

**NOTICE INVITING FINANCIAL BIDS FOR ENGAGEMENT OF IBA EMPANELLED AUDIT FIRMS FOR THE PURPOSE OF CONDUCTING FORENSIC AUDIT OF BORROWAL ACCOUNTS HAVING EXPOSURE OF Rs.71.07 CRORES (Approx.) AND HAVING REGISTERED OFFICE AT TRC NOWGAM SRINAGAR JK 190001.**

**J&K bank**

**S, C & Audit Department Corporate Headquarters M A Road Sgr**

The Bank desires to engage IBA empanelled Forensic Audit Firms for the purpose of conducting Forensic Audit of borrowal accounts of M/s Kehwah Group having total group exposure of Rs 71.07 Crores (approx) from IBA empaneled preferably Category-A, Audit firms empanelled for Forensic Audit of Rs.50.00 Crores & above having **operations at Srinagar, J&K and registered office TRC NOWGAM SRINAGAR JK 190001** to conduct Forensic audit covering a period from 14/03/2011 to 30/04/2017. Financial Bids are invited from IBA empanelled Forensic Audit Firms for the purpose of conducting Forensic Audit of borrowal account having exposure of Rs 50 Crore and above.

The firms desirous of bidding should fulfill the following criteria.

- (I) It should be IBA approved Audit firm for forensic audit of loan assets having exposure Rs.50 Cr and above.
- (II) The firm should have undertaken forensic audit of an entity engaged in “**Bus/Cab Operator services, Cold Storage, Restaurants, Threads and Cotton, Silk trading etc.** Industry or related activities.
- (III) The firm should be in continuous practice.
- (IV) The firm is having experience in forensic audit of the borrowal accounts particularly in PSBs will be given preference.

**Scope of Work under Forensic Audit**

**1. End Use of Funds:**

- Identifying/ ascertaining the actual end use of funds disbursed by the Term Lenders and assets created.
- Tracing the source of contribution by promoters by analyzing equity/debt/ unsecured loans infused by promoters /partners and verifying that they were not subsequently withdrawn.
- Commenting on adherence to Escrow/ Trust and Retention Account (TRA) arrangements (if any) made with various banks. Details of all transactions with banks other than nominated account.
- To examine the diversion/ siphoning of lenders’ funds/ company’s assets charged to lenders as Security (Primary/ Collateral) and to quantify that amount, if any.
- Establishing money trail of all major transactions of procurement of

equipment, investments made, unsecured loans given and major collections from sales and debtors (Rs.50.00 Lacs Crore and above) etc.

## **2. Revenue & Receivables**

- Verification of Revenue from Operations including Sale Orders, Invoices and Controls in the Billing Process obtaining confirmation where-ever necessary and verifying the genuineness.
- Review of sales and debtors including review of sale transactions as may be found required. Analysis of vendor/customer relationships by analyzing sale transactions and verifications of genuineness of underlying documents.
- Review of receivables including age-wise analysis of debtors, identifications of major debtors, recoverability of the debtors and commenting on the genuineness.

## **3. Purchases & payables**

- Verification of the purchases for operations including purchase order, invoices and controls in the billing process obtaining confirmation wherever necessary and verifying the genuineness. Review of payables including age-wise analysis of creditors, identifications of major creditors and commenting on the genuineness.

## **4. Investments**

- Analysis of various investments made and their approvals. The documentation of investments is to be verified and commented upon.
- The commercial expediency and prudence of investments needs to be verified and commented upon.

## **5. Related Party Transactions**

- All related Party transactions are documented year wise and commented upon as a separate section in the report
- Group Transactions/ inter-company transactions/ related party transactions are to be examined with respect to commercial prudence, genuineness, documentation and various approvals under the Laws. Non-compliances have to be brought out clearly. Diversion of funds is to be brought out clearly.
- Related Party Transactions should cover all transactions including but not limited to purchase, sales, expenses, loans given and taken, investments made in subsidiary, joint ventures and associates etc.

## **6. Accounting and Falsification of accounts**

- The auditor is required to examine whether accounting standards have been observed and whether there has been falsification of accounts where there

are fraudulent transactions which are mere book entry and not backed by any genuine documents.

- Wherever frauds, if any are observed, the modus operandi, the motive of the suspect and opportunity to commit fraud are to be commented. Whether there is any collusion and also mention the physical and documentary evidences to substantiate it, whether there was any attempt to destroy the evidence, etc.

7. Movement of Loans & Advances and their documentations, approvals under companies act, confirmations and commenting on genuineness of these loans. The end use of loans should be verified and commented upon.

8. Any other information considered relevant by you in the best interest of the Lender's / banks.

**The above scope of work is illustrative and not exhaustive in nature and the bank shall be free to add to the above list/ discontinuation of above forensic audit depending on the evolving situation.**

**Inter alia The Forensic audit should inter alia cover full gamut of financial and non financial area of the borrowal account including related events / transactions / direct or indirect and provide clear inference / conclusion in the report.**

**The investigations has to be conducted from fraud angle or otherwise and should be a conclusive report preferably without disclaimers.**

**Period for Forensic Audit to be covered From 14.03.2011 to 30.04.2017**

**The Forensic Audit report must be submitted within a maximum period of 45 days from the date of assignment.**

**Interested firms have to submit directly the bid to Vice President S, C & Audit, Corporate Headquarters M A Road Srinagar (between 10.00 a.m. to 4.00 p.m. from Monday to Saturday, except 2nd and 4th Saturday and public holidays) up to 05.07.2019.**

**The duly filled in offer complete in all respect along with relevant documents in sealed cover superscribing "Offer for Forensic Audit" on top and name, address & contact no. of the firm at bottom left corner should be addressed to :**

**(Vice President,  
Corporate Headquarters,  
M A Road Srinagar, J&K-190001)**

**The price quote in financial bid shall be inclusive of all charges and expenses. The report will cover a period beginning from 14.03.2011 to 30.04.2017 also, a period maximum 45 days for presentation of report is solicited from the date of assignment.**

The last date of submission of complete application form in sealed cover is **05.07.2019 up to 4.00 PM**. The offer shall be mailed or send by speed posted in the following address

**The Vice President S, C & Audit Department Corporate Headquarters M A Road Srinagar, J&K-190001)**

**E Mail : anokh.singh@jkbmail.com**

The bid of offer shall be opened on **06.07.2019 at 11:00 AM** and accordingly, on the same day the appointed firm shall be informed.

The bank reserves right to cancel any or all tenders / bid and stop the process at any point of time without assigning any reason or notice whatsoever.

**Vice President , S, C & Audit Department CHQ Srinagar-190001**