _____

Date : _____

Signature of the party / Authorized Signatory

.....

Certified that particulars furnished above are correct as per our records.

Bank's stamp :

Date :

(Signature of the Authorized Official from the Banks)

N.B.: RTGS/NEFT charges if any, is to be borne by the party

Note on IFSC / MICR

Indian Financial System Code (IFSC) is an alpha numeric code designed to uniquely identify the bank-branches in India. This is 11-digit code with first 4 characters representing the bank's code, the next character reserved as control character (presently 0 appears in the fifth position) and remaining 6 characters to identify the branch. The MICR code, (Magnetic Ink Character Recognition) that appears on cheques, has 9 digits to identify the bank-branch. RBI had since advised all the banks to print IFSC on cheque leaves issued to their customers. A customer may also contact his bank-branch and get the IFS Code of that branch.

1.10. Annexure – X Statement of Deviations

(To be submitted on Bidder's company letter head)

Bidders are required to provide details of all deviations, comments and observations or suggestions in the following format with seal and signature. You are also requested to provide a reference of the page number, state the clarification point and the comment/ suggestion/ deviation that you propose as shown below.

SIDBI may at its sole discretion accept or reject all or any of the deviations, however it may be noted that the acceptance or rejection of any deviation by SIDBI will not entitle the bidder to submit a revised commercial bid.

Further, any deviation mentioned elsewhere in the response other than in this format shall not be considered as deviation by SIDBI.

List of Deviations				
S. N.	Clarification point as stated in the tender document	Page No. In RfP	Section No. in RfP	Comment/ Suggestion/ Deviation
1.				
2.				
3				

<additional rows may be added, if required>

Date

Signature of Authorised Signatory:

Place

Name of the Authorised Signatory:

Designation:

Name of the Organisation:

Seal:

1.11. Annexure – XI: Commercial Bid*(To be submitted on Bidder's company letter head)***Commercial Format for the full duration of 3 (months/year) fixed price contract – no other expenses / monies will be payable beyond this amount but for applicable GST.***(In Rs.)*

Name of the Region (1 to 7)	Amount in (INR) excluding GST (Region wise)	Amount in words (excluding GST)	Branch-wise / HO Vertical-wise amount				
			Branch / HO Vertical	Amount for Year Y1	Amount for Year Y2	Amount for Year Y3	Total Amount (Y1+Y2+Y3)
Region no.	XXXXX	Xxxxx					
	XXXXX	Xxxxx					

Note:**1. Commercial bid value should be indicated against each Branch Office / HO Vertical per annum (12 months) of the Region for each year viz. Y1, Y2 & Y2****2. Additional column may be added for all the branches under the region indicating branch-wise/ HO Vertical wise amount quoted and total amt should tally with the amount quoted for the region as a whole.****Terms and Conditions**

- In case there is a mismatch between the words and figures, the amount mentioned in words will be considered.
- Further, we confirm that we will abide by all the terms and conditions mentioned in the Request for Proposal document.
- We have not added or modified any clauses/ statements/ recordings/ declarations in the commercial offer, which is conditional and/or qualified or subjected to suggestions or which contain any deviation in terms & conditions or any specification.
- We have understood that in case of non-adherence to any of the above, our offer will be summarily rejected.
- Please note that any Commercial offer which is conditional and/ or qualified or subjected to suggestions will also be summarily rejected. This offer shall not contain any deviation in terms & condition or any specifications, if so, such offer will be summarily rejected.
- All prices should be quoted in (INR) only. The Total cost will be exclusive of GST and other applicable taxes. However, GST and other applicable taxes will be paid as per actuals

Date

Signature of Authorised Signatory:

Place

Name of the Authorised Signatory:

Designation:

Name of the Organisation:

Seal:

1.12. Annexure-XII: Pre-Contract Integrity Pact

(To be submitted on Letter Head of the Company)

1 General

This pre-bid-pre-contract Agreement (hereinafter called the Integrity Pact) is made at _____ place___ on ---- day of the month of ----, 2015 between Small Industries Development Bank of India, having its Head Office at 15, Ashok Marg, Lucknow – (hereinafter called the “BUYER”/”SIDBI”, which expression shall mean and include, unless the context otherwise requires, its successors and assigns) of the First Part and M/s --- represented by Shri ----, Chief Executive Officer (hereinafter called the “BIDDER/Seller” which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

WHEREAS the BUYER proposes to appoint management consultant for formulation of Business Strategy of the Bank and the BIDDER/Seller is willing to offer/has offered the services and

WHEREAS the BIDDER is a private company/public company/Government undertaking/partnership/registered export agency, constituted in accordance with the relevant law in the matter and the BUYER is a corporation set up under an Act of Parliament.

NOW, THEREFORE,

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence /prejudiced dealing prior to, during and subsequent to the currency of the contract to be entered into with a view to :-

Enabling the BUYER to obtain the desired said stores/equipment/services at a competitive price in conformity with the defined specifications by avoiding the high cost and the distortionary impact of corruption on public procurement and

Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER will commit to prevent corruption in any form by its officials by following transparent procedures.

The parties hereto hereby agree to enter into this integrity Pact and agree as follows:

2 Commitments of the BUYER

- 2.1 The BUYER undertakes that no official of the BUYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.
- 2.2 The BUYER will during the pre-contract stage, treat all BIDDERS alike, and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.
- 2.3 All the officials of the BUYER will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.
- 2.4 In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER with full and verifiable facts and the same is prima facie found to be

correct by the BUYER, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER and during such a period shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the BUYER the proceedings under the contract would not be stalled.

3 Commitments of BIDDERS

The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contact stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following :-

- 3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any officials of the BUYER, connected directly or indirectly with bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.
- 3.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe , gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavor to any person in relation to the contract or any other contract with the Government.
- 3.3 BIDDERS shall disclose the name and address of agents and representatives and Indian BIDDERS shall disclose their foreign principals or associates.
- 3.4 BIDDERS shall disclose the payments to be made by them to agents/brokers or any other intermediary, in connection with this bid/contract.
- 3.5 The BIDDER further confirms and declares to the BUYER that the BIDDER is the original manufacture/integrator/authorized government sponsored export entity of the defence stores and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or any way to recommend to the BUYER or any of its functionaries, whether officially or unofficially to the award of the contract to the BIDDER , or has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.
- 3.6 The BIDDER, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the BUYER or their family members, agents, brokers or any other intermediaries in connection with contract and the details of services agree upon for such payments.
- 3.7 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.
- 3.8 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.
- 3.9 The BIDDER shall not use improperly, for purposes of competition or personal gain or pass on the others, any information provided by the BUYER as part of the business relationship,

regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.

- 3.10 BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.
- 3.11 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.
- 3.12 if the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative to any of the officers of the BUYER or alternatively, if any relative of the officer of the BUYER has financial interest/stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filling of tender.
- The term 'relative' for this purpose would be as defined in Section 2 (77) of the Companies Act, 2013.
- 3.13 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the BUYER.

4 Previous Transgression

- 4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify BIDDER's exclusion from the tender process.
- 4.2 The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

5 Earnest Money (Security Deposit)

- 5.1 While submitting commercial bid, the BIDDER shall deposit an amount of **₹.2,80,000/-** as Earnest Money/Security Deposit, with the BUYER through any of the following instrument.
- (i) Bank Draft or a Pay Order in favour of Small Industries Bank of India, Payable at Lucknow.
 - (ii) A confirmed guarantee by an Indian Nationalised Bank, promising payment of the guaranteed sum to the BUYER immediately on demand without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the BUYER shall be treated as conclusive proof of payment.
- 5.2 Earnest Money/Security Deposit shall be valid till the date of bid validity as mentioned in the RfP.
- 5.3 In case of the successful BIDDER a clause would also be incorporated in the Article pertaining to Performance Bond in the Purchase Contract that the provision of Sanctions for Violation shall be applicable for forfeiture of Performance Bond in case of a decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.
- 5.4 No interest shall be payable by the BUYER to the BIDDER on Earnest Money/Security Deposit for the period of its currency.

6 Sanctions for Violations

6.1 Any breach of the aforesaid provision by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the BUYER to take all or any one of the following actions, wherever required :-

- i. To immediately call off the pre contract negotiations without assigning any reason or giving any compensation to the BIDDER. However, the proceedings with other BIDDER(s) would continue
- ii. The Earnest Money Deposit (in pre-contract stage) and /or Security Deposit/Performance Bond) (after the contract is signed) shall stand forfeited either fully or partially, as decided by the BUYER and the BUYER shall not be required to assign any reason therefore.
- iii. To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER
- iv. To recover all sums already paid by the BUYER, and in case of Indian BIDDER with interest thereon at 2% higher than the prevailing Prime Lending Rate of State Bank of India, while in case of a bidder from a country other than India with interest thereon at 2% higher than LIBOR. If any outstanding payment is due to the bidder from the buyer in connection with any other contract for any other stores, such outstanding payment could also be utilized to recover the aforesaid sum and interest.
- v. To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the BIDDER, in order to recover the payments, already made by the BUYER along with interest.
- vi. To cancel all or any other Contracts with the BIDDER, the BIDDER shall be liable to pay compensation for any loss or damage to the BUYER resulting from such cancellation/rescission and the BUYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER
- vii. To debar the BIDDER from participating in future bidding processes of the buyer or its associates or subsidiaries for minimum period of five years, which may be further extended at the discretion of the BUYER.
- viii. To recover all sums paid in violation of this Pact by BIDDER(s) to any middleman or agent or broker with a view to securing the contract.
- ix. In cases where irrevocable Letters of Credit have been received in respect of any contract signed by the BUYER with BIDDER, the same shall not be opened.
- x. Forfeiture of Performance Bond in case of decision by the BUYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.

6.2 The BUYER will be entitled to take all or any of the actions mentioned at para 6.1(i) to (x) of this Pact also on the commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.

6.3 The decision of the BUYER to the effect that a breach of the provision of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the independent Monitor(s) appointed for the purposes of this Pact.

7 Fall Clause

7.1 The BIDDER undertakes that it has not supplied/is not supplying similar products /systems or subsystems at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar product/systems or sub systems was supplied by the BIDDER to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the BUYER, if the contract has already been concluded.

8 Independent Monitors

- 8.1 The BUYER is in the process of appointing Independent Monitors (hereinafter referred to as Monitors) for this Pact in consultation with the Central Vigilance Commission.
- 8.2 The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.
- 8.3 The Monitors shall not be subject to instruction by the representatives of the parties and perform their functions neutrally and independently.
- 8.4 Both the parties accept that the Monitors have the right to access all the documents relating to the project/procurement, including minutes of meetings.
- 8.5 As soon as the Monitor notices or has reason to believe, a violation of the Pact, he will so inform the Authority designated by the BUYER
- 8.6 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the BUYER including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documents. The same is applicable to Subcontractors. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/Subcontractor(s) with confidentiality
- 8.7 The BUYER will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings
- 8.8 The Monitor will submit a written report to the designed Authority of the BUYER within 8 to 10 weeks from the date of reference or intimation to him by the BUYER/BIDDER and should the occasion arise, submit proposals for correcting problematic situations.

9 Facilitation of Investigation

In case of any allegation of violation of any provision of this Pact or payment of commission, the BUYER or its agencies shall be entitled to examine all the documents including the Books of Accounts of the BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

10 Law and Place of Jurisdiction

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the BUYER

11 Other Legal Actions

The action stipulated in this integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

12 Validity

12.1 The validity of this Integrity Pact shall be from date of its signing and extend upto 5 years or the complete execution of the contract to the satisfaction of both the BUYER and the BIDDER/Seller, in case BIDDER is unsuccessful (unsuccessful bidder), this integrity Pact shall expire after six months from the date of the signing of the contract.

12.2 Should one or several provisions of the Pact turn out to be invalid, the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

13 The parties hereby sign this integrity Pact, at _____ on _____

BUYER

BIDDER

Name of the Officer

Designation

Authorized Signatory

SIDBI

Witness

Witness

1. _____

1. _____

2. _____

2. _____