



राष्ट्रीय कृषि और ग्रामीण विकास बैंक

निरीक्षण विभाग, प्रधान कार्यालय, मुंबई

समवर्ती लेखा परीक्षकों के अनुबंध के लिए प्रस्ताव हेतु अनुरोध (आरएफपी)

राष्ट्रीय कृषि और ग्रामीण विकास बैंक (नाबार्ड)

निरीक्षण विभाग

तीसरी मंजिल, 'डी' विंग,

सी -24, 'जी' ब्लॉक

बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व)

मुंबई 400 051

वेबसाइट : www.nabard.org

राष्ट्रीय कृषि और ग्रामीण विकास बैंक (नाबार्ड) के लिए समवर्ती लेखा परीक्षकों के अनुबंध के लिए प्रस्ताव हेतु अनुरोध (आरएफपी)

राष्ट्रीय कृषि और ग्रामीण विकास बैंक अपने निरीक्षण विभाग, प्रधान कार्यालय, मुंबई में समवर्ती लेखा परीक्षक के रूप में अनुबंध के लिए भारत में कार्यरत योग्यता प्राप्त चार्टर्ड एकाउंटेंट्स फर्म, जिनका मुंबई में कम से कम एक कार्यालय है, से मुहरबंद निविदाएं आमंत्रित कर रहा है.

परियोजना के लिए नाबार्ड (आरएफपी) "प्रस्ताव के लिए अनुरोध" की वेबसाइट www.nabard.org पर उपलब्ध है. इच्छुक बोलीदाता इसे हमारी वेबसाइट से सीधे डाउनलोड कर सकते हैं <https://www.nabard.org/English/Tenders.aspx>. बोलियों को आरएफपी दस्तावेज में दिए गए विनिर्देशों के अनुसार ही तैयार किया जाए और इसे नीचे दिए गए पते पर दिनांक 19 जुलाई 2016 अपराह्न 3.00 बजे तक प्रस्तुत किया जाना चाहिए :

मुख्य महाप्रबंधक

राष्ट्रीय कृषि और ग्रामीण विकास बैंक (नाबार्ड)

निरीक्षण विभाग

तीसरी मंजिल, 'डी' विंग,

सी -24, 'जी' ब्लॉक

बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व)

मुंबई 400 051



NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

**Inspection Department
Head Office, Mumbai**

**REQUEST FOR PROPOSAL (RFP)
FOR
ENGAGEMENT OF
CONCURRENT AUDITORS
National Bank for Agriculture and Rural Development (NABARD)
Inspection Department
3rd Floor, 'D' Wing,
C-24, 'G' Block
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051
Website: www.nabard.org**

Request for Proposal (RFP) for engagement of Concurrent Auditors for National Bank for Agriculture and Rural Development (NABARD)

Sealed tenders are invited by the National Bank for Agriculture and Rural Development from qualified firms of Chartered Accountants operating in India, with atleast one office in Mumbai, for engagement of Concurrent Auditors in its Inspection Department, Head Office, Mumbai.

The “Request for Proposal” (RFP) for the project is available on the NABARD website (www.nabard.org). Interested bidders may download directly from our website (link <https://www.nabard.org/English/Tenders.aspx>). Bids may be made strictly as per the specifications in the RFP documents and should be submitted latest by **3.00 p.m. on 19 July 2016**, at the address mentioned below:

The Chief General Manager
National Bank for Agriculture and Rural Development (NABARD)
Inspection Department
3rd Floor, 'D' Wing
C-24, 'G' Block
Bandra- Kurla Complex, Bandra (East)
Mumbai 400 051

DISCLAIMER

The contents and information provided in this Request for Proposal (RFP) are meant to provide general information that may be useful to the interested parties in formulation of their proposal pursuant to this RFP. The selected bidder will be required to execute an Agreement with NABARD that will govern the rights, duties and obligations between NABARD and the successful bidder. Accordingly, no contractual obligation whatsoever shall arise from the RFP process unless and until a formal contract is signed and executed by NABARD with the selected bidder.

Schedule of events

1	Purpose	To engage Concurrent Auditors for the NABARD's Head Office in Mumbai
2	Cost of Tender	Free of cost
3	Pre-bid Integrity pact	Bidder will have to enter pre-contract integrity pact (duly stamped) as per Annexure IV of RFP before submitting the bid
4	EMD	Earnest Money Deposit (EMD) of Rs.97,200/- (Rupees Ninety seven thousand two hundred only) by way of a Demand Draft from any Nationalized Bank/ Scheduled Bank payable at Mumbai in favour of 'NABARD'. Tender without EMD shall be rejected. (Based on amount being paid as at present the minimum fee payable is Rs 4,05,000/- per month excl. ST)
5	No. of Envelopes (Non window, sealed) to be submitted	Two (2) Envelopes Envelope 1 containing: 1. Technical Bids as per Annexure I. 2. DD towards EMD. Envelope 2 containing: Commercial Bid as per Annexure II (Only one bid to be submitted)
6	Last Date of Submission of Bids	19 July 2016, 15:00 hrs
7	Date, Time and Venue of opening of Bids, except Commercial Bids.	19 July 2016, 16:00 hrs Inspection Department, Third Floor, D Wing, NABARD, Head Office, C-24, G-Block, Bandra- Kurla Complex, Bandra – (East), Mumbai 400051
8	Pre-bid meeting	14 July 2016 (Thursday), at 11:00 hrs at the same venue as indicated in col. 7

9	Response to clarification / pre bid meeting to be put on web site, if any	15 July 2016
10	Mode of submitting the Bid	Bids may be dropped in the sealed box placed on the 3rd Floor, D Wing, NABARD, Head Office, C-24, G-block, Bandra- Kurla Complex, Bandra – (East), Mumbai 400051 by 3.00 pm on 19 July 2016.
11	Bid Validity	90 days from the last date of submission.
12	<p>Contact Person:</p> <p>Shri S G Godse, DGM, Inspection Department, NABARD, Mumbai Contact no 022-26539533 (Between 10.00 am to 5.00 pm on working days)</p>	

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Section I

1. INTRODUCTION & INSTRUCTIONS FOR PROPOSALS

National Bank for Agriculture and Rural Development (NABARD) (hereinafter referred to as “NABARD”) is set up as an Apex Development Bank with a mandate for facilitating credit flow for promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts. It is wholly owned by the Government of India and Reserve Bank of India. For details please see our website www.nabard.org. It has 25 Departments in its Head Office at Mumbai and 31 offices across the country and employs around 4500 employees. NABARD has around 2000 retired employees settled across the country. Around 8-10 thousand financial transactions are carried out per month. All the transactions of NABARD are made through centralized CBS system. NABARD has been extensively using Information Technology for its operations and payments of salary, absence module, loans & advances, management benefits, accounting (core banking) and also manual systems. Different modules used in NABARD are as under:

- a) Employee / Manager Self Service : Customised version of delivered Self-service module of PeopleSoft HCM 9.1. The module has linkages with almost all other modules and enables individual employees to interact with the system and put in their applications/claims. The claims are sometimes required to be approved / recommended by their Supervising Officers through Manager Self service module.

- b) Customised Modules related to Loans & Advances and Benefits Management : Mostly customised modules integrated with PeopleSoft HCM 9.1 and developed using standard PeopleCode. The module contains approx. 25-30 sub-modules which relates with various employee benefits such as Medclaim, Tour and Official Travel, LTC, Scholarships to wards, Telephone reimbursements, Guest House bookings. Customised modules related to employee's vigilance matters are also a part of this module. Further, all loans and advances applicable for employees of NABARD, their origination, recoveries, management and interest calculations are also a part of the Loans and Advances sub-module of this module.
Under HRMS package during the year approx. 90,000 payments were made.

- c) Global Payroll including Pension: Slightly customized version of delivered Indian Payroll module of PeopleSoft HCM 9.1 is used for generating Payroll and Monthly Perquisite allowances. Income Tax calculation / deductions alongwith periodic IT review is performed through the module. Sub-set of the features of the module are used to calculate Pension for all retired employees who are eligible for monthly pensions. Pay slips / Pension slips are displayed through Self-service.

At present we are drawing salary for about 4500 employees and pension to 2000 pensioners.

- d) *Absence Management*: Slight customized version of delivered Absence Management module of PeopleSoft HCM 9.1 is used for leave and time management. Modules customized keeping in mind various types of leave eligible to officers of NABARD and rules related to them. Leave affecting Payroll is directly linked with Payroll cycle. Leave is granted either through a two-step process or a three-step process depending upon NABARD's rules. *Necessary increments are also added to the system.*
- e) CLMAS – NABARD is in the process of full implementation of core banking.

Auditing will have to be conducted in case of all financial transactions of bank.

Logistic Support extended: NABARD would be providing requisite infrastructure support / facilities such as premises, work stations with personal computer & peripherals, working lunch & snacks to the staff engaged by the Firm at Inspection Department, Head Office.

NABARD invites sealed proposals for engagement of Auditors to provide concurrent audit services for our HO Departments.

- (a) Well established and reputed firms of Chartered Accountant are eligible for engagement under contract.
- (b) At any time prior to the deadline for submission of proposal, NABARD may, for any reason, modify the RFP. The prospective respondents having received the RFP shall be notified of the amendments and such amendments shall be binding on them.
- (c) NABARD reserves the right to accept or reject any or all the proposals in whole or part without assigning any reasons.
- (d) NABARD intends to select one (1) firm of Chartered Accountants under contract.
- (e) During pre-qualification and evaluation of the Proposals, NABARD may, at its discretion, ask respondents for clarifications on their proposal.
- (f) Such clarification/s shall be provided within the time specified by NABARD for this purpose. If an applicant does not provide clarifications sought as mentioned above within the specified time, its proposals shall be liable to be rejected.
- (g) Proposals need to be submitted in hard copy in a sealed envelope as mentioned in para A of Section IV of the RFP document. Proposals received by facsimile shall be treated as defective, invalid and will be rejected. Only detailed and complete proposals in the form indicated, received prior to the closing time and date of the

proposals alongwith the EMD of Rs 97,200 /- (Rupees Ninety seven thousand two hundred only) shall be treated as valid.

- (h) Respondents are not permitted to modify, substitute, or withdraw proposals after its submission.
- (i) The proposal may be submitted along with the covering letter about the proposal, along with the information/documents indicated in the Annexure and the declaration, signed by the authorized signatory duly approved by the partner/s of the Firm with Seal of the Company/firm. All pages are required to be signed.
- (j) No cost will be borne by NABARD towards preparation and submission of the proposals.
- (k) The tenure of the contract would be for **three years**, subject to review of performance and adherence to the terms and conditions. NABARD may terminate the contract without assigning any reasons by giving one month's notice or fee equivalent to one month.
- (l) NABARD will evaluate the proposals submitted by respondents in detail, based on the data submitted by them in the Annexure.
- (m) Proposals can be submitted in sealed cover by **3.00 p.m. on 19 July 2016**. No extension will be granted for submission. Before submission of bid, bidder may ensure to enter pre-contract integrity pact (duly stamped) as per annexure IV of RFP.

Time Table

Task	Time & Date
Release of Request for proposal	05 July 2016
Pre-bid Meeting	14 July 2016
Proposal Submission Due Time & Date	3.00 pm 19 July 2016
Date & Time of opening of Technical /Financial Bid	4.00 pm 19 July 2016

Address for Communication	Contact Persons	
The Chief General Manager National Bank for Agriculture and Rural Development (NABARD) Inspection Department, 3 rd Floor, 'D' Wing, C-24 'G' Block, Bandra- Kurla Complex, Bandra (East) Mumbai 400 051	022- 26539533 (Between 10.00 am to 5.00 pm on working days)	Shri S G Godse, DGM

- (n) Tender currency: All prices shall be expressed in Rupees only
- (o) Tender language: The Proposal shall be in English language only
- (p) Tenders received after scheduled time will not be accepted by NABARD under any circumstances. NABARD will not be responsible for any delay due to postal service or any other means.
- (q) Tenders once submitted will be treated as final and no further correspondence will be entertained on this.
- (r) No Tender will be modified after the deadline.
- (s) All taxes deductible at source, if any, at the time of release of payments, shall be deducted at source as per then prevailing rates while making the payments.
- (t) Confidentiality of all the information received from NABARD may be maintained during the execution of this engagement.

Section II

Parameters for Eligibility to apply

The Chartered Accountant Firm has to satisfy the following Pre-qualification criteria to apply for engagement. Respondents satisfying the following criteria only are eligible to submit their proposal for the Request for Proposal (RFP).

- a) This invitation to respond to the Request for Proposal is open only to reputed firm of Chartered Accountants as defined ICAI, Act, 1949.
- b) The firm of Chartered Accountants should have at least 5 Chartered Accountants as full time partners/ employees. One of them should also be DISA (Diploma in Information system Audit) qualified.
- c) The firm of Chartered Accountants should have been in existence in India for a period of at least **6 years** as of 31.3.2016 i.e., their membership duly registered with and renewed with ICAI.
- d) The firm of Chartered Accountants should have at least one office in Mumbai.
- e) The firm of Chartered Accountants should have a minimum experience of 5 years in concurrent auditing of Reserve Bank of India, other Financial Institutions (FIs) / Banking Institutions such as NABARD / IDBI / SIDBI / SBI / PSU banks/ICICI bank/HDFC Bank.
- f) The firm of Chartered Accountants should have minimum 18 full time professional staff (excluding typists, stenographers, computer operators, secretary/ies and subordinate staff, contract & sub-contract staff), having experience of auditing in banks/Financial Institutions.
- g) The firm of Chartered Accountants should have staff with minimum two year experience in concurrent auditing in digital environment (core banking).
- h) The firm of Chartered Accountants should have average annual revenue of Rs 1.50 crore in last 03 years (2013-14, 2014-15, 2015-16).
- i) The bidder should be maintaining / having positive networth and cash profits (i.e. no cash loss) in last 02 years out of 03 years.

Necessary documentary proofs may be submitted as per requirement along with duly filled in proposal. The proposal of the firm, which does not meet any of the above criteria, **will not be considered for above assignment.**

Other important conditions

- a) The selected firm agrees to place a team of manpower in NABARD's premises for carrying out auditing work. The leader of the team should be a chartered accountant who will guide and supervise the team. Other members of the team should be qualified assistants, article clerks, experienced bankers with audit experience, persons with book-keeping and accountancy back ground. As per our experience, minimum 15 personal are required to take up auditing work effectively.
- b) The manpower placed in NABARD should be able to audit in digital/core banking environment. The selected firm of Chartered Accountants shall deposit initial security deposit of 2% of the annual contract fee, which shall not carry any interest and shall be refundable only after the complete conclusion of the contractual obligations to the complete satisfaction of both the BIDDER and the BUYER

Disqualifications

NABARD may at its sole discretion and at any time during the evaluation of proposal, disqualify any respondent, if the respondent:

- i. Submitted the Proposal documents after the response deadline;
- ii. Made misleading or false representations in the forms, statements and attachments submitted in proof of the eligibility requirements;
- iii. Failed to provide related clarifications, when sought;
- iv. Declared ineligible by the Government of India/State/UT Government for corrupt and fraudulent practices or blacklisted.

Section III

SCOPE OF WORK

- a) **The selected firm is required to place a team of manpower in NABARD's premises for carrying out auditing work. The leader of the team should be a chartered accountant who will guide and supervise the team. Other members of the team should be qualified assistants with book-keeping and accountancy back ground, article clerks, ex-bankers with audit experience. As per our experience minimum 15 personal are required to take up auditing work effectively.**
- b) The manpower placed in NABARD should be able to audit in digital/core banking environment.
- c) The firm will provide necessary identity cards to personal placed with NABARD. They are expected to maintain office decorum, discipline, well behave, wear proper dress/footwear, and not engage in telephone/mobile conversation/chatting unnecessarily.
- d) The team is required to carry out the auditing work without any delay in keeping with office instructions/guidelines. The observations shall be reported in writing to the concerned sections/departments (as per system) and the non-complied with/unsatisfactory complied observations to be reported with Inspection department periodically in the returns prescribed for the purpose. They are also required to attend periodical meetings/trainings/workshops arranged by bank.
- e) The monthly fee will be paid on submission of monthly audit report in prescribed returns.
- f) TDS will be deducted for any payment made by NABARD, as per applicable provisions of Income Tax Act/Rules.
- g) **The scope and coverage of Concurrent Audit in different Departments of Head Office are furnished in the Annexure III.**
- h) In addition to concurrent audit the firm will also carry out IS audit of the office on half yearly basis and submit the report.
- i) The audit would be carried out at NABARD, **Head Office, Mumbai.**

Section IV

ASSESSMENT CRITERIA

(A) Proposal Requirements

1. The Firms may note that for the purpose of the engagement of Concurrent Auditors a two -stage bidding process will be followed. The response to the present tender will be submitted in two parts, i.e. the 'Technical Bid' and the Financial Bid. **The Bidder will have to submit the 'Technical Bid' and the 'Financial Bid' separately in two different sealed envelopes, within the stipulated date and time.** The 'Technical Bid' will contain the exhaustive and comprehensive technical details indicated in Annexure 1, and Financial Bid' will contain the Pricing information as indicated in Annexure 2.

The Technical Bid shall NOT contain any pricing or commercial information at all and if the Technical Bid contains any price related information, then that Bid would be disqualified and would NOT be processed further.

Before submitting bid, bidder will have to enter into pre-contract integrity pact.

2. The Firm's response should be organized into the following sections:

Section 1 Executive Summary / Introduction

Section 2 Proposal Compliance Letter

A letter signed by an authorized officer of Firm certifying the Firm's proposal with complete compliance with the RFP specifications except as specifically noted in the appropriate sections.

Section 3 Technical bid (as per Annexure 1 to this RFP)

Section 4 Financial bid (as per Annexure 2 to this RFP)

Section 5 Terms and conditions to be included with the Proposal

(B) Important Terms:

- ❖ **Quotes:** The rates quoted must be final. Only one rate to be quoted.
- ❖ **Terms** The proposal must not include "Cancellation" clause.
The Proposal must not include any conditions.

(C) Process to be adopted for Evaluation of the Bids

1. The evaluation of the bids received will be made on the basis of a techno-commercial evaluation.

2. All responses will be opened in front of an Internal Evaluation Committee (IEC) constituted for this purpose in NABARD in the presence of representatives of firms, if they choose to remain present.
3. The evaluation would be done in two stages. In the first stage, only the 'Technical Bids' will be opened in the presence of an internal bid opening committee and Technical Bids in respect of only those bidders who fulfill the eligibility criteria indicated in the Section II of this RFP will be considered for technical evaluation.
4. Thereafter the financial bids of those bidders, who's Technical Bids have been evaluated will be opened.
5. The eligible technical Bids will be evaluated on the basis of Technical details and points will be awarded as per the following table:

Evaluation criteria for Technical Bid:

Sl. No.	Criteria	Points	Total points
1	Number of years since the Firm established as on 31.3.2016		10
(i)	Between 6 to 8 Years	4	
(ii)	Above 8 upto 10 Years	6	
(iii)	Above 10 upto 12 Years	8	
(iv)	Above 12 Years	10	
2.	Average Annual Revenue (Amount in Rs.) for last 3 years (2013-14 & 2014-15, 2015-16)		20
(i)	Upto 1.50 crore	5	
(ii)	Above 1.5 crore to 2 crore	10	
(iii)	Above 2 crore to 3 crore	15	
(iv)	Above 3 crore	20	
4.	Number of full time professional staff (excluding typists, stenographers, computer operators, secretary/ies and subordinate staff, contract & sub-contract staff), having experience of auditing in banks/financial institutions as on 31.03.2016		20
(i)	Between 18 to 50	5	
(ii)	More than 50 up to 75	10	

(iii)	More than 75 up to 100	15	
(iv)	More than 100	20	
5.	Experience of the Firm in conducting Concurrent Audit of RBI/ FIs / SBI/ SIDBI/ NABARD/PSU Banks/ ICICI Bank/HDFC Bank		20
(i)	Upto 5 years	4	
(ii)	More than 5 years up to 7 years	8	
(iii)	More than 7 years up to 10 years	12	
(iv)	More than 10 years	20	
6.	Experience of conducting Concurrent Audit in Digital / CBS Environment		30
(i)	2 years	10	
(ii)	More than 2 years upto 5 years	15	
(iii)	More than 5 years upto 7 years	25	
(iv)	More than 7 years	30	

Technical Assessment (50% weightage)

- i. Full marks i.e. 100 (absolute value) will be awarded to the bidder scoring the highest marks as per Ranking methodology for Technical evaluation
- ii. Proportionate marks will be awarded to the other bidders as a percentage of the highest marks received.
- iii. Full 50 marks will be awarded to the bidder getting the highest marks i.e. 50% of 100 i.e. 50. Similarly, proportionate marks will be awarded to absolute value quoted by other bidders.

Commercial Assessment (50% weightage)

- i. Full marks i.e. 100 (absolute value) will be awarded to the bidder quoting the lowest price i.e. Total Contract Value as per Commercial bid.
- ii. Proportionate marks will be awarded to the other bidders as a percentage of the lowest quote.
- iii. Full 50 marks will be awarded to the bidder quoting the lowest price i.e. 50% of 100 i.e. 50. Similarly, proportionate marks will be awarded to absolute value quoted by other bidders.

Overall Assessment for calculation of L1:

- i. Marks scored in Technical Assessment and Commercial Assessment will be added.
 - ii. The bidder scoring the highest marks will be L1.
5. Qualified bidders will be empaneled by the Internal Evaluation Committee. The offer of contract will be made as decided by the Committee.
6. The acceptance of the offer by the selected Firm will be communicated to NABARD by acknowledgement of second copy of the offer duly signed by the authorized signatory of the firm and deposit ISD (Initial security Deposit) of 2% of the annual fee. The ISD will not bear any interest and will be refunded after complete conclusion of the contractual obligations to the complete satisfaction of both the BIDDER and the BUYER.
7. Non-acceptance of the offer may lead to forfeiting the Earnest money Deposit (EMD) of the Firm.
8. On acceptance of offer by the firm, they will execute an agreement with NABARD and start the work of concurrent auditing from 01 August 2016 or any other date as may be decided.

(D) NABARD reserves the right to:

- Reject any or all responses received in response to the RFP without assigning any reason whatsoever.
- Cancel the RFP / Tender at any stage, without assigning any reason whatsoever.
- Waive or Change any formalities, irregularities, or inconsistencies in this proposal (format and delivery). Such a change / waiver would be duly and publicly notified in NABARD's website before the closure of the bid date.
- Extend the time for submission of all proposals and such an extension would be duly communicated to all the firms.
- Select the bidder even if a single bid is received as response.
- Share the information / clarifications provided in response to RFP by any bidder, with all other bidder(s) / others, in the same form as clarified to the bidder raising the query.

(E) Bid Submission

Bidder may ensure to enter pre-contract integrity pact (duly stamped) as per annexure IV of RFP before submitting the bid which is required as per directions of the Central Vigilance commission.

1. Response Format:

2. Section 1 – **Technical Bid** to be submitted in a **separate sealed envelope** in the attached Format (Refer: Annexure 1) alongwith DD for EMD of Rs 97,200/- (Rupees Ninety seven thousand two hundred only)

*Superscribe the envelope with the reference # NB/ID/2016-17/CA /TB

Section 2 – **Financial Bid** to be submitted in a **separate sealed envelope** in the attached Format (Refer: Annexure 2)

*Superscribe the envelope with the reference # NB/ID/2016-17/CA /FB

2. The sealed covers containing the **Technical Bid and the Financial Bid should in turn be put in one single sealed outer envelope to be superscribed as “Technical and Financial Bids for Engagement of Concurrent Auditors in NABARD Head Office Mumbai”**

3. The bidder or any person duly authorized to bind the bidder to the contract should sign the bid. The signatory should give a declaration and through authenticated documentary evidence establish that he/she is empowered to sign the tender documents and bind the bidder. All pages of the tender documents except brochures, if any, are to be signed by the authorized signatory.

4. The bid should contain no interlineations, erasures or over-writings except as necessary to correct errors made by the bidder. In such cases, the person/s signing the bid should initial such corrections.

5. The bidder is expected to examine all instructions, forms, terms and conditions and technical specifications in the Bidding Documents. Failure to furnish all information required by the Bidding Documents or submission of a bid not substantially responsive to the Bidding Documents in every respect will be at the Bidder’s risk and may result in rejection of the bid.

6. No columns of the tender should be left blank. Offers with insufficient information and Offers, which do not strictly comply with the stipulations given above, are liable for rejection.

7. The bids will be opened in the presence of authorized representatives of the bidders. However, the representative of the bidder has to produce an authorization letter from the bidder to represent them at the time of opening of Technical / Commercial bids. Only two representatives will be allowed to represent any bidder. In case the bidder’s representative is not present at the time of opening of bids, the quotations / bids will still be opened at the scheduled time at the sole discretion of NABARD.

Place: Mumbai

Date: 05 July 2016

Section V

Important Terms and Conditions:

Following additional terms and conditions shall also apply:

- (a) **Bidder warranties** - By submitting a Response, Bidder represents and warrants to NABARD that, as at the date of submission:
- i. the Bidder has fully disclosed to NABARD in its Responses all information which could reasonably be regarded as affecting in any way NABARD's evaluation of the Response;
 - ii. all information contained in the Bidder's Response is true, accurate and complete and not misleading in any way;
 - iii. no litigation, arbitration or administrative proceeding is presently taking place, pending or to the knowledge of the Bidder threatened against or otherwise involving the Bidder which could have an adverse effect on its business, assets or financial condition or upon NABARD's reputation if the Response is successful;
 - iv. the Bidder will immediately notify NABARD of the occurrence of any event, fact or circumstance which may cause a material adverse effect on the Bidder's business, assets or financial condition, or NABARD's reputation or render the Bidder unable to perform its obligations under the agreement, if any or have a material adverse effect on the evaluation of the responses by NABARD; and
 - v. the Bidder has not and will not seek to influence any decisions of NABARD during the evaluation process or engage in any uncompetitive behavior or other practice which may deny legitimate business opportunities to other Bidders.
- (b) **Confidentiality** - Bidder must keep confidential any information received from or about NABARD as a result of or in connection with the submission of the Response. All information contained in the Response, or in subsequent communications shall be deemed confidential and may be used only in connection with the preparation of Bidder's Response. Unless expressly agreed in writing prior to submissions, Responses are not confidential and may be used by NABARD in whole or part. NABARD however, will not disclose the information provided by Bidder in a Response other than to its affiliates or to its professional advisors, unless required otherwise by any provisions of law. Additionally and at any point of the evaluation and selection process, NABARD may require the Bidder to execute a Non-Disclosure Agreement (NDA) if the Bidder has not executed an **NDA** with NABARD previously.

- (c) **Disclaimer** - Whilst all reasonable care has been taken in compiling this Response document, the figures, documents and details are presented in good faith; and no warranty or guarantee (express or implied) is given by NABARD as to the completeness or accuracy of the Response or any information provided in or in connection with it. To the maximum extent permitted by law:
- i. NABARD, its officers, employees and agents will not be liable in any way whatsoever for any loss, damage, cost or expense (including without limitation any liability arising from any fault or negligence on their part) arising from the evaluation process; and
 - ii. each Bidder releases and indemnifies NABARD from all claims, suits, demands, proceedings, actions, liabilities, damages and costs which may arise under statute, law, equity or otherwise arising from, whether directly or indirectly, or in connection with the evaluation and selection process.
- (d) This RFP is not an offer to contract, nor should it be construed as such; it is a definition of specific NABARD requirements and an invitation to recipients to submit a responsive proposal addressing such requirements. NABARD reserves the right to make no selection and enter into no agreement as a result of this RFP. Only the execution of a written agreement between NABARD and a vendor will obligate NABARD in accordance with the terms and conditions contained in such agreement.
- (e) It should be understood that your response to this RFP constitutes an offer to do business on the terms stated in your response and that, should a contract be awarded to you, NABARD may, at its option, incorporate all or any part of your response to this RFP in the contract. NABARD reserves the right to accept your offer without further discussions and without any additional opportunity for you to amend, supplement or revise your submitted offer.
- (f) **NABARD's right to verify** - NABARD reserves the right to conduct a site survey or obtain other evidence of facilities, resources, and managerial, financial and Bidder performance abilities prior to announcing the successful Bidder or awarding an agreement under this evaluation process.
- (g) **Financial documents** - NABARD may request additional financial/business information from the Bidder at its discretion.
- (h) **Selection criteria** - The selection criteria, inquiries, questions or information put forth in the Response are meant to be provided on the aforesaid and established through the details submitted by the bidder in the Financial bid.

- (i) **Termination/or suspension of evaluation process** - NABARD reserves the right to suspend or terminate the Bidder evaluation process (in whole or in part) at any time in its absolute discretion and without liability to the Bidder or any third party. Bidders will be notified if any suspension or termination occurs but NABARD is not obliged to provide any reasons.
- (j) **Other Rights** - Without limiting its rights under any other clause of this evaluation process or at law, and without liability to the Bidder or any third party, NABARD may at any stage of the evaluation process:
- i. Require additional information from a Bidder;
 - ii. Change the structure and timing of the evaluation process;
 - iii. Terminate further participation in the evaluation process by a Bidder;
 - iv. Negotiate with more than one Bidder;
 - v. Terminate negotiations being conducted with a Bidder;
 - vi. Vary or extend the timetable and evaluation process
 - vii. accept any non-complying Response; or
 - viii. Vary the terms and conditions of the evaluation process, the RFP or specifications or requirements at any time.
- (k) **Responsibility for Costs** - Bidder is responsible for all costs, expenses or liabilities incurred by them or on their behalf in relation to the evaluation process (including in relation to providing NABARD with the response, the revised response or any additional information).
- (l) **Non-Reliance by Bidder** - Bidder, by submitting a Response, acknowledges that:
- i. it does not rely on any information, representation or warranty, whether oral or in writing or arising from other conduct, other than that specified in this RFP or otherwise provided by NABARD in writing;
 - ii. it has made its own inquiries as to regarding the risks, contingencies and other circumstances that may have an effect on the Bidder's Response as well as the accuracy, currency or completeness of such information; and
 - iii. Information provided in its Responses are based on historical trends does not constitute a representation that such trends will continue into the future or occur again and nothing contained in its Response can be relied upon as a commitment, guarantee or representation regarding future events or performance.
- (m) **NABARD's right to vary** - NABARD reserves the right to vary any aspect of this evaluation process, RFP without liability to Bidder. Where NABARD varies any aspect of this evaluation process or the agreement, NABARD shall notify the Bidder of that variation.

- (n) **Incorporation of Responses into agreement** - The successful Bidder as concluded by NABARD shall sign an agreement with NABARD. NABARD may, at its sole discretion, incorporate any portion of any successful Response of a successful Bidder into the final agreement. NABARD may require a successful Bidder to submit, before negotiation of the agreement, details of issues which may affect their ability to act as a Bidder.
- (o) **Precedence of Documents** - If there is any inconsistency between the terms of this RFP and any of its appendices, schedules or attachments then, unless the contrary is explicitly stated in this RFP, the terms of the RFP will prevail to the extent of any inconsistency.
- (p) **Governing Laws & Dispute Resolution**-The RFP and selection process shall be governed by and construed in accordance with the laws of India. Disputes or differences whatsoever, arising out of the RFP process shall be resolved amicably between the parties. Any dispute arising out of the RFP process shall be referred to arbitration under the Arbitration & Conciliation Act, 1996 as provided hereunder:
- (i) If any dispute, difference or question shall at any time arise between the parties concerning anything or as to the rights, liabilities and duties of the parties under this RFP, except in respect of matters for which it is provided hereunder that the decision of NABARD is final and binding, the same shall be referred to arbitration for a final decision after giving at least 30 days' notice in writing to the other party (hereinafter referred to as the "Notice for Arbitration") clearly setting out the items of dispute to a sole arbitrator who shall be appointed as hereinafter provided. For the purpose of appointing the sole arbitrator referred to above, one party (say 'A') shall send to other party (say 'B') within thirty days of the "Notice of Arbitration", if the dispute is raised by 'B', and vice versa, a panel of three persons who shall be presently unconnected with both the parties ('A' or 'B').
 - (ii) 'B' shall on receipt of the names as aforesaid select any one of the persons so named to be appointed as the Sole Arbitrator and communicate his name to 'A' within 15 days of receipt of the names. 'A' shall thereupon without any delay appoint the said person as the Sole Arbitrator. If 'B' fails to communicate such selection as provided above within the period specified, 'A' shall be entitled to appoint one of the persons from the said panel to act as the Sole Arbitrator.
 - (iii) If 'A' fails to send to 'B' the panel of two names as aforesaid within the period specified, 'B' shall send to 'A' a panel of three persons who shall be unconnected with either party. 'A' shall on receipt of the names as aforesaid, select any one of the persons and appoint him as the sole arbitrator. If 'A' fails to select the person and appoint him as the Sole Arbitrator within 30 days of receipt of the panel and inform 'B' accordingly, 'B' shall be entitled

to appoint one of the persons from the panel as sole arbitrator and communicate his name to 'A'.

- (iv) If the Arbitrator so appointed is unable or unwilling to act or refuses his appointment or vacates his office due to any reason whatsoever another sole arbitrator shall be appointed as aforesaid.
- (v) The arbitration shall be governed by the Arbitration & Conciliation Act, 1996 as in force from time to time or any Ordinance or Legislation that may be made in lieu thereof. The award of the Arbitrator shall be binding and final on the parties. It is hereby agreed that in all disputes referred to the Arbitration, the Arbitrator shall give a separate award in respect of each dispute or difference in accordance with the terms of reference and the award shall be a reasoned award.
- (vi) The language of Arbitration shall be in English and the place of Arbitration shall be Mumbai.
- (vii) The evaluation process as communicated earlier shall continue without any changes.
- (viii) In the event that you elect not to respond to this RFP, then the restrictions shall continue to apply to the use or disclosure of the information. Additionally, Bidders must immediately return this document and certify in writing to NABARD, that all copies have been returned to NABARD, or destroyed.

Bidder also warrants to take following responsibilities if awarded the work

- a) to pay monthly remunerations to the manpower deployed
- b) will replace the person, if so required, if the performance of a person placed in NABARD premises is found unsatisfactory.
- c) will bear all tax liabilities as applicable and is responsible in filling returns to any Government department if applicable.
- d) shall ensure compliance with provisions of minimum wages Act, EPF Act, ESI Act and such other Acts and rules in force, as may be applicable with regard to provision of necessary auditing services.
- e) shall be governed by all the relevant Laws including Labour Laws, Minimum wages Act, the Provident Fund Act, the ESI Act, as applicable from time to time.

Section VI

ANNEXURE I

Technical Bid for the engagement of Concurrent Auditors at Head Office of NABARD, Mumbai

Sl. No.	Particulars	Answers	Documents required in support of the requirement
1	Name of the Company		Copy of Registration / Membership Certificate under relevant Act / ICAI
	Registered office address		
	Local (Mumbai) address		
	Contact person & Mobile No.		
2	Type of License / Registration / Membership		Copy of Original license issued by ICAI while granting the license and confirmation that the entity can do business
3	Number of years in operation i.e., License Issuance/ renewal dates		Copy of License
4	Revenues (in crores) 2015-16 2014-15 2013-14		Submit the copy of audited Profit & Loss Account for the financial year 2015-16
5	Details of Professional qualifications like CAs/DISA of Partners/full time employees as on 31 March 2016		Auditor's Certified Copy
6	No of full time professional staff (excluding typists, stenographers, computer operators, secretary/ies,		Necessary documentary proofs to be submitted.

	subordinate staff, contract and subcontract staff) having auditing experience in bank's/financial institutions as on 31 March 2016		
7	No of Offices & locations		Auditor's Certified Copy
8	No. of Corporate Clients		Auditor's Certified Copy
9	Names of corporate clients		(Please furnish the list with contact nos.)
10	Number of years of experience in concurrent auditing RBI / FIs / SBI/SIDBI/ NABARD/Public Sector Banks/ICICI Bank/HDFC Bank		Necessary documentary proof to be submitted.
11	Details of Code of Conduct / Audit manual		Auditor's Certified Copy
12	Number of years of experience in concurrent auditing in digital/ core banking environment		Necessary documentary proofs to be submitted.

Signature of authorized person

Date:

Name of the Firm and seal

ANNEXURE II

Financial Bid for engagement of Concurrent Auditors at Head Office of NABARD, Mumbai

Sr. no.	Particulars	Per month (Rs.)	Per year (Rs.)
1	Consolidated fee		
2	Applicable Taxes / levies		
	Total		
	Total amount in words Rupees		

Signature of authorized person

Date:

Name of the Firm and seal

Annexure: III

Scope of Department wise Work in Head Office

Human Resources Management Department (HRMD)

- i. 100 percent audit of all vouchers for ensuring compliance with the provisions of Administrative Expenses (AES) Manual and NABARD Expenditure Rules 2008.
- ii. Verification of all books of accounts as per AES Manual, Pre-audit of all third party payments of Rs.1.00 lakh and above in HO.
- iii. 100 % verification of TDS cases and certification towards prompt remittance of TDS to the IT Authorities.
- iv. Reconciliation of Bankers Account.
- v. Vetting of provisions Vouchers /Statements at the time of closing of Books of Accounts and also quarterly provisions.
- vi. Booking of transaction in proper heads of account.
- vii. Verification of all expenses incurred through HRMS.

Scrutiny of all types of bills for ensuring

- i. Booking to proper head of account
- ii. Proper sanction of expenditure as per delegated power
- iii. Certification of proper receipt of goods and services
- iv. Issue of cheques and receipts thereof
- v. Ensuring of proper maintenance of books of accounts and registers.

Leave & Increments

- i. Checking sanction of increments & pay fixation.
- ii. Checking of employee wise pay details.

Training

- i. Checking of expenditure incurred on Incentive Scheme for Professional Studies
- ii. Checking of expenditure incurred on Senior Officers Training Programmes
- iii. Checking of expenditure incurred on other training programmes approved by HO

Audit of payment of salaries

- i. Checking of calculation of salary
- ii. Checking of calculation of overtime
- iii. Checking of sanction of various advances to staff
- iv. Checking of interest calculation
- v. Recovery of installments of various advances
- vi. Reconciliation of employee- wise outstanding under various advances with Loan ledgers.

Pension Cell

- i. Correct compliance with the instructions given in "Memorandum of Instructions on NABARD Pension Regulation, 1993" and subsequent amendments.
- ii. Maintenance of registers
- iii. Calculation of Average Monthly Emoluments (AME) / Pension
- iv. Delay in sanctioning / communicating / payment of pension / family pension
- v. Delay in responding to Credit / Debit Advices raised by ROs
- vi. Redressal of grievances of pensioners / family pensioners
- vii. Pre audit of all superannuation payments.

Sanction & Release of Housing Loan

- i. Checking of sanction
- ii. Checking of release of installments
- iii. Checking of documents
- iv. Checking of calculation of interest
- v. Checking of interest on annual basis
- vi. Reconciliation of Individual Recovery Sheet with General Ledger on a yearly basis

Dispensary

- i. Procedure of enlistment of suppliers
- ii. Checking of system followed for purchase of medicines
- iii. Checking up of system followed for settlement of bills
- iv. Maintenance of stock registers
- v. Maintenance of issue registers
- vi. Ensuring surprise verification of stock

Liveries

Procedure followed for supply of liveries to staff members

Other Items

- i. Checking of uploading of data in HRMS
- ii. Checking of short / excess provisions
- iii. Review of entries under Sundry Advances / Sundry Creditors Account

Department of Premises, Security & Procurement (DPSP)

Acquisition of Land and Construction of Office Premises/Quarters

- i.** Examination of Proper approval / sanctions of State Govt. / Local Bodies for the allotment of land for the building or for purchase of properties including land / package deal premises / construction works.
- ii.** Sanctioning of construction plans by Controlling Authorities or competent local authorities.
- iii.** Clearance from the Law Department for acquisition of land/premises from private individuals, and following proper procedure through competitive quotations for the said acquisitions.
- iv.** Conveyance deeds and / or lease agreements / sale agreements executed.
- v.** Architects / Consultants (Civil and Electrical) and their terms of appointment whether approved by the Competent Authority (CA).
- vi.** Estimates of costs of the project (Civil, Electrical and others) and their approval by the CA before execution and variations, if any. Empanelment / Prequalification of contractors with the approval of CA.
- vii.** Finalization of the layout plans, tender documents and work drawings, cost estimates (Civil and Electrical etc.) as per approved plans and specifications and financial sanctions thereof as per the estimates.

Scrutiny of Tenders

- i.** Invitation of Tenders, display thereof on NABARD's website, wherever applicable and their scrutiny and the award of works for various items (Civil, Electrical etc.) with the approval of CA.
- ii.** Approvals for variations in specifications / quantities / quality/drawings etc. due to compelling/changed circumstances with proper justification.
- iii.** Examination - whether any variation has given any undue benefit to the contractor and / or loss to NABARD.

Guarantee of Performance – Security Deposits, Earnest/Retention Money /Bank Guarantee

- i.** Mobilization Advance, Security Deposit, Earnest Money, Retention Money, Secured Advance are as per the Agreement including the utilization thereof.
- ii.** Bank Guarantee wherever accepted in lieu of cash, its adequacy and validity - running account bills (Civil and Electrical) whether certified correctly.
- iii.** All performance guarantees properly obtained and preserved.

- iv. Proper reasons and approval available for any delay in completion of work and proper justification available for levy or non-levy of liquidated damage and payment of PVA clause.

Settlement of Final Bills-Refund of Security Deposits

- i. Final bill payment is made with no-claim certificate and all recoveries and after receipt of 'as built' completion drawings and issue of completion certificate by the Architect.
- ii. Final S.D. is refunded only after completion of Defect Liability period.
- iii. Whether, maintenance of all site records, such as test report, Hindrance Register, site order book, cement and steel consumption up to date have been maintained?

Examination of Financial Aspects:

Examine the correctness of amounts sanctioned and vouchers passed vis-à-vis the claims/bills received. Whether provision of Income Tax Act, other Acts (like service tax, WC tax and VAT etc.) and recoveries have been complied with. (Financial sanctions must be available for all payment made under appropriate head and no excess is paid without revised sanction). Whether expenditure has been booked under proper Heads of Accounts? Whether Maintenance of Registers was proper and provides all the necessary data required?

Safe custody of Documents:

Verify all the relevant documents related to each of the Project. This includes amongst others, Bank Guarantee, Original Tender Documents, approved notes and approvals thereof for costs, variations etc., performance guarantee, set of tender drawings, set of as-built drawings, completion certificate and approvals of local authorities. Conveyance deeds of all the properties. In case complete documents are not available, efforts made by the department to obtain the same may be commented upon.

- i. Preparation / maintenance of list of documents kept in safe custody / with provision for columns for removal / restoration of documents for official purpose.
- ii. Custody of keys of safes and operation thereof.
- iii. Key Movement Register.

Maintenance of NABARD's properties:

In case of all properties owned by NABARD, all the repairs and maintenance thereof shall be the responsibility of NABARD. However, in case of property taken on lease, the maintenance responsibility thereof shall devolve on NABARD / lessor in accordance with the terms and conditions of the agreement. If the owner does not carry out the repairs on request / demand as per terms of the agreement, NABARD shall serve a notice to the owner and carry out such repairs and recover the cost thereof from the

owner on actual basis. A provision to this effect in the agreement shall be made as and when agreement is made/ renewed. All such agreements/renewals may be verified and seen that such clause /s has / have been incorporated in the agreements/renewals.

Premises and Leased Flats

- i. Verification / safe custody of bank's title deeds on a quarterly basis.
- ii. Checking of rent payments
- iii. Checking of adjustments of advances
- iv. Renewal of lease agreements
- v. Verification of documents
- vi. Awarding of contract for security arrangement for Office Premises and Staff Quarters.
- vii. Awarding of contracts for maintenance of Visiting Officers' Flats.
- viii. Whether rent, rates and taxes paid on time.
- ix. Verification of VOF maintenance certificates
- x. AMCs of VOFs / Bank's properties.

Dead Stock Items

- i. To check formation of panel of vendors and approval thereof.
- ii. To ensure procedure for purchase of dead stock items
- iii. Maintenance of quotation Register
- iv. Purchase Committee Recommendation /s
- v. Sanction of expenditure as per delegated power
- vi. Maintenance of Inventory Register
- vii. Allocation of Inventory Numbers / display thereof on inventory / dead stock articles through bar coding at every two year interval.
- viii. To ensure disposal of unserviceable items at regular intervals as per HO circulars.
- ix. Maintenance of Repairs to property Register, arrangement for repair and maintenance of dead stock items was satisfactory / unsatisfactory.
- x. Extent & Coverage of dead stock articles under service.
- xi. Annual/half yearly verification and monetary reconciliation.
- xii. The effectiveness of the AMCs

Stationery Items

- i. Preparation of approved list of suppliers, whether approved list of suppliers was renewed biennially after following the procedures?
- ii. Follow up of proper procedure for purchase of stationery items
- iii. Maintenance of Quotation Register
- iv. Purchase Committee recommendation /s
- v. Sanction of expenditure as per delegated power
- vi. Procedure followed for issue of stationery items
- vii. Maintenance and updating of Issue / Stock Register
- viii. Surprise verification of stock / maintenance of record thereof
- ix. Half-yearly stock verification.

- x. The mechanism to receive the deliveries as per order specification in terms of number and quality.
- xi. Aberrations, if any, in placing unduly large orders vis-à-vis the requirements.
- xii. Timely payment of bills of suppliers, delay if any and reasons therefor, wherever applicable.

Printing of Registers etc.

- i. Preparation and updating of approved list of printer biennially after following the procedures.
- ii. Maintenance and updating of quotation register.
- iii. Procedure followed for receipt of indents for printing various departmental formats, books etc.
- iv. Placing of order and receipt of printed material
- v. Settlements of bills, delay, if any and reasons therefor, wherever applicable.

Use of Bank's Car

- i. Verification of RC books of bank's vehicles
- ii. Maintenance of Log Book
- iii. Maintenance of use of petrol Register
- iv. Maintenance of Repairs Register
- v. Maintenance of Accessories Register
- vi. Procedure followed for settlement of repair bills.
- vii. Procedure for purchase of Car for office as well as ED/CGM/GM
- viii. Obtaining of car insurance and timely renewal of car insurance policies.

Officers' Lounge and Staff Canteen

- i. Performance of the caterers – whether as per the terms of agreement.
- ii. Timely settlement of bills of caterers.
- iii. Checking of deduction of tax at source

Telephone/Mobile

- i. Verification of settlement of telephone/mobile bills
- ii. Checking of recovery of excess telephone/mobile call charges.
- iii. Procedure for purchase and providing of cell phones to officers – maintenance of record
- iv. AMC with cell phone providers
- v. Disposal of handsets after three years from the date of purchase

Insurance

- i. Checking of adequacy of timeliness and appropriateness of the policy and coverage of all incurables related to bank's property.
- ii. Synchronization of policy period with financial year.

Sports Club/Welfare Associations

- i. Checking of sanction of grants given
- ii. Checking up of bills for activities undertaken.
- iii. Maintenance of registers.

General Administration

- i. 100 % audit of all vouchers for ensuring compliance with the provisions of Administrative expenses (AES) Manual and NABARD Expenditure Rules 2014.
- ii. Verification of all books of accounts as per AES Manual, pre-audit of all third party payments of Rs.1.00 lakh and above in HO.
- iii. 100% verification of TDS cases and certification towards prompt remittance of TDS to the IT authorities.
- iv. Vetting of provisions vouchers / statements at the time of closing of book of accounts and also quarterly provisions.
 - v. Joint custody of important documents, valuables.
 - vi. 100% checking of assets accounting.
 - vii. Booking of transactions in proper heads of account.
 - viii. Checking of short / excess provisions
 - ix. Review of Sundry Advances & Sundry Creditors – Sundry Deposits Accounts.

Scrutiny of all types of bills for ensuring

- i. Booking to proper head of account
- ii. Proper sanction of expenditure as per delegated power
- iii. Certification of proper receipt of goods and services
- iv. Issue of cheques and receipts thereof
- v. Ensuring of proper maintenance of books of accounts and registers
- vi. Checking of Bank reconciliation

Department of Economic Analysis and Research– Library

- i. Acquisition / Accessioning of Books and settlement of Bills
- ii. Subscription/Renewal of subscription to Journals/Magazines/On line databases.
- iii. Issue and Return of Books/Magazines/Journals, Recovery of cost of lost books/ books not returned and Issuance of No Dues Certificate
- iv. Physical Verification of Books/Writing off missing publications/Weeding out of unwanted and outdated books.

Accounts Department

Tax

Filing of Tax returns in time.

NABARD General Account

- i. Whether Inter Office account reconciled on fortnightly basis?
- ii. Follow up of NABARD General Account - Status of outstanding position and amount - Age wise classification/ status of entries

Budget – Revenue and Capital Expenditure

- i. Whether budget has been prepared covering category-wise expected levels of administrative expenses, based on information from respective departments / sources?
- ii. Whether the assumptions in respect of budget are documented in all detail?
- iii. Whether actual expenditure vis-à-vis provisions as per the budget are reviewed and monitored at prescribed intervals?
- iv. Violation of budget norms, if any, and corrective action taken thereon.
- v. Whether quarterly review of budget vis-à-vis expenditure is prepared?

Maintenance / Closing of Account

- i. Checking of Vouchers - 100 percent checking of all Vouchers pertaining to annual closing passed by AD.
- ii. Verification of Trial Balance and advice concerned HO Departments to pass necessary rectification entries. This should be pointed out to the concerned HO Department also.
- iii. Verification of Balance Confirmation Statements in respect of Development Funds.
- iv. Checking of NPA classification and calculation of NPA provisioning (Quarterly).
- v. Checking of E-4 statements on quarterly status.
- vi. Checking of OSMOS returns sent to RBI on quarterly basis.

ALCO Statements

Whether ALCO/ ALM meetings are held regularly by RMD as required and returns sent to RBI on time?

Finance Department

(A) Audit of Capital Gains Bonds (CGBs) / Rural Bond (RBs) / Bhavishya Nirman Bonds (BNBs)

- i. Checking of maintenance of Records and Registers viz. Registrar Bills Register, Arrangers Bill Register, Redemption Register, Interest rate Register, etc.. Visit to Registrar office regarding Issue of Bonds, Issue of Bonds Certificate as well as Demat form
- ii. Detailed checking of Rural Bonds (RBs) / Bhavishya Nirman Bonds (BNBs) and other bonds, if any (in future).
- iii. Preaudit of issue of bonds in physical as well as Demat form and matching the issue size with daily inflow of funds received by NABARD.
- iv. Pre-Audit of Interest on application money for Rural Bonds and Bhavishya Nirman Bonds.
- v. Pre-Audit of semiannual and annual interest payments, accrued interest in case of cumulative interest optees and Redemption payment of Pre-audit of Registrar / Axis Bank / Arrangers Bills.
- vi. Reconciliation with monthly Trial Balance with respect to CGB, BNB and RB accounts.
- vii. Audit of Bank Reconciliation of various banks accounts with Axis Bank and HDFC Bank.
- viii. Pre-audit and checking of Annual Closing Statements.
- ix. Checking of Tax Deduction at Source.

(B) Audit of Bonds and Borrowings

(a) Institutional Borrowings:

- i. Scrutiny of Bond applications / CDs /CPs / TMBs / Tea, Rubber & Coffee Deposits / Borrowings from GoI / KfW (Euro) and various other agencies.
- ii. Compliance with RBI / SEBI / Bombay Stock Exchange & National Stock Exchange guidelines / instructions. Maintenance of records and Registers, Issue of Bonds / CDs/CPs, etc.
- iii. Pre-audit of interest payments of Bonds, CPs, CDs, Tea deposits, Rubber & Coffee Deposits, loans from GoI, KfW, and monthly provisions / memorandum for the same.
- iv. Pre-audit of redemption of Bonds, release of TDS amount to Income Tax Dept. and net interest to Bondholders.
- v. Payments to Depository Agents, M/s. Datamatics, Arrangers, rating agencies, debenture trustee, BSE, bankers and to NSDL, if any.
- vi. Checking of Annual Closing Statements in respect of Institutional Borrowings Section
- vii. Checking of Tax Deduction at Source
- viii. Checking of remittance transit A/c

- ix. Checking of monthly provisions for bonds, CP & CD in case of GoI borrowings.

(b) Retail Borrowings:

- i. Scrutiny of Bond applications / TDs / RIDF / STCRC.
- ii. Compliance with RBI / SEBI / Bombay Stock Exchange guidelines / instructions. Maintenance of records and Registers, Issue of Bonds, etc.
- iii. Scrutiny of Investor Grievances
- iv. Pre-audit of interest payments of Bonds, RIDF, STCRC and Corporate loans and monthly provisions / memorandum for the same.
- v. Pre-audit of redemption of Bonds, Repayments made to Commercial Banks in respect of RIDF, release of payment to Income Tax Dept. and net interest payment to Bondholders.
- vi. Pre-audit of monthly interest provision, calculation (RIDF, STCRC, STRRB fund).
- vii. Payments to Depository Agents, Registrar, Arrangers and bankers, if any.
- viii. Checking of Annual Closing Statements in respect of retail borrowings section
- ix. Checking of Tax Deduction at Source

(C) Audit of transactions of Finance Department

- i. Checking of Vouchers - 100 percent checking of all cash and Journal Vouchers and ensuring proper accounting.
- ii. Verification of maintenance of books as per AES and Loaning Manual (Pertaining to FD) The Detailed Registers are maintained by GAD, Accounts Department, Premises and other departments. (specific)
- iii. Checking of voucher postings.
- iv. Checking of disbursement notes received from ROs for release of refinance to commercial banks
- v. Checking of posting of loan ledger
- vi. Pre-audit of principal demand. (The pre-audit of principal demand raised against Commercial Banks is to be done at HO)
- vii. Pre-audit of calculation of interest. (The pre-audit of interest demand raised against Commercial Banks is to be done at HO)
- viii. Reconciliation of loan ledger balances with general ledger, NABARD General Account/ Inter Office Account
- ix. Inter office Account - passing of vouchers
- x. Checking of reconciliation of loan ledger with due date registers. (The reconciliation in respect of Commercial Banks will be undertaken by HO)
- xi. Verification of Bank Reconciliation Statements / Trial Balance
- xii. Checking of quarterly provisions including interest payable on borrowings
- xiii. Checking of calculation of penal interest on defaults. (The checking for commercial banks is to be done at HO)
- xiv. Calculation of interest payable on borrowings on a quarterly basis and provisioning thereof
- xv. Checking Balance confirmation certificates

- xvi. Submission of compliance of Statutory Auditors observations related to FD
- xvii. Submission of compliance to RBI's Inspection observations related to FD

(D) Audit of Treasury Operations

- i. Submission of monthly reconciliation of Govt. securities, passing of vouchers related to valuation loss
- ii. Shifting of securities between categories, etc., (viz. To and from HTM, AFS to HFT, HFT to AFS)
- iii. Audit of investment as per the investment policy
- iv. Auditing of transactions of Disbursement Section related to FD
- v. All items of work attended by Front Office related to FD
- vi. Verification of calculation of interest on investments made and accounting thereof - Treasury
- vii. All derivative transactions, compliance with internal processes on institutional borrowings and payment of guarantee fees should be covered
- viii. Coverage of investment transactions for compliance as per investment policy, approved processes and accounting norms
- ix. Monthly reconciliation of balances under G-securities
- x. Errors in preparation of deal slips
- xi. Non-authentication of the deal slips by the Back Office
- xii. Delay in obtaining counter party information
- xiii. Weekly report on the Front Office and Back Office transactions should be submitted for being placed before the Investment Committee
- xiv. Verification of NABARD's investments at periodical interval
- xv. Risk monitoring –portfolio, quantitative limits as per Investment policy, etc.
- xvi. Checking of monthly income and yield statement.
- xvii. Price scan – Instrument wise.

Procedure for checking of Treasury Operations

(1) Dealing Room

- i. To check whether limit has been fixed for the dealers.
- ii. Compliance with various dealing limits.
- iii. To verify whether any dealer has exceeded the limit during the day. If increased, whether authorization / approval of appropriate officials was taken on the deal ticket.
- iv. To check regular rotation of duties for the dealers are in place (One year)
- v. To check whether any Dealing Room staff held any payment authority.
- vi. Verify functional segregation of duties between Front Office and Back Office officials.
- vii. To check whether Investment Committee meetings are held regularly & proceedings of the same are placed before the MD and Chairman for their information every week
- viii. To check whether Investment Reviews are put up to appropriate authority at regular intervals.

- ix. To check whether deals are done in line with the Investment Management Framework work.
- x. Monitor counter party exposure.

(2) Front Office

- i. Check whether Deal Slips are serially numbered, time noted, stamped and contains all the correct details of the deal done.
- ii. Check Issue of Deal Tickets are controlled and registered.
- iii. Check Deal Slips are promptly transmitted / passed on to Back Office for their action after deal is struck (No inordinate delay)
- iv. If deals done and confirmed from telephones - Is fitted with Voice Recorder? If so whether recorded tapes are preserved in accordance with RBI guidelines. (Normally 2 months)
- v. To ascertain dealing time - and to check whether any deals are done outside dealing hours (weekdays 09.00 to 17.30 and Saturdays 09.00 to 14.30).
- vi. To verify any substitution of Counter party has taken place after the deal is struck.
- vii. Verify deals are done with approved panel of brokers.
- viii. Verify Ready Forward Transactions are done only through eligible counter parties approved by RBI.
- ix. In the case of Reverse Repo securities bought under Reverse Repo are sold during the period of the contract.
- x. RBI guidelines on investment issued to Banks / FIs and adopted by the corporation is followed.
- xi. Check for any deviation from standard Dealing practices issued by FIMMDA.
- xii. Check for any deviation from the procedures laid down in the Treasury Manual / Management guidelines.

(3) Back Office

- i. Check Back Office input data is verified with Deal Slips and the confirmation received.
- ii. Check whether payments and settlement are made / received as per the settlement date and as per the instructions recorded in the Deal slips.
- iii. Verify is there any missing deal slip - cancelled deal slips are properly accounted for - and also for instances of duplication.
- iv. Whether all transactions are accounted for position and the same are reflected in the reports.
- v. Verify for the correctness of the Day end Position generated by the Dealing Room and Back Office and the same is duly signed.
- vi. Check any deal is expired for want of timely approval / settlement by the Back Office.
- vii. Verify Deal Confirmations are sent immediately after the deals are struck and Deal confirmations are received in time from the counter parties (should not be more than 5 days).
- viii. Any discrepancy noticed between Deal Confirmation and Deal Slip was promptly reconciled.

- ix. Check for any errors in settlement, if so, properly corrected in time.
- x. Check the Stop Loss statement generated and check for any deviations from the approved stop loss limits.
- xi. Vouchers are passed promptly and sent to Accounts Department.
- xii. Check for any bouncing of SGL forms, if so, proper reporting and suitable action is initiated.
- xiii. Check whether day end holding position in security is reconciled with the NDS / CCIL reports.
- xiv. Verify proper monitoring is done for receiving the redemption proceeds of G-Sec. Treasury Bills and no delay is encountered.
- xv. Any reconciliation is done by back office in respect of security and funds settled at the end of the day or before the start of the next day.
- xvi. Verify whether valuation of securities mark to market were done at appropriate benchmark rate and at prescribed intervals.
- xvii. Ready Forward Transactions, if any, are accounted as per Uniform Accounting Procedure prescribed by RBI.
- xviii. Verify whether monthly statements of holding in respect of G-Sec. & Treasury Bills received from PDO are reconciled.
- xix. Ensure no Deal Confirmation is sent / received by the Dealing Room directly.
- xx. Whether Back Office is maintaining specimen signatures of authorized persons for deal confirmation.
- xxi. Any deviations observed from the prescribed procedure mentioned in the Treasury Manual.
- xxii. Trading in equity shares, if any, may be examined.
- xxiii. Basic monitoring –portfolio, quantitative limits as per Investment policy, etc.
- xxiv. Checking of monthly income and yield statement.
- xxv. Price scan – Instrument wise.

REPO

Check

- i. Deal ticket generated
- ii. Statement showing securities offered against deal
- iii. Instruction received from dealing room
- iv. Approval note, if any

GOVERNMENT SECURITIES PURCHASED / SOLD

Check

- i. Deal struck in NDS and Deal ticket generated
- ii. Deal is done directly or through broker

Purchase

- i. Deal ticket generated
- ii. NDS statement, if any
- iii. Approval/ authorization
- iv. If not through NDS :- Deal confirmation

Sold

- i. Deal ticket generated
- ii. NDS statement
- iii. Statement of gain/ loss
- iv. Approval/ Authorization

Treasury Bills

- i. Deal ticket generated
- ii. Form III issued by RBI in respect of SGL
- iii. Deal confirmation (both parties)
- iv. Approval/ Authorization
- v. Statement of profit and loss

Register/ Online records (if any) maintained - Front Office/ Back Office

- i. Security Deal control register
- ii. SGL Transfer from issued and received register
- iii. Security movement register

Institutional Development Department

A. DCRR

1. Whether -

- i. Accounting procedure have been laid down and being adhered to
- ii. Books of accounts are maintained in the light of Revival package i.e., Receipt of funds, sanction and release of funds through ROs, State Government etc.
- iii. Sanction has been made as per the guidelines of Revival Package/decision taken by National Implementation and Monitoring Committee
- iv. Sanction of Government of India share of Revival Package was accorded after completing all required formalities
- v. The Fund has been released through proper Head of Account
- vi. Sanction of GoI share/expenditure on training etc. whether accorded as per delegated powers
- vii. Data/information are being called for in respect of the advances given by ROs
- viii. Proper provisioning was made against the advances and timely reversal thereof was ensured
- ix. Monthly balancing was done for the amount released by DCRR
- x. Monthly confirmation of balances with FD was ensured
- xi. Utilisation Certificate was being sent to GoI on quarterly basis
- xii. Books of account are being separately maintained for funds routed through HRDD, HO, NABARD to Training Institutes
- xiii. Any information/data was called by DCRR in case of training fund released by the ROs and adequacy of procedure of reconciliation
- xiv. Guidelines have been framed and being followed in case of amount released towards technology support
- xv. Amount released are in conformity with the guidelines issued
- xvi. Adequacy of utilisation of Fund and mechanism through which Fund was utilised

2. System adopted by DCRR, HO for ensuring timely adjustment of advances given for training etc.

3. Checking the scrutiny/settlement of bills submitted by Training Establishments

B. Cooperative Development Fund (CDF)

Whether -

- i. Accounting procedure have been laid down and being adhered to
- ii. Sanction has been made as per the guidelines of Cooperative Development Fund
- iii. The Fund has been released through proper Head of Account
- iv. Sanction of expenditure was accorded as per delegated powers
- v. Amount released are in conformity with the guidelines issued

C. Compliance of –

Observations of Concurrent Audit/Statutory Audit, RBI Inspection/inspection by ID, HO, NABARD, Central Government/Comptroller and Auditor General of India, external agencies (World Bank, KFW etc), if any

Department of Information Technology

Information System Audit of HO Departments

Anti-Virus

- Whether McAfee software has been updated and date of update
- Version of the McAfee Software

Domain Implementation

- Whether computer is on nabarddomain.org

Unlicensed software

- Whether any unlicensed software/ games are loaded on the computers

Disaster Recovery/ Backups

- Whether backup of critical data is being taken by users.
- Whether off-site backup is being maintained.
- Whether record of maintaining backup is kept by department.

IS Audit of DIT

For IS Audit of DIT, the Standardised Check list given by RBI vide their letter No. DBS. FID.No.C-11/ 01.02.00 / 2002-03 dated 31 December 2002 addressed to the CEOs of all India Term Lending & Refinance Institutions shall be used.

CLMAS

1. Checking of Daily Bank balances between Insta and CLMAS
2. Checking on Quarterly basis of all Due Date Diaries between Legacy and CLMAS
3. Checking of all Principal and Interest Demand letters before issue, between Legacy and CLMAS
4. Test check of voucher dates alignment between Insta and CLMAS

DoR – Co-financing Cell

It is required to be examined so as to ensure:

- i. Whether the cofinancing bank and RO have finalised the mode of release of funds and also receipt / apportionment of recovery.
- ii. Monitoring visits of projects to be undertaken on monthly basis till commencement of commercial production. The findings of the study to be forwarded to HO with recommendations of the RO after approval of the same by CGM / RO-in-charge. After completion of the project, monitoring visits to be undertaken on a quarterly basis. Monitoring reports should be forwarded in the prescribed format.
- iii. Whether copies of security documents are in the possession of the HO.
- iv. Whether valuation has been done before completion of 3 years from the last valuation and a copy of the current valuation is forwarded to HO.
- v. Whether insurance policy has been renewed and copies of insurance documents kept on record. Whether NABARD's name is incorporated in the insurance document.
- vi. Whether registration of charges done in favour of NABARD and the date of last search with ROC.
- vii. Whether expenditure details and supporting documents (certificate from CA) till last release, balance sheet for the last half year, half-yearly statement of book debts are submitted by the promoter.
- viii. Whether financing branch was visited by RO official and the transaction details pertaining to the project examined. (C/A and C/C statements pertaining to the account may be obtained and kept on record).
- ix. Whether stock statement and working capital assessment reports are obtained at periodic intervals.
- x. Whether rating of the promoter and the project revisited at least once in a year and it is as per prescribed methodology.
- xi. Whether due date diary is maintained and demand notice for principal due and interest due are raised sufficiently in advance.
- xii. Whether the repayment schedule fixed by Bank and NABARD due dates for principal and interest are same / same dates.
- xiii. Whether joint lenders meetings are held periodically? If so, at what intervals?
- xiv. Whether bank has communicated revision in the interest rate.
- xv. Whether PERT charts for monitoring of projects prepared.
- xvi. In case proceedings commenced under DRT / SARFAESI Act, whether bank has consulted NABARD / prior approval taken.
- xvii. Whether the documents have been renewed within time limit? When the documents are likely to become time barred.
- xviii. Whether borrower has submitted latest Annual Report / Statement of Account. If not, whether RO has obtained the same through ROC.
- xix. Whether processing fees have been collected from the borrower.
- xx. Ensure that cofinancing associates were CBs, RRBs, SCBs or other institutions in consortium arrangement with a scheduled bank.

- xxi. Share of NABARD in an individual project restricted to 60% of total term loan including working capital (term loan 50% maximum).
- xxii. Prescribed exposure norms were followed.
- xxiii. Prescribed documentation done prior to release of loan.
- xxiv. Securities taken as per RBI guidelines & pari-pasu charges created in favour of NABARD prior to release of loan.
- xxv. Joint appraisal of projects done with participating banks / consortium partners.
- xxvi. An adequate system for monitoring the sanctioned projects was in place.
- xxvii. Timely reschedulement in deserving cases under advice to HO.
- xxviii. Conduct of diagnostic study to ascertain the reasons for accounts turning bad.
- xxix. Sanction and releases are made as per the delegated powers / procedure of sanction.
- xxx. Amount / s released are in conformity with the guidelines issued.
- xxxi. Monthly reconciliation statements for all the schemes are prepared.
- xxxii. Monthly confirmation of balances with Accounts Departments are ensured for all the accounts.
- xxxiii. Whether OTS proposals properly sanctioned and put up.
- xxxiv. Whether annual review of all the Co-finance accounts have been carried out by the RO at the end of the Financial Year in the prescribed format?
- xxxv. Whether CIBIL reports for the Co-finance project and/ or guarantors have been generated, observations have been incorporated in the annual review of co-finance account and concerned Co-finance bank has been informed for updating the details not available in CBIL report.
- xxxvi. Whether target for recovery during financial year given to Regional Office by HO under Co-finance has been achieved.

DoR - Govt. Sponsored Programmes

1. Whether -

- i. confirmation of claims forwarded to ROs in time
- ii. pending list of confirmation claims received from ROs are prepared for all the schemes on monthly basis in proper manner.
- iii. requisitions made to GoI for release of funds / subsidy takes into account all the claims received from ROs.
- iv. accounting procedure has been laid down and being adhered to
- v. books of accounts are maintained - Receipt of funds from GoI, sanction and release of funds to Banks through ROs.
- vi. the funds received from GoI are credited to the correct account head.
- vii. the funds received from GoI are utilised without delay.
- viii. the Fund has been released through proper Head of Account
- ix. sanction and releases are made as per the delegated powers / procedure of sanction
- x. amount/s released are in conformity with the guidelines issued
- xi. data / information are being received in respect of the subsidy released by ROs
- xii. monthly balancing was done for the amount released to ROs

- xiii. monthly reconciliation statements for all the schemes are prepared
- xiv. monthly confirmation of balances with AD was ensured for all the accounts
- xv. utilisation certificate was being sent to GoI in time
- xvi. any rejection of claim has been made and the same is in order

2. Checking the calculation of service charges to be paid by Government of India / Other agencies for implementation of Govt. Sponsored Schemes and booking of the same to the appropriate head of account.

3. Compliance to -

- a) Observations of Concurrent Audit / Statutory Audit
- b) RBI Inspection / inspection by ID, HO, NABARD Central Government / Comptroller and Auditor General of India.

Department of BID

Release of loan/limit sanctioned

- i. Whether the drawal application is in the format prescribed with all the annexures duly filled in giving relevant details.
- ii. Whether the scrutiny of drawal application is as per of the Terms and conditions of sanction and preparation of Release Note is in order.
- iii. Whether the sanction of release is as per the delegation and is by the competent authority.
- iv. Whether the repayment schedule drawn out, is as per the sanctioned terms and the due dates are in order.
- v. Whether the bank details of the beneficiary is correct based on the request of the client/beneficiary.

Release of expenditure incurred for workshops/seminars sponsored by BID

- i. Whether the expenditure incurred is within the limit approved for the programme and if it exceeds, whether revised sanction has been approved by the competent authority.
- ii. Whether the bills/invoices supporting the expenditure are in order.
- iii. Whether the release note is in order
- iv. Whether the expenditure, approved by the competent authority, is as per the expenditure rules of NABARD
- v. Whether the bank details of the beneficiary is correct and is as per the request of the client.

NIDA

All sanctions related to NIDA/CFF/High Risk Projects are being done at HO. However, the sanction letter will be issued by the respective RO, the documentation is done at RO and disbursement and monitoring is also carried out by RO.

Department of Susidiaries and Strategic Investment (DSSI)

Pre-audit of all payments above Rs 100,000.00 as per present norms and post- audits of all financial transactions of the Deptt.

Department of Storage and Marketing (DSM)

Pre-audit of all payments above Rs 100,000.00 as per present norms and post- audits of all financial transactions of the Deptt.

Department of FSDD

Pre-audit of all payments above Rs 1,00,000.00 as per present norms and post- audits of all financial transactions of the Deptt.

Department of OFDD

Pre-audit of all payments above Rs 1,00,000.00 as per present norms and post- audits of all financial transactions of the Deptt.

Department of MCID

Pre-audit of all payments above Rs 1,00,000.00 as per present norms and post- audits of all financial transactions of the Deptt.

Other

In addition to the details mentioned in Annexure III pre-audit of all payments above Rs 1,00,000.00 as per present norms is required to be done.

DECLARATION CERTIFICATE

I / We do hereby declare that there is no case with the Police / Court / IRDA / SEBI / Regulatory authorities against the proprietor / firm / partner / employee.

Also I / We have not been suspended / delisted / blacklisted by any other Govt. Ministry / Department / Public Sector Undertaking / IRDA / SEBI / Autonomous Body / Financial Institution / Court.

We certify that neither our Company / firm nor any of the partners are involved in any scam or disciplinary proceedings settled or pending adjudication.

We hereby undertake and confirm that we have understood the scope of work properly and shall carry out the work as mentioned in this RFP.

Signature of the Authorised Signatory with Seal

PRE CONTRACT INTEGRITY PACT

General

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on _____ day of the month of _____ between, on one hand, National Bank for Agriculture and Rural Development (NABARD), represented by Shri _____ (hereinafter called the “BUYER”, which expression shall mean and include, unless the context otherwise requires, his successors in office 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 procure (Name of the Stores/Equipment/Item) and the BIDDER/Seller is willing to offer/has offered the stores 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 body corporate established under NABARD Act, 1981 having its Head Office at Plot No.C-24, Block ‘G’, Bandra-Kurla Complex, Bandra (East), Mumbai.

NOW, THEREFORE,

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings 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 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:

Commitments of the BUYER

1.1 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 of 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.

- 1.2 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.
- 1.3 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. 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 such a person 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.

Commitments of BIDDERS

3. The BIDDER commits itself to take all measures to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during an pre-contract or post-contract 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 immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER, connected directly or indirectly with the 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 NABARD for showing or forbearing to show favour or disfavor to any person in relation to the contract or any other contract with NABARD.

3.3 BIDDERS shall disclose the name and address of agents and representatives and Indian BIDDERS shall disclose their foreign principles 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 manufacturer/integrator/authorized government sponsored export entity of the defense stores and has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in 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, nor 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 the contract and the details of services agreed 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 to 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 The 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 of any of the officers of the

BUYER, or alternatively if any relative of an 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 6 of the Companies Act 1986.

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 Enterprises 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 Rs 97,200/- Earnest Money/Security Deposit, with the BUYER through any of the following instruments.

- i. Bank Draft or a Pay Order in favour of NABARD
- ii. A confirmed guarantee by an Indian Nationalized Bank, promising payment of the guaranteed sum to the BUYER on demand within three working days without any demur whatsoever and without any reasons whatsoever. The demand for payment by the BUYER shall be treated as conclusive proof of payment.
- iii. Any other mode or through any other instrument (to be specified in the RFP).

5.2 The Earnest Money/Security Deposit shall be valid upto a period of five years or the complete conclusion of the contractual obligations to the complete satisfaction of both the BIDDER and the BUYER, including warranty period, whichever is later.

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 provisions 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 provisions 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 the 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 an 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 the LIBOR. If any outstanding payment is due to the BIDDER from the BUYER in connection with another 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 Government of India for a 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 the BIDDER, the same shall not be opened.
- x. 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

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 our 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 provisions of the 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/s not supplying similar product/systems or sub systems 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 it 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 has appointed Independent Monitors (hereinafter referred to as Monitors) for this Pact in consultation with the Central Vigilance Commission (Names and Addresses of the Monitors are as under)

(1) Shri Debabrata Sarkar
Mayfair Boulevard (Narayan apartment)
Flat No.701, Main Avenue Road
Santacruz(West), Mumbai -400054

(2) Shri A K Bansal
S-34, Greater Kailash – II
New Delhi 110048

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 instructions 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 this 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 documentation. 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 designated Authority of

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 provisions 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 actions 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 up to 5 years or the complete execution of the contract to the satisfaction of both the BUYER and the BIDDER/Seller, including warranty period, whichever is later in case BIDDER is unsuccessful, 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 this 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

Chief Executive Officer

Designation

NABARD

Witness

Witness

1.

1.

2.

2.

*Provisions of these clauses would need to be amended /deleted in line with the policy of the BUYER in regard to involvement of Indian agents of foreign suppliers.