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REQUEST FOR PROPOSAL (RFP)

FOR

APPOINTMENT AS INTERNAL AUDITORS OF IFCI LIMITED FOR HEAD OFFICE AND FOUR ZONAL OFFICES FOR FY 2017-18

REF NO.IAD/2017-18/02

TO BE SUBMITTED ON OR BEFORE

5.00 P.M. ON 04.10.2017

ADDRESSED TO

GENERAL MANAGER (IAD)

IFCI LIMITED

IFCI TOWER, 61 NEHRU PLACE,

NEW DELHI – 110 019.

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1.0 Introduction:

IFCI Ltd. was set up in 1948 as first Development Financial Institution of the country named as The Industrial Finance Corporation of India, a Statutory Corporation to provide medium and long term finance to industry. After repeal of IFCI Act in 1993, IFCI became a Public Limited Company registered under the Companies Act, 1956 where 51.04% of total paid up share capital is being held by Government of India. IFCI is a Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC-ND-SI) registered with RBI and is also a notified Public Financial Institution under Section 2(72) of the Companies Act, 2013.

2.0 Invitation of Bids:

IFCI invites sealed bids (Technical and Financial) for appointment of Internal Auditors for its Head Office and four Zonal Offices (North, South, East and West) for FY 2017-18 (which can be extended for two more terms). The periodicity of audit is as under:

Sl. No.	Particulars	Periodicity	Audit Scope
1.	**Head Office at Delhi**:		
	i) Major Operating Departments viz. Accounts, Credit, Treasury & FCRO, Investments and Resources.	Quarterly	As per Annexure-I
	ii) Other Departments viz. Accounts, Administration (Services, Security, Estates), Establishment, HRD, Corporate Communication, IT, Legal, SDF, etc.)	Half Yearly.	As per Annexure-II
2.	**Zonal Offices**:		
	i) North Zone based at Delhi (Reporting Office – Chandigarh and Jaipur).	Half Yearly.	As per Annexure-III
	ii) West Zone based at Mumbai (Reporting Offices – Ahmedabad and Pune).	Half Yearly.	As per Annexure-III
	iii) South Zone based at Hyderabad (Reporting Offices – Bengaluru and Chennai)	Half Yearly.	As per Annexure-III
	iv) East Zone based at Kolkata.	Half Yearly.	As per Annexure-III

Note: The existing auditors, who have completed their three years consecutively in conducting the internal audit of any office of IFCI, are not eligible for being considered for reappointment before completion of cooling period of two years.

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3.0 Eligibility Criteria:

The eligibility criteria for appointment as CA Firm for conducting Internal Audit of IFCI is as under:

Sl. No	Eligibility Criteria
1.	The firm should be on the empanelled list of RBI.
2.	The applicant Audit firm should have been Central Statutory Auditor (CSA) for at-least three of the PSU banks, including State Bank of India and its Associates. For Zonal Offices, other than Delhi and Mumbai, the firm should have audited at least one PSU Bank as Branch / Head Office Auditors. Concurrent and Stock Audits will not be considered as Bank Audits.
3.	The firm should have at least 10 years standing and have reasonable reverent public image.
4.	Minimum six full time Chartered Accountants including three partners exclusively associated with the firm for at least three years (at least two should be FCAs having 10 years' experience). In case of ZOs, other than Delhi and Mumbai, smaller firms with at least 3 full time CAs, including 2 partners will be considered.
5.	The Firm should have professional staff numbering above 30 (Professional Staff consists of Audit and Articled Assistants with knowledge in Book-keeping and Accountancy and will be engaged in on-site audits at the place of audit). For ZOs, other than Delhi and Mumbai, firms should have minimum 15 professional staff.
6.	The firm should not be current statutory auditors of IFCI.
7.	The firm should not have adverse comments on their performance from the Management / Audit Committee.
8.	The firm should have at least one CISA/DISA qualified partner/ qualified staff. More than one CISA/DISA qualified partner/ qualified staff is preferred. This criterion is waived in case of ZOs other than Delhi and Mumbai.

4.0 Scope of work:

The scope of the work for conducing Internal Audit of IFCI are given in **Annexures-I to III** (Annexures-I & II for Head Office and Annexure-III for Zonal Offices). The scope may undergo change during audit process and the auditors will have to adhere to the changed scope. Reasonable increase and / or change in scope shall not entitle for any increase in fees and the audit to be carried-out within the original accepted and mandated fee.

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5.0 General Instructions:

The Firm of Chartered Accountants must download the application form as per **Annexure-IV**, and fill up all the relevant information in the prescribed Application format only (namely Form A, B, C & D) viz. Firm details, Partner Details, Qualified / Semi Qualified Staff, Experience Details etc. and must submit the Declaration duly signed by the Partner/Authorized Signatory as well. The Firm should also provide contact details (name of contact person, contact no., e-mail_id etc.) for receiving communication from IFCI Ltd., if any.

5.01 No additional fields should be added in the prescribed application form. In case Firm of Chartered Accountants wants to share any additional information, the same can be enclosed separately.

5.02 All the necessary attachments / proofs required along with the application form must be enclosed and each of the form/document needs to be duly sealed and signed by the partner/authorized signatory. **Kindly note that documents/application form without signatures will not be accepted.**

Note: Kindly attach duly signed photocopies of the following documents:-

i) PAN card.
ii) GST Registration Number
iii) Registration Certificate
iv) Empanelment for statutory audit / work assignment for Branch / Head Office Audit of at least one PSU Bank.
v) Proof of empanelment with RBI and CAG.
vi) Details of Qualified Staff (Chartered Accountants) (Kindly provide a self-attested copy of Certificate of ICAI for each qualified staff.

6.0 Venue and Schedule for Submission of Bids:

Proposals / bids must be received at the address specified below not later than **5:00 P.M. on or before 04.10.2017.**

The General Manager (IAD),
IFCI Ltd., IFCI Tower,
61, Nehru Place
New Delhi – 110 019.

The proposals / bids can also be dropped in the Drop Box kept on the Ground Floor of IFCI Tower, 61, Nehru Place, New Delhi – 110 019.

6.01 The main envelope containing the Technical and Financial Bid(s) **envelopes must have the name, address and seal of the bidder and Office(s) for which the bid is submitted.**

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6.02 Any proposal received by IFCI after the deadline for submission of proposals mentioned will be summarily rejected and retained unopened.

6.03 The Bidder must submit the Financial Bid in a separate sealed cover. The sealed envelope along with the technical bid must be put in an envelope bearing bidder's name, address and seal addressed to the General Manager (IAD), IFCI Ltd., 61, Nehru Place, New Delhi-110019. The envelope must be super-scribed as "Bids for Internal Audit ***of (name of concerned office)***".

6.04 The Bidder has to ensure that while submitting the Bids, all the pages of the Bids are signed by the partner / authorized signatory and all the pages are numbered. If any of the Bids is found to be without proper signature, page numbers, it will be liable for rejection.

6.05 All prospective bidders will be notified of the amendment, if any, by IFCI by hosting the same on IFCI's website which will be final and binding on all the bidders.

6.06 It will be the responsibility of the bidders to regularly visit IFCI's website for ascertaining amendments, if any, from time to time and respond accordingly. No other intimation will be given by IFCI. In order to allow prospective bidders reasonable time in which to take the amendment into account in preparing their Bids, IFCI, at its discretion, may extend the deadline for the submission of Bids.

6.07 IFCI shall not be responsible for any postal delay or non-receipt/non-delivery of the documents.

6.08 In case of non-receipt of adequate response, IFCI at its own discretion may extend the date for which a notification will be hoisted on IFCI's website.

7.0 Opening of Bids:

The bids will be opened **at 11 a.m. on the next working day on 05.10.2017**.

7.01 A two stage bidding process will be followed. In the first stage, only TECHNICAL BID will be opened and evaluated.

7.02 Those bidders who satisfy all the eligibility criteria as determined and notified by IFCI and who accept the terms and conditions of this document shall be short-listed. In the second stage, the 'FINANCIAL BIDS' of only those bidders who meet the eligibility criteria shall be opened. The date and time for opening Financial Bid shall be intimated to the short-listed bidders in due course through e-mail.

7.03 Bidders are also requested to note that the representatives attending the technical and financial bid opening should carry proper authorization from their firms.

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8.0 Selection of Bidder

The final selection of the bidder shall be done after evaluating the Technical and Financial bids and the compliance with all terms and conditions as mentioned in the RPF. The L-1 financial bidder out of the bidders eligible on technical criteria shall be considered as the successful bidder for appointment subject to approval by the Competent Authority of IFCI.

9.0 Minimum Audit Fee:

The minimum audit fee for the above assignments for FY 2017-18 shall be as under:

i) Head Office – 5.00 lakh
ii) North Zone – Rs.0.70 lakh
iii) West Zone – Rs.0.80 lakh
iv) South Zone – Rs.0.90 lakh
v) East Zone – Rs.0.40 lakh

The fee quoted in the Financial Bid will be all inclusive except applicable taxes and no other charges/expenses etc. shall be payable or reimbursable. Kindly note that no travelling or other charges will be payable for visiting the Regional Office in the purview of Zonal Office.
CA firm applying for more than one location should give their financial quote location wise.

9.01 A bid determined as not substantially responsive will be rejected by IFCI.

9.02 An evaluation committee shall conduct bid evaluation. Decision of the committee would be final and binding upon all the Bidders.

9.03 IFCI reserves the right to modify the evaluation process at any time during the Tender process, without assigning any reason whatsoever and without any requirement of intimating Bidders of any reason for the same.

10. Evaluation of Technical and Financial Bids

Technical Bids shall be opened first and evaluated for the bidder's eligibility criteria, bid completeness, bid conformity & bid responsiveness.

10.01 IFCI may waive any minor infirmity, nonconformity or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of the bidders. The decision of IFCI in this regard shall be final and binding.

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10.02 Bidders, whose technical bids are accepted, shall qualify for commercial bid evaluation.

10.03 In case more than one financial bid is received from eligible firms for the same amount, the firm scoring highest score as per the following scoring model shall be deemed to be L-1 and the assignment will be awarded accordingly:-

S. No.	Basis of Scoring	Score
1.	FCA Partners - Marks per FCA Partner	2
2.	CISA/DISA Partners – per CISA/DISA	1
3.	Total No. of partners – exceeding 3 – per partner (In case of ZOs other than Delhi and Mumbai – exceeding 2 – per partner)	1
4.	Central Statutory Audit of Public Sector Banks – exceeding 3 per Bank (For Head Office and Delhi & Mumbai ZOs)	5
5.	Audit of Public Sector Banks (Branch) exceeding 1 – per Bank (For ZOs other than Delhi and Mumbai)	1
6.	Total No. of professional staff (CA/ICWA/CA-Inter) – exceeding 30 – per 5 professionals (For ZOs other than Delhi and Mumbai – exceeding 15 – per 5 professionals)	1
7.	Turnover of the Firm – exceeding Rs.1.00 crore – per 0.50 crore	1
8.	Empanelment with CAG	1

11. Rejection of Bid:

Any effort by a Bidder to influence IFCI Ltd. in its decisions on bid evaluation, bid comparison or contract award may result in rejection of Bidder's bid.

11.01 IFCI is not bound to disclose the grounds for rejection of Bid(s). The decision of IFCI Ltd. regarding declaration of the successful Bidder shall be final.

11.02 The Tendering Authority / IFCI Ltd. reserves the right to accept any Bid and to annul the bid process and reject all bids at any time prior to the award of the assignment, without assigning reasons therefor and without thereby incurring any liability to the affected bidder(s) or any obligation to inform the affected bidder(s) of the ground for the action.

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11.03 Failure of the successful Bidder to comply with all the requirements shall constitute sufficient ground for the annulment of the assignment, in which event, IFCI may make the award to the next lower evaluated bidder or call for new Bids.

12. Bid Validity:

Bids should remain valid for the period of at least 180 days from the last date for submission of bid prescribed by IFCI. In case the last date of submission of bids is extended, the Bidder shall ensure that validity of bid is reckoned from modified date for submission.

Sd/-

(General Manager)
Internal Audit Department

Place : New Delhi
Date: 14.09.2017

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Annexure-I

QUARTERLY AUDIT SCOPE OF REVENUE AND OPERATIONAL AUDIT OF MAJOR DEPARTMENTS OF HEAD OFFICE FOR FY 2017-18

ACCOUNTS	
1.	**Revenue Verification:** (a) Revenue Verification of all Standard Loan Assets and other Instruments covering: i) All Notices issued towards payment of interest and repayment of principal. ii) Identifying the cases where notices are not being issued. iii) Authenticity of the base documents on the basis of which income is booked and Notices are being issued. iv) Compliance with the revenue recognition policy of the company. (b) Efficacy of the control measures which are put in place is required to be verified and Audit Trail would be generated reflecting the changes made in such account data. With the above backdrop, the quarterly Revenue verification (interest / principal fallen due/ claimed) would need to be carried-out and the confirmation / certification be given in respect of all standard assets incorporating following: i) The internal control measures for maintaining authenticity of the data are properly in place. ii) That Master data in respect of all loan accounts / debentures / other accounts as per classification statement in compliance of regulatory framework at the end of the audit period have been duly updated. iii) That the documents indicating basis of generation of income have been verified and duly kept in record. iv) All Audit Trails have been verified and all the items reflected therein have been duly authorized. Any default in generation of such audit trail to be reported by way of a special report. v) Verification of statutory compliances and calculation of statutory dues to be done and confirmed by the Auditors. (c) Verification of calculation of the recoverable amount/sacrifice under OTS/ modifications/ restructuring etc., entered into during the period of audit with reference to the approval of Competent Authority and indicating the same in the report alongwith names of cases. (d) Checking of calculation of interest on NPA cases covering minimum 25% every quarter.

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2	**Other Income:** Comments to be given on the booking of income and internal control mechanism and the software for recording other income from non-fund based business like: i) SDF Commission; ii) Corporate Advisory Department; iii) Estates Department (Lease Rentals etc.) iv) Others - Appraisal Fee, Front End Fee, Guarantee Commission, Legal Fee, Lead Bank Fee, Security Trustee Fee, Guarantee Fee etc. The Auditor to verify that such system has been integrated with GFA for passing accounting entries. Auditors to verify the income received / yet to be received from respective sources as per the accounting policy and the settled terms and to comment thereon and applicability of TDS and GST.
3.	**Expenditure Accounting:** Auditor to verify/vouch the expenditure to a reasonable level and report on compliance as to whether the expenses were booked under proper heads of accounts. Any unusual item/ matter, on which necessary clarifications could not be given by the Department, to be indicated.
4.	**Risk and suggested Mitigation**: Overall comments on various "Risks" involved and steps to be taken for mitigation of the same.
5.	To confirm compliance with guidelines / instructions of regulatory bodies i.e. RBI / SEBI / Stock Exchanges / Tax Department / Govt. of India etc.
6.	To verify and confirm that KYC / AML / CFT / Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.
7.	Auditors to comment on major lapse / irregularity / misappropriation / fraud if any noticed by them, causing loss to the organization.
8.	Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Department / Office.
9.	Status of compliance of audit observations in respect of previous internal audit report.

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INTERGRATED TREASURY	
(A) INVESTMENTS:	
1.	The purchase and sale of Investments during the period and variation in the closing balance of previous quarter and closing balance of current quarter to be verified with reference to the approval of Competent Authority and to be commented upon.
2.	Verification of all the investments and disinvestments etc. to ensure that they are in line with extant policy guidelines with the approval of Competent Authority.
3.	Review of income from Investments during the quarter, as appearing in the quarterly accounts / sub-ledger to ensure that various control systems are in place particularly the authenticity of the data. Specific comments to be made if any omission has taken place.
4.	Verification of the base-data in relation to receipt of dividend against its declaration by the companies and to comment/confirm in the report that all the cases where dividends are due have either been received or adequate follow-up is being made in this regard. All the cases where dividend declared but not received by IFCI must be reported.
5.	Comments to be made on system of monitoring investments. Auditors to indicate the nature of verifications carried-out by them to judge the efficacy of various systems in place, the reports/records that are available and whether instructions of competent authority/norms are being followed.
6.	The auditors to examine Investment Holding Register in respect of all investments maintained at HO. Reconciliation of demat account and also the difference in book hold and stock hold and reasons thereof with suggestions to rectify the discrepancies be given.
7.	To check the contract notes, related ledgers on account of sale or purchase of securities through brokers.
8.	Status of compliance of extant Statutory guidelines and maintenance of records for submission of Returns to RBI with regard to investment portfolio to be verified.
9.	Status of maintenance of files and records in the Department.
10.	Comment on exercise of delegation of powers as per the instructions issued from time to time.
11.	To verify and confirm that KYC / AML / CFT / Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.
12.	To verify and confirm compliance with guidelines / instructions of regulatory bodies i.e. RBI / SEBI / Stock Exchanges / Tax Department / Govt. of India etc.
13.	Auditors to comment on major lapse / irregularity / misappropriation / fraud, if any noticed by them, causing loss to the organization.
14.	Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Department / Office.

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15.	Status of compliance of audit observations in respect of previous internal audit report.

The points mentioned above are indicative in nature. The Auditors, in course of audit have to ensure that Internal Control measures are in place and all the important aspects have duly been covered in the Report. The Auditors are required to comment on various risks involved on different areas of operations as observed in course of verification.

(B) TREASURY & FCRO:

1.	To verify various internal control measures in place in connection with deployment of surplus funds and other areas of operation of Treasury Department and authenticity of internal software used in the Department.
2.	Checking of timely repayment of foreign currency borrowings and interest thereon.
3.	Checking of timely receipt of deployed funds and interest thereon.
4.	Checking of Money Market Mutual Fund Transactions.
5.	Checking of Govt. Securities (G-Sec) / T-Bills / Cash Management Bill transactions.
6.	Checking of Corporate Bonds.
7.	Checking of Term Deposits/ICDs and interest income thereon.
8.	Checking of investments made under Term Deposits/ICDs with reference to norms laid down by the Board of Directors.
9.	Checking of Commercial Papers investments.
10.	Checking of investments in Certificate of Deposits (CDs)
11.	Checking of USD and Euro account with Banks.
12.	Matching of (currency wise) Foreign Currency Assets and Liabilities.
13.	Checking of Security Lending and Borrowing Operations.
14.	Checking of Collateralized Borrowings and Lending Operations (CBLO).
15.	Verification of Trading Operations vis-à-vis Trading Policy.
16.	Checking and reconciliations of Bank Accounts in India and abroad (USD and Euro).
17.	To comment on Exercise of Delegation of Powers, as per the instructions issued from time to time.
18.	Status of compliance with RBI guidelines w.r.t deployment of surplus funds (including FC transactions), deal slips etc.
19.	Status of timely submission of returns to Statutory Authorities.
20.	To confirm that various incomes and expenditures related to the departments as appearing in the quarterly accounts/ related sub-ledger heads are correctly accounted for and duly authorized

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21.	To verify and confirm that KYC / AML / CFT / Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.
22.	To confirm compliance with guidelines / instructions of regulatory bodies i.e. RBI / SEBI / Stock Exchanges / Tax Department / Govt. of India etc. Any aberration to be specifically brought out.
23.	Auditors to comment on major lapse / irregularity / misappropriation / fraud, if any noticed by them, causing loss to the organization.
24.	Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Department / Office.
25.	Status of compliance of audit observations in respect of previous internal audit report.
The points mentioned above are indicative in nature. The Auditors, in course of audit have to ensure that all the important aspects have duly been covered in the Report and comment on risks involved.	

RESOURCES	
1.	To verify and comment on various internal control measures deployed by the Resources Department and particularly the adequacy of control measures built-in in different software to ensure authenticity of the data.
2.	Checking / verification of all payments made on account of interest and or redemption of Bonds (P.P. Bonds, SLR Bonds and Family Bonds etc.) and other instruments and reconciliation thereof. Also to confirm timely servicing of liabilities and that the payments have been made after due approval of Competent Authority.
3.	Status of maintenance of Files and records.
4.	Resource raising as per the norms approved by the Board and complete verification of the data captured. It is to be specifically confirmed that the data entered into the system related to the terms of issue have been recorded correctly.
5.	To verify and comment on all statutory obligations including deduction of TDS and timely deposit of the same with IT Authorities.
6.	Control over preprinted stationery.
7.	To comment on dealing with Investors' Grievances and their resolutions.
8.	Reconciliation of Bank Accounts and checking of Stale Cheques A/c.
9.	To verify and confirm compliance of RBI guidelines on "Know Your Customer (KYC)" norms and Anti-Money Laundering (AML) measures as per Operational Circulars issued by IFCI in this regard. Any aberration to be specifically brought out.

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10.	To confirm compliance with guidelines/ instructions of regulatory bodies i.e. RBI/ SEBI/ Stock Exchanges/ Tax Department/ Govt. of India etc. Any aberration to be specifically brought out.
11.	Auditors to comment on major lapse/ irregularity/ misappropriation/ fraud, if any noticed by them, causing loss to the organization.
12.	Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Office.
13.	Status of compliance of Audit Observations in respect of previous internal audit report.
The points mentioned above are indicative in nature. The Auditors, in course of audit have to ensure that all the important aspects have duly been covered in the Report and to comment on various risks involved as observed in course of verification.	

CREDIT (CREDIT APPRAISAL, CREDIT MONITORING & STRESSED ASSETS MANAGEMENT)	
1.	**Verification of Sanctions of Financial Assistance** a) To confirm that LOI issued in each case contains all the terms and conditions as stipulated at the stage of approval by the competent authority. b) To confirm whether steps to be taken for mitigation of risk as approved by the competent authority at the stage of sanction have been complied with and necessary action has been taken. **Verification of Disbursements** : Confirmation to be given in respect of each case covering: a) Verification of Compliance Chart on status of compliance of various Pre-disbursement and other conditions including creation of security. b) Verification regarding adherence to the time frame in cases where any pre-disbursement or other condition remained to be complied or any part of security not created in cases where specific time frame for compliance of such conditions was agreed to. c) To verify and confirm that all the approvals for relaxations/ modifications of conditions are in line with the Credit Policy and as per the delegation of authority along with proper reporting to Executive Committee/Board in terms of prevailing policy and circulars, have been complied with. List of cases to be given where the sanction terms and conditions have been altered/ amended during the audit period. d) To verify and confirm that main terms and conditions governing the sanctioned assistance have been complied with in fully disbursed cases. e) To verify and confirm that "Compliance Officer" has verified the compliance before each disbursement. f) To ensure that no case of sanction and disbursement pertaining to audit period has been left out.

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	Report of the Auditor to contain case-wise confirmation of the verifications made by them and the non-complied matters to be covered under Risk Analysis.
2.	**Loans against security by way of Pledge of Shares**: a) To verify and confirm that all the cases have been monitored on regular basis in terms of security coverage, top-up / cash margin compliances, and servicing of dues. Specific comments on actual and stipulated security cover and other deviations to be given by the Auditors. b) To verify and confirm that pledge monitoring software is working satisfactorily and that software ensures the authenticity of data entered. c) Specific comments also to be made that security cover as stipulated by the competent authority are being duly adhered to.
3.	**Occurrence of Default :** a) Position of payment of dues on due dates in respect of all the Standard assets portfolio during the period of Audit till the stage of audit to be looked into and to give comments on occurrence of defaults, if any. In cases, where the sanction terms are amended during the audit period, the auditor must verify the compliance of such amendments in the light of applicable legal / regulatory framework. b) Auditor's to provide details of invocation of Guarantees/Letter of Comfort during the Audit Period. c) Auditors to verify and certify the instructions contained in RBI circulars relating to categorization of assets and Special Monitoring Accounts (SMAs) as per extant RBI guidelines have been adhered to.
4.	**Risk Analysis**: After evaluation of the items at 1, 2 and 3 above, comments on various risks involved to be given covering the undernoted areas: i) **Risk Category:** High, Medium or Low. ii) **Risk Probability** : Frequency of occurrence of Risk (i.e., in High, Medium or Low). iii) **Risk Impact:** Impact of risk on Business Objectives (i.e., in High, Medium or Low). iv) **Risk Trend:** Whether Risk are showing a Stable, Increasing or Decreasing Trend. v) **General Statement on Risk**: This would contain the general comment after review of files of standard cases and based on the observations made/ aberrations found / risk ratings. **Forward looking statements be also incorporated in the Risk Statement which shall, inter alia, contain observation on the prospects of the Company and Industry.** The reporting format should include date of sanction and disbursement, security coverage (type and value), FACR, date of first default, default amount, outstanding dues as on date etc.

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	Risk Management Policy/ Mitigating Steps which have been adopted by IFCI to be evaluated and Auditor to give their observation on the effectiveness and adequacy of such measures. The Draft Report, particularly the areas of "Risk Analysis" containing the observations of Auditor should first be given to the concerned department. The views of the Head of the department should be obtained on such observations and based on the position emerged, the Auditor should make Risk assessment and the High Risks to be indicated in bold and the remedial action taken by the management should be commented by the Auditors.
5.	**Fresh NPA cases:** To give the details of fresh NPA cases added during the audit period. Mortality period in respect of such NPAs should be examined and commented upon. Also to comment on the steps taken by the Department.
6.	**Verification of NPA Resolutions:** i) Verification of the terms of the letters issued in OTS/ Restructured cases sanctioned during the period under review and to confirm that they are in conformity with approval of competent authority. ii) To comment on implementation status of OTS/Restructured packages. iii) Comment in respect of SRFA/ major litigation cases settled during the period under review. iv) To comment on actions initiated for recovery / resolution of the dues from NPA cases during the period under review, including acquired assets.
7.	To verify and confirm that KYC / AML / CFT / Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.
8.	Auditors to verify and make specific comments on non-compliance of guidelines / instructions of regulatory bodies i.e. RBI / SEBI / Stock Exchanges / Tax Department / Govt. of India etc.
9.	Auditors to comment on major lapse / irregularity / misappropriation / fraud (if any) noticed by them, causing loss to the organization.
10.	Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Department / Office.
11.	Status of compliance of audit observations in respect of previous internal audit report.

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Annexure-II

AUDIT SCOPE OF INTERNAL AUDIT FOR OTHER DEPARTMENTS OF HEAD OFFICE FOR THE FY 2017-18 (TO BE CARRIED-OUT ON HALF YEARLY BASIS AS AT SEPTEMBER AND MARCH)

I. ACCOUNTS:

1.	**Overall verification of Debit / Credit side of HO Trial Balance** Verification of Trial Balance. The items of Trial Balance, not covered in course of Audit of other Departments, to be covered, under the review of Accounts department. Sundry debtors/Creditors and Advances outstanding for more than 6 months with comments on actions taken for recovery/ adjustment of such items. In respect of the Debtors/Creditors and advances outstanding for less than 6 months, whether any in-appropriate item has been included. In case any long pending items are adjusted, auditor to verify that the adjustments are correct. Guarantees /Letters of Comfort outstanding on date of Audit.
2.	Correctness of passing cash/ bank/journal vouchers etc. Any aberration noticed to be reported.
3.	Position of IFC General A/c Reconciliation. Any entry remaining pending/ un-reconciled, to be indicated. In case all reconciliations made, the same also to be confirmed.
4.	Auditors to verify and confirm that the Bank Account has been reconciled and Balance Confirmation Certificate is obtained. There is no unusual item including stale cheques in the reconciliation statement.
5.	Overall comments on advances/deposits and inter branch transactions
6.	To verify and confirm that KYC / AML / CFT / Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.
7.	Auditors to confirm on timely submission of all statutory/regulatory reports and returns relating to the Department.
8.	Review of all Income tax, Wealth tax, Service tax Returns and payment of the same in time.
9.	Provident Fund, Gratuity Fund, Pension Fund including meetings of the respective Trusts and investments of Funds as per statutory requirements, PF Ledger, Loan Ledger etc.
10.	Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Department / Office.
11.	Compliance of audit observations in respect of previous internal audit reports.

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II. ADMINISTRATION:

(A) Services:

a. Review of all Expenses incurred/handled by the Department (viz. stationery, telephone, fax, electricity, dispatch, purchase of stamps/franking machine, courier, office canteen etc.). Auditors to verify/ vouch the expenditure to a reasonable level and report on compliance of extant rules i.e. due approval of Competent Authority apart from their correct accounting.

b. Deduction of TDS from the payments made as per rules and deposit of such TDS within the stipulated time.

c. Timely payment of various monthly/periodical expenses including statutory dues.

d. Maintenance of records relating to stationery, electrical goods, dead stock items with reference to laid down systems and procedures.

e. Maintenance of Record Centre as per extant guidelines to ensure upkeep and maintenance of documents and files. Auditors to also comment whether the records are stored, sorted and destroyed as per Document Handling and Retention Policy dated 15.04.2015.

f. To verify and confirm that KYC / AML / CFT / Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.

g. Internal Control System in the above areas to be commented.

h. Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Department / Office.

i. To confirm that all the areas handled by the Department have been covered.

j. Compliance of audit observations in respect of previous internal audit reports.

(B) Security:

a. Confirmation that all contracts renewed with the approval of competent authority.

b. Verification of payment of bills and confirmation that all such payments are duly approved by the Competent Authority.

c. The Auditors must satisfy themselves that the exercise of delegation of powers is as per Circulars issued from time to time.

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d. To verify and confirm that KYC / AML / CFT / Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.

e. Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Department / Office.

f. Compliance of audit observations in respect of previous internal audit reports.

(C) Estates:

a. Verification of maintenance of Fixed Assets Register showing Additions/ Deletions with full particulars, including quantitative details and situation of fixed assets. The sum-total of the different group of Assets of such register to tally with the Accounting Records.

b. Particulars of physical verifications of the Fixed Assets at periodical intervals to be made available by Estate Department and reviewed by the Auditors.

c. Review of Capital Work-in-Progress and to confirm that capitalization of expenses are properly made.

d. To comment on the allocation of expenditure on Repairs & Maintenance.

e. Auditors to confirm compliance of procedures and approval of Competent Authority on additions/ deletions of Fixed assets. Comment on the internal control systems and compliance of Fixed Assets Register, as per regulatory requirements.

f. Overview of various contracts for maintenance of assets and services to ensure that payments for various services are made as per the terms approved by Competent Authority.

g. Overview of system of renewal of contracts relating to maintenance and upkeep of premises and colonies.

h. To verify and comment whether the assets of IFCI are adequately insured and insurance is timely renewed.

i. Verification of exercise of power for award of work and acceptance of tender, negotiation with/ without calling for tenders. Scrutiny of bills relating to payment of fees to architects, consultants, local purchase of store, repairs and maintenance etc. and confirmation that the payments are duly approved by the Competent Authority.

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j. Review of timely payment of water, electricity, and diesel bills etc. with the approval of Competent Authority.

k. Review of timely receipt of rent, review of rent agreements as per the policy and with the approval of Competent Authority.

l. Review of timely payment of statutory dues/Taxes and submission of statutory statements/ returns (if any).

m. Auditors to verify the expenditures incurred during the period of Audit to a reasonable level and report on compliance of extant rules, i.e., exercise of power for award of work with/ without calling for tenders, local purchases of stores, repair and maintenance etc., and with due approval of competent authority, apart from their correct accounting.

n. Any unusual item/ matter, on which necessary clarifications not received, to be indicated.

o. Confirmation to be given that all the areas handled by the Department have been covered in the Report.

p. The auditors may look into the procedures adopted by the department and suggest need based improvement, particularly in the area of Internal control systems, if necessary, which should be commented.

q. To verify and confirm that KYC / AML / CFT /Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.

r. In relation to properties of IFCI Ltd., it is to be confirmed that the title deeds/ contracts are kept in safe custody with Legal Department at Head Office and the matters relating to property tax are attended to with diligence.

s. Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Department / Office.

t. Confirmation of compliance of audit observations in respect of previous internal audit reports.

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III. ESTABLISHMENT:

a. Checking / Verification of Salary and other allied matters, including Provident Fund, Pension & Gratuity and other deductions for all Officers and Staff including Regional Offices which is centralized at Head Office.

b. The auditors to verify the area of preparation of salary of officers and staff with reference to the communication from the Competent Authority in relation to the increments, pay- fixation on promotions and pay revision etc., and indicate in their Report on correctness, statutory compliance, apart from on the internal control systems, which are in place, in such areas.

c. Auditors to verify that the Bills (Medical, T.A., LFC etc.) are processed as per prevailing policy/ Circulars and duly approved by the Competent Authority.

d. Verifications and confirmation that the approvals of Loans (HBA, Conveyance, Festival, Consumer Durables, Computer, other loans) have been given by the competent authority and the recoveries of Loans are being made as per schedule.

e. To verify that deduction of TDS from the payments are made as per rules and deposit of such TDS and other statutory dues is done within the stipulated time.

f. Review of Documents, Insurance Policies, Maintenance of Files and records.

g. The auditors to satisfy that the exercise of delegation of powers is as per the instructions issued from time to time.

h. To verify and confirm that KYC / AML / CFT /Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.

i. Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Department / Office.

j. Verification of compliance of audit observations in respect of previous internal audit reports.

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IV. HUMAN RESOURCES:

a. Verification of expenditure on various welfare schemes and confirmation that all such expenses are duly approved by the Competent Authority in relation to Grant to Recreation Club and Resident Welfare Associations, Corporate Social Responsibility (CSR), Operations of schemes for giving grants for employees Disability and financial assistance schemes and Holiday Homes and any other scheme that may be in force.

b. Confirmations that expenses under Training Department are duly approved by the Competent Authority and proper records have been maintained of the related areas.

c. Checking of leave records and to comment whether the leave records are appropriately reflected.

d. The auditors to satisfy that the exercise of delegation of powers is as per the instructions issued from time to time and confirm in their Report about the verifications made, approval of competent authority, statutory compliance, etc in respect of i) Fixation of pension and gratuity to employees under separate categories and ii) Complaints and staff grievances during the audit period and their redressal to be looked into and commented upon.

e. To verify and confirm that KYC / AML / CFT /Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.

f. Verification of compliance of audit observations in respect of previous Internal Audit Reports.

V. CORPORATE COMMUNICATION:

a. Verification of various expenditures incurred and comments whether all the expenditure incurred have been duly approved by the Competent Authority.

b. Confirmation that capital expenditure is incurred with the approval of Competent Authority and added in the Fixed Assets Register.

c. Confirmation that all the deductions of tax at source and payments thereof have been made as per statutory requirements within time limit.

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d. The auditors to satisfy that the exercise of delegation of powers is as per the instructions issued from time to time and confirm in their Report about the verifications made, approval of competent authority, statutory compliance, etc.

e. To verify and confirm that KYC / AML / CFT /Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.

f. Verification of compliance of last internal audit observations.

VI. INFORMATION TECHNOLOGY (IT):

a. To verify and comment upon Additions/Deletions (Purchases, Sales and write off) in Computer hardware/ software and allied items with the accounting records.

b. To verify maintenance of Fixed Assets Registers having full particulars, including quantitative details and location of such fixed assets. The sum-total of the Fixed Assets register to tally with the Accounting Records.

c. To verify particulars of physical verifications of the Fixed Assets at periodical intervals.

d. Auditors to confirm compliance of procedure and approval of Competent Authority on additions/ deletions of fixed assets. They should also comment on the compliance of Fixed Assets Register and maintenance of assets in good to use condition.

e. Expenses incurred by IT Department on various services/maintenance contracts and insurance etc. Auditors to confirm that payments under various contracts are being made as per terms approved by Competent Authority and contracts have been renewed and are in order

f. Comments on availability of adequate data backup and recovery features.

g. IT Department HO to provide the list of Maintenance / service Contracts, indicating the new contracts, renewal during the period of the Audit for verification by Auditors.

h. Auditors to verify deduction of TDS and other statutory dues/taxes from the payments made as per rules and deposit of such TDS within the stipulated time.

i. Comments on adequacy, efficacy, IT Security, Access Control and Audit Trail in respect of IT Audit.

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j. To verify and confirm that KYC / AML / CFT /Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.

k. Comments on compliance of audit observations in respect of previous internal audit reports.

VII LEGAL DEPARTMENT:

a. To verify and confirm that facility documents have been executed as per delegation of powers in compliance with Letter of Intent.

b. To verify and confirm that legal fee at the time of execution of documentation has been collected and correctly booked.

c. To verify and confirm that acceptance of title deeds and creation of securities has been done as per sanction and the charge / modification of charge has been filed with the Registrar of Companies within prescribed time period.

d. To verify and confirm that the approval for appointment of advocates and payment of legal fee are in compliance of prevailing policy/guidelines and as per delegation of powers.

e. To verify and confirm that all the loan documents required to be maintained in 'soft form' in the System have been uploaded in the Integrated Legal Monitoring System (ILMS).

f. Review of suit filed cases and status of execution of Recovery Certificates and Decrees.

g. Review of status of follow-up in respect of SRFA & ESI cases.

h. Confirmation that Safe custody of security documents is in fire proof almirahs and adequately secured.

i. To verify and confirm that KYC / AML / CFT /Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.

j. Review of creation of security and its perfection as per the LoI. Cases pending for security perfection to be commented upon.

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VIII. SUGAR DEVELOPMENT FUND AND CORPORATE ADVISORY:

a. To verify and confirm that SDF commission/ advisory services fee are recognized and booked with proper approval of competent authority. Auditor should also comments on the efforts on realization of such fee.

b. The Agreements/MoUs entered into during the period to be verified and correctness of booking of income is to be confirmed.

c. To verify and confirm that KYC / AML / CFT /Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.

d. In respect of SDF loans, recovery made during the period of audit and reconciliation of recoverable amount with reference to agreement is appearing in trial balance of various ROs to be confirmed / commented upon.

OVERALL COMMENTS

Auditors to comment:

- That the Internal Control Procedures and systems in place in various departments are adequate and effective. In case any breach of procedures/ controls observed, the same to be specifically indicated with the risks involved.
- In case the Auditors have any suggestion for improvement of any System/procedure, the same to be indicated.
- Auditors to confirm that the Audit carried-out under the present scope have covered all the financial activities of the departments and no aspect has been left out.
- To confirm compliance with guidelines/ instructions of regulatory bodies i.e. Reserve Bank of India/ SEBI/ Stock Exchanges/ Tax Department/ Govt. of India etc. Any aberration noticed to be specifically brought out.
- Auditors to comment on major lapse/ irregularity/ misappropriation/ fraud, if any noticed by them, causing loss to the organization.
- Auditors to review the status of compliance of the observations made in last audit period and indicate the outstanding observations, if any, subject to which last audit report can be treated as closed.
- Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Departments / Office.

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Annexure-III

SCOPE FOR HALF YEARLY AUDIT OF ZONAL OFFICES (INCLUDING OFFICES UNDER THEIR PERVIEW) FOR THE FY 2017-18

I. Operational Audit and Review of Files - Standard Cases

1.	Statements to be provided by ZO / Other Offices to the Internal Auditor. A. List of Loans/Debentures/Leased Assets/Investment outstanding as at the end of audit period indicating therein the cases in which disbursements have been made during the period under review would be made available by ZO / Other Offices to the Internal Auditors for verification. ZO / Other Offices to also make available related list of Sanctions / Approvals, list of standard cases where the sanction terms and conditions have been altered /amended and list of disbursements made during the audit period. Summary of Loans and investment to be provided as per the format given in **Appendix-I**. B. Project Monitoring Data as per the format, enclosed as **Appendix-II** to be filled up by ZO / Other Office in respect of all the standard assets. In addition to above, comments on the systems and process followed for monitoring of cases secured by pledge of shares and its supporting data may be made available either by suitably incorporating in the format or as additional information. New cases added during the period of audit to be highlighted. C. Recovery Position from Non Performing cases to be made available by ZO as per format enclosed as **Appendix-III.**
2.	Auditors to ensure that verification of all standard cases, as per audited Classification Statement related to the concerned ZO / Other Office have been carried out by them, on the basis of the above statements.
3.	Specific observations to be given by the Auditor: a) **Compliance of Conditions:** Review of the cases where disbursements have been made during the period of Audit, verify and confirm that (i) all the terms and conditions as per LOI have been complied with, (ii) Compliances due in case of relaxations/modifications in terms & conditions, extension in time period for creation of security granted by the competent authority at the time of Disbursement have been ensured and if not, to comment on status thereof; (iii) Interim Securities approved by competent authority have been created (iv) compliance of other conditions pending at the stage of disbursement have been remedied and if not, to comment on status thereof (vi) end use of the disbursed funds are as per purpose

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mentioned in the LoI/ Sanction; (vii) they have verified all aspects of security creation/perfection, in respect of the cases disbursed during the period of audit and comment on non-compliance, if any.

b) **Occurrence of Default :** Position of payment of dues on due dates in respect of Standard assets portfolio during the period of Audit till the stage of audit to be looked into and the reasons of defaults, if any, to be commented upon as per **Appendix-IV**.

c) **Project Monitoring:** Comments in respect of standard assets, Project Monitoring data in a specified format as per **Appendix-II**, covering factual position would be provided by the Zonal Office**.**

In addition to the above verification of the factual position indicated in the Project Monitoring Data, the following aspects would also be looked into and give their observations:

- Balance sheets, progress reports, inspection reports, concurrent audit reports, nominee directors reports, BCCs, insurance policies etc. have been duly received and properly examined by ZO / Other Office and any key issues having impact on the asset quality have been properly dealt with. The Balance Sheets and various data in respect of listed companies are now available in public domain (on the internet). Hence the auditors to verify that the department maintains sufficient updated data in respect of the concerned cases. In case of loans against pledge of shares, IA to certify that ZO has examined the balance-sheets/financial statements of both the companies i.e. borrower entity and the entity whose shares are pledged as security.

- Appropriateness on the extent of evaluation/ examination of the documents/ reports as per the present policy, whether the key issues having impact on the health of the concern have been noted and duly taken up for further action. In respect of the Inspection Reports, whether all the inspections as per plan have been carried out and Reports were examined by competent authority. In respect of the BCCs, to verify the authenticity of the confirmation received. As regards insurance policies, to verify the adequacy, inclusion of appropriate clauses in the policy apart from the validity of the policy.

- For the purpose of audit, the Auditors to certify that various policies/ circulars/ notices issued by IFCI/Regulatory authorities from time to time have been complied.

The above comments would contain 'overall view' of the Auditors on the above mentioned areas with their suggestions on improvement under each head (if any). Individual observation in respect of the cases, if any, having impact on the company,

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	would need to be mentioned along with their comment on "Risk Analysis", as indicated in para II below.

II. Comments on Risk Analysis:

a) **Risk Statement :**

The auditors to review files of all the standard cases including those where terms of sanction have been amended during the audit period.

The above evaluation would include all material observations made while reviewing 'compliance of sanction and regulatory conditions including creation of security', 'occurrence of default' and 'project monitoring data' as indicated in Para-I above.

The 'orientation' of such review would be to evaluate the factual position as emerged from the data stated above, alongwith the state of affairs of the respective companies as would need to be made by review of files and the 'data' available in public domain.

The verifications for this purpose to include (in respect of the cases disbursed prior to the current audit period) that compliance of all conditions stipulated at the time of sanction of loan or thereafter any material development in the company and identify the factors which could impact their financial position.

Forward looking statement be also incorporated in the Risk Statement which shall, inter alia, contain observations on the prospect of the Company and Industry.

The factual data based on which the comments are made relevant for risk analysis, would need to be mentioned. It is essential that the comments under this head are concise and not just statement of facts. The Risk Statement be given as per **Appendix-V**.

b) **Risk Category:** High, Medium or Low.

c) **Risk Probability**: Frequency of occurrence of Risk (i.e., in High, Medium or Low).

d) **Risk Impact :** Impact of risk on Business Objectives(i.e., in High, Medium or Low)

e) **Risk Trend:** Whether Risk is showing a Stable, Increasing or Decreasing Trend.

The Draft Report, particularly the areas of "Risk Analysis" containing the observations of Auditor should be given to the concerned Office for their observations and based on the position emerged, the Auditor should make Risk assessment and the High Risks

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to be indicated in bold and the remedial action taken by the management should be commented by the Auditors.

Risk Management Policy/Mitigating Steps needs to be evaluated and Auditor to give their observation on the effectiveness and adequacy of such measures. The case wise position of "Risk Analysis" is to be discussed with the Head of the department so that the risk assessments are meaningful. The auditor has to comment upon residual risk (if any) remaining subsequent to the management action in the subsequent reports.

While carrying out the above audit, the comments given by the concerned Office on the observations in last audit, is to be reviewed and in case, it has not been remedied during the current audit period, the same to be brought out. The auditor has to make specific comment on the compliance of the previous audit and the closure of the same.

III. Operational Audit and Review of Files - NPA Cases:

Auditors to verify the recovery position for NPA cases vis-à-vis budgeted recovery. The Auditors to give their comments about the prospects of recovery from NPA cases and the action taken by department/regional offices for monitoring including availability of project monitoring data etc.

IV. Un-Quoted Investments:

a. Particulars of Additions (purchases/subscription) /deletion (sale) of investment in accordance to the approvals of competent authority and profit / loss on such sale.

b. The valuation of unquoted shares pledged as security is to be done in all cases periodically. Method adopted by the valuer in such case be examined and commented.

c. Physical verification of Non-dematted investments.

d. Auditor to comment on the difference in book hold and physical hold including action taken by ZO/Other Offices for reconciliation of such differences.

V. Other Assets and Liabilities:

a. Auditor to comment on the movement of Sundry debtors / creditors outstanding for more than 6 months and actions taken for recovery/ adjustment of such items vis-à-vis possible opportunities.

b. In respect of the Debtors/ creditors (less than six months), whether any in-appropriate item has been included.

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c. Auditors to comment as to whether appropriate actions have been taken on outstanding guarantees/ guarantees invoked.

d. Auditors to comment on recovery and monitoring of the accounts under Sugar Development Fund (SDF), Excise Loan/Jute Monitoring Fund (JMF) and Jute Development Fund (JDF) including follow-up made, inspection carried out in SDF cases and other important pending issues to be mentioned.

VI. Cash and Fund Management:

a. Any aberration noticed on correctness of passing cash/bank/journal vouchers etc.

b. Reconciliation of IFC General A/C and Bank Statement and the Certificate of Balance from the Bank being obtained. Auditors to verify and confirm that there is no unusual item including stale cheques in the reconciliation statement.

VII. Review of Other Income and Expenditure:

a. The Auditor to verify the income booked and applicability of TDS and service tax.

b. Auditor to verify/vouch the expenditure (Both Capital and Revenue) to a reasonable level and report on compliance of extant rules while incurring the same, particularly on whether the expenses were incurred with due approval of competent authority, apart from their correct accounting.

c. Any unusual item/matter, on which necessary clarifications could not be given by the Regional Office / Department to be mentioned.

VIII. MISCELLANEOUS:

a. Maintenance of Fixed Assets Register.

b. Auditors to verify and confirm that KYC / AML / CFT / Fair Practices Code framed and approved by the Board of Directors, based on the guidelines issued by RBI / Regulator for NBFCs are met with. Any aberration to be specifically brought out.

c. Verification of statutory compliances and calculation of statutory dues to be done and confirmed by the Auditors.

d. Auditors to comment on major lapse/irregularity/ misappropriation / fraud etc. if any, noticed by them, causing loss to the organization.

e. Auditors to review the status of compliance of the observations made in last Internal audit and indicate the outstanding observations (if any) and subject to which such report can be treated as closed.

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f. Any other item, not covered in the scope, on which the auditor may like to comment/suggest.

g. Auditors to verify/comment on operating effectiveness of Internal Financial Controls of the Office.

IX. Auditor to give a certificate on the verifications made and their observations which shall include proper exercise of Delegation of Powers, compliance of systems / procedures / policies; apart from guidelines / instructions of regulatory bodies i.e. RBI / SEBI / Stock Exchanges / Income Tax Department / Government of India. Auditors have to confirm that all the statutory requirements, dues payable and submission of returns etc. have been met based on the guidelines issued by Regulator for NBFCs

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APPENDIX-I

STANDARD CASES:

S.No.	Particulars	No. of Cases	No. of A/Cs	Amt o/s as on _____ (Rs. Crore)			
				Loan Ledger	Interest	Others	Total
1	Loan Assets						
2	Debentures						
3	Leased Assets						
4	Other Assets (ELS/Excise Loan etc)						
5	Investment in Shares:						
	i) Quoted:						
	ii) Unquoted:						
6	Guarantees						

NPA CASES:

S.No.	Particulars	No. of Cases	No. of A/Cs	Amt o/s as on _____ (Rs. Crore)				
				Loan Ledger	Memo-II	Other Debits	Memo-I	Total
1	Loan Assets							
2	Debentures							
3	Leased Assets							
4	Other Assets (ELS/Excise Loan etc)							
5	Investment in Shares:							
	i) Quoted:							
	ii) Unquoted:							
6	Guarantees							

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APPPENDIX-II

STATUS FOR CASES OF ZO / OFFICES UNDER ZO

SL No.	COMPANY	ZO /GROUP	BALANCE SHEET FOR THE YEAR ENDED 2017		PROGRESS REPORT/QUARTERLY RESULTS as on _____		BALANCE CONFIRMATION CERTIFICATE AS ON_____		INSURANCE		REPORT OF NOMINEE DIRECTOR			CONCURRENT AUDITOR REPORT			INSPECTION SCHEDULE		
			Received (Y/N)	Reviewed (Y/N)	Received (Y/N)	Reviewed (Y/N)	Received (Y/N)	Remark	Received (Y/N)	Expiry Date	Last received Date	Reviewed (Y/N)	Remark	Last received Date	Reviewed (Y/N)	Remark	Proposed Inspection Date	Visited on	Report received (Y/N)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)

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APPENDIX-III

Recovery Position in respect of Non-performing Assets

Sl. No.	Name of Company	Category	Outstanding as on _____ (Rs. Crore)					Budgetted Recovery	Actual Recovery	Variation %	Present Status / Progress
			Principal	Interest	M1	M2	Total				
(A)	Budgeted for Recovery										
(B)	Not Budgeted for Recovery:										

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APPENDIX-IV

Default Position:

(Rs. in crore)

Sl. No.	Name of Company	Outstanding As on _____		Default as on _____		Default Days	Efforts made for recovery and present status
		Principal	Interest	Principal	Interest		

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APPENDIX-V

BORROWER WISE RISK STATEMENT (IN CASE OF HIGH AND MEDIUM RISK ACCOUNTS ONLY)

(Rs. in crore)

Name of Company	
Loan Sanctioned	i) Amount ii) Date
Loan Disbursed	i) Amount ii) Date
Amount Outstanding as on ___	i) Principal ii) Interest
Default Position as on _____	i) Principal ii) Interest
Securities Stipulated	Description (Moveable and Immoveable)
Securities Created	
Securities available	Description and value with security cover (%)
Brief Reasons for decrease in security cover (Cash / Top-up Demand raised)	
Compliance of conditions pending, if any, including securities created etc.	
Risk Analysis	i) Risk Category (High, Medium or Low) ii) Risk Probability (High, Medium or Low) iii) Risk Impact (High, Medium or Low) iv) Risk Trend (Stable, Increasing or Decreasing) **Forward looking statements be also incorporated in the Risk Statement which shall, inter alia, contain observation on the prospects of the Company and Industry.**
Brief Reasons for above Risk Categorization	
Risk Mitigation	i) Steps Taken by IFCI: ii) Steps suggested by Auditors:
Comments of the Department:	

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ANNEXURE-IV

APPLICATION FORM

Form 'A' - Details of the Firm			
Sl. No.	**Particulars**	**Supporting Documents required to be submitted along with this form**	**Details**
1	Name of the Firm		
2	Address of the Firm / Head Office #		
	Date of establishment of the firm	ICAI Registration certificate	
	No. of Years of Firm's Existence		
	Contact Details: a) Name of Person b) Phone Nos. c) E-mail id		
	Branch Office/s	Phone No.	
	1	Fax No.	
	2	Mobile of each Branch Office In-charge:	
	(Full particulars of each branch to be given)	email ID	
3	Firm Income Tax PAN No.	Attach copy of PAN card	
4	Firm's GST No.	Attach copy of Registration	
5	Firm's Registration No. with ICAI	Attach copy of Registration Certificate	
6	RBI empanelment No.	(Attach copy)	
7	CAG Empanelment No. (if any)	(Attach copy)	
8	Turnover of the Firm in last three years	(Rs. in crore)	
9	Details of Partners:	(As per Form – B)	
	Signatory Partner's Name		
	Date		

In case the Head Office of the applicant Chartered Accountant firm is at a Centre other than for which audit assignment is sought, the address and contact details of the local office(S) are also to be incorporated in this Application Form.

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FORM B - Details of Partners							
Sl. No.	Name of Partner	Length of association with firm in years	ACA No. and year	FCA No. and year	DISA /CISA year	Relevant experience	Contact Details
	Signatory Partner's Name						
	Date						

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FORM 'C' - Details of Qualified / Semi Qualified Staff						
(A) Details of Qualified Staff (Chartered Accountants)						
(Please provide a self-attested copy of Certificate of ICAI for each qualified staff)						
S.No	**Name of staff**	**Length of Association with the Firm (in years)**	**Educational qualification**	**Area of Key Expertise**	**Membership No.**	**Relevant Experience**
1						
2						
3						
4						
5						

Details of Semi-qualified Staff (including Article Assistants etc.)						
S.No.	**Name of staff**	**Length of Association with the Firm (in years)**	**Educational qualification**	**Area of Key Expertise**	**Relevant Experience**	**Remarks**
Semi Qualified Staff:						
1						
2						
3						
Article Clerks:						
1						
2						
3						
Others:						
1						
2						
3						
Signatory Partner's Name						
Date						

Please add additional rows, if required.

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Form 'D' –

(i) Experience of audit as Central Statutory Auditors for at least three of PSU Banks including SBI and its Associates.

Sl. No.	Name of the Auditee Bank	Type/Nature of Assignment	Period and Duration of Assignment	Proof of the of work or assignment awarded by the Auditee Bank (to be attached)

(ii) Experience of audit as Branch / Head Office of PSU Banks:

Sl. No.	Name of the Auditee Bank	Type/Nature of Assignment	Period and Duration of Assignment	Proof of the of work or assignment awarded by the Auditee Bank (to be attached)
	Signatory Partner's Name			
	Date			

Note: Copies of proof of various empanelment and proof of allocation of Audit assignments of the banks mentioned above must be attached with the application.

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FORM E - FINANCIAL BID

FORMAT OF FINANCIAL BID FOR APPOINTMENT AS INTERNAL AUDITOR FOR FY 2017-18

The General Manager (IAD)
IFCI Limited,
61, Nehru Place,
New Delhi – 110 019.

With reference to your RFP dated _____for appointment of internal auditors of your Head Office / Zonal Office(s), we quote the annual fee as under:

Sl. No.	Name of Head Office / Zone	Amt. in figures	Amt. of words
1.	Head Office		
2.	North Zone		
3.	West Zone		
4.	South Zone		
5.	West Zone		

The fee quoted above is exclusive of applicable taxes but inclusive of all other expenses. No other charges, expenses or reimbursements will be payable to us.

Name of Partner: _____

Signature: _____

Place:

Date:

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DECLARATION
1. We confirm that the information furnished herein is correct and fair in all respects and we have the necessary documentary proof to substantiate the same. It is further confirmed that in case any of the contents contained herein are found to be incorrect, IFCI Ltd. is free to initiate any appropriate action against us.
2. We further declare that there has been no adverse comments/qualification on our performance from any Management / Audit Committee of audited entities during the last 5 years.
Name of Partner:
SIGNATURE :
Date: