



Online Request for Quotation (e-RFQ)

For

Engagement of external Auditors for conducting Forensic Audit of 01 (One) borrower group of the bank covering the period from year 19.01.2018 to 19.09.2023 in Fund Based Working Capital account and Non-Fund Based facilities. The borrower company is having its operations at Jammu, J&K UT & registered / administrative office at Jammu, J&K UT, India.

e-RFQ Ref. No. JKB/S&C/Forensic-Audit/2023-824
Dated: 04-10-2023

Issued by:
J&K Bank Ltd.
Supervision, Control & Audit Department,
Corporate Headquarters,
M.A Road, Srinagar 190001
Website: www.jkbank.com
Email: s&c.chq@jkbankmail.com

Request for Quotation for Engaging Auditors

Introduction:

The Jammu and Kashmir Bank invites Request for Quotation (RFQ) from IBA approved Audit firms / company for Forensic Audit of loan assets having exposure up to Rs.50.00 crore for conducting Forensic audit of one borrower group of the bank covering the period from year 19.01.2018 to 19.09.2023 in Fund Based Working Capital account and Non-Fund Based facilities.

Note:

- The RFQ is non-committal in nature.
- The Bidder shall, by responding to the Bank with a bid/proposal, be deemed to have accepted the terms of this document in totality without any condition whatsoever and accepts the selection and evaluation process mentioned in this RFQ document. The Bidder ceases to have any option to object against any of these processes at any stage subsequent to submission of its responses to this RFQ.
- The Bank has the discretion to quash the RFQ containing any deviation.
- The information provided by the bidders in response to this RFQ document will become the property of the Bank and will not be returned. The Bank reserves the right to amend, rescind or reissue RFQ and all amendments will be advised to the bidders and such amendments will be binding on them. All Bidders must ensure that such amendments/ modifications have been considered by them before submitting the bid. Bank will not have any responsibility in case some omission is done by any Bidder. The Bank also reserves its right to accept or reject any or all the responses to this RFQ at any point of time without assigning any reason(s) whatsoever.
- All costs and expenses incurred by interested bidders in any way associated with the development, preparation, and submission of responses, including but not limited to the attendance at meetings, discussions, demonstrations, etc. and providing any additional information required by J&K BANK, will be borne entirely and exclusively by the Bidder.
- The bidder shall not assign or outsource the works undertaken by them under this RFQ assignment awarded by the Bank without the written consent of the Bank.
- The Bidders can take advantage of any Government order which applies to any tendering process and whereby there is any relaxation that is in conflict with the terms and conditions mentioned in this RFQ, if and only if, any such Government order/ notification comes into force before the last date of submission of bids. Further, in case of any such orders that may affect/ contradict with the terms and conditions of this RFP, the Bidders need to seek clarification through the online procurement portal before the last date for submission of bids.
- The Bidder hereby agrees and undertakes to Indemnify the Bank and keep it indemnified against any losses, damages suffered and claims, action/ suits brought against the Bank on account of any act or omission on part of the Bidder, its agent, representative, employees and sub-contractors in relation to the performance or otherwise of the Services to be provided under the RFQ.

Objective of Audit:

As per requirement, the Bank is required to conduct the forensic audit in 01 (one) borrower group of bank having exposure of up to Rs.50.00 crore covering the period from year 19.01.2018 to 19.09.2023 in Fund Based Working Capital account and Non-Fund Based facilities to ascertain Diversion of funds, Money trail, Detection of financial statement fraud, Abnormal trade transactions, Verifying receivables and Other aspects covered under scope of Forensic Audit. The borrower company is having its operations at Jammu, J&K UT & registered / administrative office at Jammu, J&K UT, India.

Scope:

- a) **Capacity to pay:** Examine as to whether the borrower has defaulted in meeting its payment/repayment obligations to the Bank even when it had the capacity to honor the same.
- b) Ascertaining the Money trail & end use of funds lent by the Bank.
- c) **Diversion of funds:** Diversion of funds on the part of borrower would be construed in any of the undenoted occurrences:
 - Utilization of short term working capital funds for long term purposes not in conformity with the terms of sanction;
 - Deploying borrowed funds for purposes / activities or creation of assets other than those for which the loan was sanctioned.
 - Transferring borrowed funds to the subsidiaries / group companies or other Corporate/s by whatever modalities.
 - Routing of funds through any bank other than the lender bank or members of consortium without prior permission of the bank/lenders.
 - Investment in other companies by way of acquiring equities / debt instruments without approval of bank/lenders.
 - Shortfall in deployment of funds vis-à-vis the amounts disbursed / drawn and the difference not being accounted for.
 - Decipher diversion and misappropriation of fund by the promoter / director, if any.
- d) Detection of Financial Statement Fraud.
- e) **Siphoning of funds:** Siphoning of funds on the part of borrower would be construed to occur if funds borrowed from Bank are utilized for purposes other than the one for which the credit facility was sanctioned, to the detriment of the financial health of the entity or of the Bank.
- f) **Capital Structure:** Tracing the source of contribution by promoters, partners, proprietors, etc. as the case may be by analyzing equity/debt infused into the entity.
 - Scrutinize and analyze cash flow and investments including loans and advances/investments given/taken to/from Associates & Subsidiaries, related parties/unconnected parties and tracing inventory movement etc.
- g) **Abnormal trade transactions:** Commenting on transactions of substantial amount, which seem not to be normal trade transactions.
- h) **Sales:** Verifying revenue from operations including checking sale order, invoices and controls in billing process. The focus should be on inflated turnover / fictitious sales and / or Sales on Return (SoR) basis where profit has been booked and sales returned in the subsequent accounting period leading to writing off of stocks / debtors and reversal of booked profits. The sustainability of sales in future years should be co- related with Techno Economic Viability (TEV) study.

- i) **Escrow / Trust & Retention Account (TRA):** Commenting on adherence to Escrow / Trust & Retention Account (TRA) arrangements made with various banks. Also commenting on details of all transactions with banks outside the consortium.
- j) **Concentrating transactions** – sole customer, sole supplier, major transactions with related parties / group companies, analysis of relationship in two-way deals with the same party or indirect payments made by customers of the borrower to the vendors of borrower.
- k) Movements in unsecured loans during specified period.
- l) Details of substantial debts (debt raising the DER beyond the desired level) raised in sister / associate / group companies either through corporate guarantee of borrower or against security of promoter's or their family assets as per Credit Policy of the Bank.
- m) **Verifying receivables/Payables** – Receivables and payables should be thoroughly with a view to unearth:
 - Reciprocal receivables/payables against each other in case of related parties.
 - Fictitious debtors & creditors
 - Non-moving creditors & debtors
 - Already realized debts
 - Disputed debts
 - Unacknowledged debts
- n) Finding details of assets of unit / its promoter (s) / partners to ensure recovery of loans granted by banks as there would be cases where some assets are not reported in financials of the unit / promoters / partners.
- o) Identifying the alienation / disposal of securities (if any) without required permission from the bank.
- p) Examining chain of transactions pertaining to unit / promoters / partners to ensure genuineness of the dealings as there could be cases of bogus family/other transactions.
- q) Examining stocks / inventory & purchase transactions in particular with related parties / sister concerns.
- r) Identifying the type of fraud committed, since how long is/was it being committed, and how has it been concealed.
- s) Identifying the Modus Operandi / Methodology of the fraud, fraud perpetrator(s) / fraudster(s) involved.
- t) Quantifying the financial loss suffered by the Bank.
- u) Gathering evidence to be used in court proceedings.
- v) Providing advice to prevent the reoccurrence of the fraud.
- w) Identify & comment on instances if any of non-maintenance of books of accounts and statutory records as required by laws.
- x) Identifying excessive provisioning / write offs / losses which are not in the ordinary course of business and are unusual in nature.
- y) Identify any other happening / feature in the utilization / management of funds given by the lender / lenders that suggests an unethical act / abatement / collusion by / on part of the company / promoters that qualifies for a fraudulent transaction.
- z) Identify and specifically find out whether or not the company has deviated and carried out activities outside the scope of 'object clause' in their Memorandum of Association (MOA) with the intention of diversion of funds.
- aa) Taking into account all the facts and figures with reference to the company, its subsidiaries and related parties and other relevant information, whether fraudulent activities have taken place. To identify the fraudulent activities, quantify the amount diverted to purposes

other than those for which the facilities have been sanctioned, and the persons responsible for it.

- bb) Analysis of the GST returns to find out the real sales figure and to check whether there is any deviation from the amount reported in the P&L a/c.
- cc) Analysis of all Non-Fund based limits availed by the company from banks, analysis of beneficiary of the payments made through the LC/LOU/LUT route.
- dd) To look into specifically whether any cash theft, fraudulent disbursement, inventory fraud, misuse of assets, material misstatement in financial statements, deliberate falsification of account records, omission of transactions, balances, disclosures, misappropriation of financial reporting standards etc. have taken place.
- ee) Instances of fake invoices, inflated receivables, fake balance certificates.
- ff) **General Scope** (along with the above)
 - Fixed assets disposal/acquisition analysis
 - Critical Analysis / verification of major suppliers and creditors of the company.
 - Detailed Review of contingent liabilities and status thereof.
- gg) Complicity of statutory auditors, especially their role in
 - mis-reporting of Related Party transactions
 - wrong certification of Capital Infusion
 - instances if any relating to Investment in non-related activities without lenders approval
 - instance if any in the nature of manipulations in financial statement
 - Audit related Qualifications of serious nature etc.
- hh) To ascertain the genuineness of each & every related party group/intergroup transaction.

The list is indicative only and a Forensic Auditor may carry out the examination / evaluation of other aspects also within the ambit of Forensic Audit.

The Forensic audit should inter alia cover full gamut of financial and non-financial area of the borrowing accounts including related events / transactions whether direct or indirect and provide clear inference / conclusion in the report. The investigation has to be conducted from fraud classification or otherwise and should provide a conclusive report of the findings without disclaimers.

The report must be free from any ambiguity/conjectures and conclusion should be adequately supported by evidences/proof and the firm should stand by comments and conclusion made in the report. *The report must categorically conclude stating that either there is fraud or otherwise and inconclusive reports with disclaimer will not be accepted.*

Schedule of RFQ

Schedule of RFQ Events	
e-RFQ Reference No.	JKB/S&C/Forensic-Audit/2023-824 Dated 04-10-2023
Issuing Department Name	Supervision & Control Department, Corporate Headquarters, M.A. Road, Srinagar, Jammu & Kashmir - 190001
Scope of Work	Forensic audit of 01 (one) borrower group of bank covering the period from year 19.01.2018 to 19.09.2023 in Fund Based Working Capital account and Non-Fund Based facilities to ascertain Diversion of funds, Money trail, Detection of financial statement fraud, Abnormal trade transactions, Verifying receivables and Other aspects covered under Forensic Audit. The borrower company is having its operations at Jammu, J&K UT & registered / administrative office at Jammu, J&K UT, India.
Tender Type	Open
Mode of Tender Submission	On-Line through Bank's e-Tendering Portal https://jkbank.abcprocure.com
Contact details of issuing department (Name, Designation, Mobile No., Email address for sending any kind of correspondence/ queries regarding this RFQ)	Mr. Gowhar Maqbool (Manager). Contact No: 9858505524. e-Mail: Gowhar.maqbool@jkmail.com J&K Bank Supervision & Control Department Corporate Headquarters, M.A. Road, Srinagar, 190001 E-mail: s&c.chq@jkmail.com
Bid Document Availability including changes/amendments, if any to be issued	NIT can be downloaded from and submitted on Bank's e-Tendering Portal https://jkbank.abcprocure.com from OCTOBER 07, 2023, 16.00 Hrs. to OCTOBER 27, 2023, 17.00 Hrs.
Last date for Pre-bid Queries	All Clarifications / Queries shall be raised online only through e-Tendering Portal https://jkbank.abcprocure.com by or before OCTOBER 13, 2023, 17.00 Hrs.
Pre-bid Queries Response date	All communications regarding points / queries requiring clarifications shall be given online through prescribed e-Tendering Portal on OCTOBER 20, 2023
Last Date of Submission of RFQ Bid	OCTOBER 27, 2023, 17.00 Hrs..
Submission of Technical/ Commercial Bid	As prescribed in Bank's online tender portal https://jkbank.abcprocure.com

Date and time of opening of Technical bid & Commercial BIDs	To be notified separately																		
Reverse Auction	e-Reverse Auction (if required) may be conducted after Opening of the Commercial BIDs which may be communicated (if e-RA is conducted) separately to the eligible Bidders.																		
RFQ Application Cost (Non - Refundable)	Rs.500/- (Rupees Five Hundred Only) to be deposited through Transfer / NEFT to the below detailed A/c: Account Name: Tender Fee/ Cost Account 16-digit Account No : 9931530300000001 IFSC Code: JAKA0HRDCHQ (0 denotes zero) Bank: The J&K Bank Ltd Branch: Corporate Headquarters MA Road Srinagar J&K - 190001																		
Earnest Money Deposit (EMD) (Refundable on request of bidders)	₹ 5,000/- (INR Five Thousand only) to be deposited to below detailed A/c through Transfer or NEFT Only:- Account Name: Earnest Money Deposit (EMD) 16-digit Account No : 9931070690000001 IFSC Code: JAKA0HRDCHQ (0 denotes zero) Bank: The J&K Bank Ltd Branch: Corporate Headquarters MA Road Srinagar J&K - 190001 EMD can also be in the form of Bank Guarantee (BG) in favour of DGM, Zonal office Delhi, J&K Bank UTR Number / Tran No. & date / BG Proof may be uploaded on e-Tendering Portal (EMD is exempted for all Start-ups/ MSE's as recognized by Department of Industrial Policy and Promotion -DIPP)																		
Eligibility & Technical Criteria	As per Bid Document																		
Updation / Amendments / Corrigendum	All the Corrigendum will be uploaded on online tender portal https://jkbank.abcprocure.com																		
Audit Completion & Report submission.	Expected to be completed and report submission within 60 days after the allotment of assignment.																		
Bid Quote	The bid quote in any case should not be higher than the maximum fee payable as per the Remuneration / Fee structure mentioned below.																		
Remuneration / Fee Structure	<table border="1"> <thead> <tr> <th>S. No.</th> <th>Account having exposure** Solo/consortium basis</th> <th>Maximum Fee Payable (in Rupees)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Up to ₹50 crore</td> <td>Up to ₹80,000/-</td> </tr> <tr> <td>2.</td> <td>Above ₹ 50.00 crore - ₹100</td> <td>₹1,50,000/-</td> </tr> <tr> <td>3</td> <td>Above ₹100 crore - ₹250 crore</td> <td>₹2,50,000/-</td> </tr> <tr> <td>4.</td> <td>Above ₹250 crore - ₹500 crore</td> <td>₹3,50,000/-</td> </tr> <tr> <td>5.</td> <td>Above ₹ 500 crore - ₹ 1000</td> <td>₹4,00,000/-</td> </tr> </tbody> </table>	S. No.	Account having exposure** Solo/consortium basis	Maximum Fee Payable (in Rupees)	1.	Up to ₹50 crore	Up to ₹80,000/-	2.	Above ₹ 50.00 crore - ₹100	₹1,50,000/-	3	Above ₹100 crore - ₹250 crore	₹2,50,000/-	4.	Above ₹250 crore - ₹500 crore	₹3,50,000/-	5.	Above ₹ 500 crore - ₹ 1000	₹4,00,000/-
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4.	Above ₹250 crore - ₹500 crore	₹3,50,000/-																	
5.	Above ₹ 500 crore - ₹ 1000	₹4,00,000/-																	

	<p>6. Above ₹ 1000 crore</p> <p>₹ 5,00,000/-</p> <p>(*- GST will be payable over and above fee. TDS as applicable will be deducted).</p> <p>Travelling & lodging expenses may be considered over and above the aforementioned fee. However, total travelling and lodging expenses should not exceed 15% of the fee payable in respect of the Forensic Audit subject to submission of travelling and lodging bills.)</p> <p>**-Exposure shall mean Principal Balance Outstanding in NPA accounts, for Standard accounts it shall be sanction Limit and Balance Outstanding in Term Loan Accounts.</p>
For e-Tender related queries	<p><u>Service Provider:</u> e-Procurement Technologies Limited (Auction Tiger) , B-705, Wall Street- II, Opp. Orient Club, Ellis Bridge, Near Gujarat College, Ahmedabad- 380006, Gujarat</p> <p><u>Help Desk:</u> Contact Persons: Mr. Nandan Valera Mobile No.: 9081000427/ 9904406300 /9510812960 / 9510812971 / 9374519729 Landline: 079-68136831/ 6857 / 6820 / 6843 / 6853 / 6829 / 6835 / 6863 / 6852 / 6840</p>

Eligibility Criteria

The respondents who wish to participate should meet the following criteria:

S. No.	Eligibility Criteria	Supporting Documentation
1.	a) IBA empaneled Audit firm / company for Forensic audit of loan assets having exposure up to Rs.50.00 crore. b) Other Terms & Conditions as per "Annexure-7"	Copy of Empanelment Certificate issued by IBA.
2.	The Bidder should not have been black listed by any Govt. Financial Institutions/ Banks/ Government/ Semi Government departments/ PSU in India.	Certificate signed by the authorized signatory.
3.	The Bidder should not have been banned/declared ineligible for corrupt and fraudulent practices by any Regulatory body/Statutory Body and should not have any disciplinary proceedings pending against the applicant firm or any of the partners with ICAI/RBI.	Certificate signed by the authorized signatory.
4.	The Bidder's firm / company should not be owned or controlled by any Director or Employee of J&K Bank	A self-declaration by the Bidder on the firm's/company's letter head.
5.	The Bidder firm / company shall not be a firm/entity whose name is appearing in the Indian Bank Association's Caution List	A self-declaration by the Bidder on the firm's/company's letter head.

Submission of Responses

The respondents qualifying the eligibility criteria & having the requisite expertise and proficiency may express their interest by responding to this RFQ and sending their responses along with the supporting documentation and below mentioned annexures on bank's e-tendering portal (<https://jkbank.abcprocure.com>).

Other Terms and Conditions:

1. The Bid shall remain valid for a period of 180 days after the date of opening of Bid Proposal.
2. All costs and expenses incurred by the interested bidders in any way associated with the development, preparation, and submissions of responses including but not limited to the attendance at meetings, discussions, demonstrations etc. and providing any additional information required by J&K Bank, will be borne entirely and exclusively by the Bidder.
3. **Bank's Rights** - Bank reserves the right to:

- Reject any or all proposals received in response to the RFQ without giving any reasons whatsoever.
- Reject the proposals received in response to the RFQ containing any deviation.
- Waive or Change any formalities, irregularities, or inconsistencies in proposal format delivery.
- Extend the time for submission of proposal.
- Modify the RFQ document, by an amendment that would be notified by issuing corrigendum.

4. The successful bidder shall not assign or outsource the work undertaken by it under this RFQ awarded by the Bank.
5. The Earnest money deposit (EMD) will be forfeited by the bank in case of breach of any of the terms and conditions of this RFQ or bidder withdraws the bid at any time.
6. The Earnest money deposit (EMD) will be refunded on the written request of the bidders.
7. The bid security (if any) of the unsuccessful bidder will be discharged/returned to them after finalization and award of contract without any interest.
8. After the completion of bidding process, the successful bidder will be required to sign an agreement with the bank wherein all the terms and conditions governing the parties will be mentioned.
9. All other terms and conditions will be in accordance with the issued RFQ.

Annexure -1 APPLICANT'S EXPRESSION OF INTEREST

**Dy. General Manager - S, C & Audits,
The Jammu & Kashmir Bank Limited,
Corporate Headquarters,
M.A, Road, Srinagar (J&K)-190001.**

Reg. Submission of Expression of Interest for Conducting Audit

Dear Sir,

In response to the Invitation for Request for Quotation (RFQ) bearing Ref No: JKB/S&C/23-/Forensic Audit/47 dated _____, 2023 for the purpose of conducting Forensic audit of 01 (one) borrower group having exposure up to Rs.50.00 crore covering the period from 19.01.2018 to 19.09.2023 in Fund Based Working Capital account and Non-Fund Based facilities to ascertain Diversion of funds, Money trail, Detection of financial statement fraud, Abnormal trade transactions, Verifying receivables and Other aspects /scope of audit covered under Forensic Audit. The borrower company is having its operations at Jammu, J&K UT & registered / administrative office at Jammu, J&K UT, India. We would like to express our interest to carry out the above proposed task. The proposal is unconditional and unqualified.

We confirm that the information submitted by us in our bid/proposal is true and correct.

Yours faithfully,

(Signature, name and designation of the Authorized Signatory)

List of documents enclosed:

1. Annexures

Note: The application is to be submitted on the letter head of the organization.

Annexure 2
Particulars to be furnished for the purpose of appointment

S.No.	Particulars	Bidder's Response with Supporting Document
1.	Name of the Bidder Company/ Firm	
2.	Date of Incorporation of Bidder Company/Firm	
3.	Complete Address of Bidder company/ Firm	
4.	Name and Contact details and E-mail id of the nodal person	
5.	Particulars of the Authorized Signatory a) Name b) Designation c) Contact Number d) E-mail id	
6.	Persons proposed to be assigned for the assignment	
7.	Name, address and account number of the Bidder's banker	
8.	PAN of the Bidder Company/Firm	
9.	GSTIN of the Bidder Company/Firm	
10.	UTR Number(s) & Transaction date(s) / Ref. No.'s of RFQ Application cost (non-refundable) & Earnest Money Deposit (Refundable) uploaded on e-Tendering Portal as Proof.	
11.	Any other Information considered relevant by the bidder.	

(Signature, name and designation of the authorized signatory)

Annexure-3 Eligibility Criteria

S. No.	Eligibility Criteria	Supporting Documentation
1.	a) IBA empaneled Audit firm / company for Forensic audit of loan assets having exposure of up to Rs.50.00 crore. b) Other Terms & Conditions as per “Annexure-7”	Copy of Empanelment Certificate issued by IBA.
2.	The Bidder should not have been black listed by any Govt. Financial Institutions/ Banks/ Government/ Semi Government departments/ PSU in India.	Certificate signed by the authorized signatory.
3.	The Bidder should not have been banned/declared ineligible for corrupt and fraudulent practices by any Regulatory body/Statutory Body and should not have any disciplinary proceedings pending against the applicant firm / company or any of the partners with ICAI/RBI.	Certificate signed by the authorized signatory.
4.	The Bidder's firm / company should not be owned or controlled by any Director or Employee of J&K Bank	A self-declaration by the Bidder on the firm's/company's letter head.
5.	The Bidder firm / company shall not be a firm/ entity whose name is appearing in the Indian Bank Association's Caution List	A self-declaration by the Bidder on the firm's/company's letter head.

Annexure- 4
Particulars in respect of similar completed audits in any Public Sector Bank or Private Sector Bank

S. No.	Name of Bank	Details of the Bank/account Audited (Rs.in crores)	Brief Details of scope of work	Name of Person in-charge from client side with contact no and email id	Period	
					From	To

(Signature, name and designation of the authorized signatory)

Note: Client Certificate/ Contract with Client in support of the information above must be submitted

Annexure- 5 TEAM MEMBER PROFILE

Details of Persons who will form the team for the proposed Assignment

1. Name of the Person :
2. Office Address :
3. E-mail ID :
4. Phone Number Office :
- Mobile :
5. Date since working in the Firm :
6. Professional Qualifications :
7. Present Designation :
8. Experience :

(Signature, name and designation of the authorized signatory)

Annexure- 6
PRICE/ Commercial Bid Format

S No.	Description	Price/Fee for whole assignment	GST	Total
1.	Forensic audit of 01 (one) borrower group covering the period from year 19.01.2018 to 19.09.2023 in Fund Based Working Capital account and Non-Fund Based facilities.			

***Note:**

1. The bid quote in any case should not be higher than the maximum fee payable as per the Remuneration / Fee structure mentioned in schedule of RFQ.
2. In case same bid quote is given by multiple bidders in any case, the audit firm / company having the oldest date of incorporation will be given preference for audit allotment.
3. Bank reserves the right to reject any or all applications for empanelment without assigning any reasons thereof.
4. Upon empanelment, the Forensic Auditor will be required to execute Letter of Undertaking as per Annexure 9 & 10.
5. All other terms and conditions will be in accordance with the issued RFQ.

(Annexure-7)
Other Terms & Conditions:

- i. Application in the format should be submitted to Deputy General Manager (S&C Audit) CHQ, to ensure uniformity in application form, the same shall be made available on Bank's website.
- ii. Usual KYC norms like Identity and address proof of Firm/Company are mandatory.
- iii. PAN Number and Registration Number with Institute of Chartered Accountant of India is also mandatory for applicant and its CA Partners/Directors.
- iv. In the event of gross negligence/malpractices noticed by the Bank in Forensic Auditor's conduct/scope of work, apart from de-paneling the firm/company, the Bank reserves the right to include their names in the caution list for circulation to all the Banks through IBA.
- v. Bank reserves the right to reject any or all applications for empanelment without assigning any reasons therefor.
- vi. **Execution of Undertaking:** Upon empanelment, the Forensic Auditor will be required to execute Undertaking as per **Annexure 9 & 10**.
- vii. The firm/company should have a fixed office premises with reasonable space and adequate infrastructure.
- viii. The firm/company should have specialist staff on the rolls of employment or available on retention basis, with minimum CA/ICWA/legal and certificate from ICAI (Forensic Audit and Fraud detection) in the field of service offered. The firm should provide a dedicated team for timely completion of forensic audit.

(Annexure-8)

Application Format for Outsourcing Firms for conducting of Forensic Audit

1. Name:

2. Constitution:

(Following documents be enclosed :

- i). Attested copies of Certificate of Incorporation
- ii). Memorandum of Association and Articles of Association of company
- iii). Certified copy of Resolution whereby the authorized signatory has been authorized to seek empanelment of the company as forensic auditor in the Bank, apply for the same and execute all necessary documents for the purpose
- iv). Attested copies of Certificate of Registration of partnership firm
- v). Deed of partnership (duly registered wherever required)

3. Date of registration/ incorporation:

4. Registration with ICAI:

5. If there has been a change in name/constitution/management in the past, please furnish below the details along with supporting documents:

6. Date of commencement of business:

7. PAN of the entity:

(Attested copy of PAN card be enclosed)

8. Name and Mob. No. of Contact Person:

9. Details of Registered office, Administrative office and branches: Telephone
No. Fax no. Mobile No. E Mail

10. Activities in which company is involved, in detail along with experience (copy of proof be enclosed):

11. Present setup/facilities/infrastructure available to execute the principal functions.

12. Important assignments completed / undertaken during the last three financial years (please give detail of the name & addresses of the clients and services rendered.)

13. Give present actual status of the last two forensic audit of loan accounts of below Rs.50 crore done by the applicant.

14. Personal & professional details of Promoters/partners/directors:

15. Personal & professional details of Professional Staff (Part time/`full time/associate):

16. Details of Registration/ Empanelment with other accredited agencies/ FIs/Banks as on date, mentioning the nature of empanelment:

17. Net worth of the Firm/Company of last three financial years.

Paid up Capital			
Income/Revenue			
Borrowings			
Net worth			
PAT			

Please enclose copies of past three years audited financial statements/ annual reports or copies of provisional financial statements in the absence of audited accounts & Income tax clearance certificate.

Declaration

I/we declare that the particulars furnished above are true to the best of my knowledge and belief. I/we, further confirm that all the necessary supporting documents are enclosed with the application.

I/we hereby undertake that the firm/company, if assigned the Job, shall have arm's length distance with the proposed clients for whose forensic audit of loan account is done, will not have any business dealings with them or give them undue favour, will not demand additional remuneration than what is initially settled nor will unnecessarily delay the investigation report.

I/we understand that any discrepancy/wrong information/breach of undertaking would lead to cancellation of enlistment as auditor with immediate effect.

In the event of any negligence/mal-practice/s on part of applicant/s, the bank besides depanelling the applicant/s reserves an unqualified and absolute right to include the name/s of applicant/s in the caution list for circulation to all the member banks of India Banks Association (IBA). The applicant/s acknowledges and declares that the aforesaid shall be without prejudice to any other remedy that may be available to the bank under law or otherwise.

For _____

Seal of the company

Place:

Date:

Signatory

Partner / Authorized

Annexure-9
Format of undertaking to be submitted by Forensic Auditor
(all partners separately in case of Firm)

I _____ Son / Daughter / Wife of _____ R/o

_____ do hereby solemnly affirm and state that:

1. I am a citizen of India
2. I have not been removed / dismissed from any service / employment earlier.
3. I have not been convicted on any offense and sentenced to a term of imprisonment.
4. I have not been found guilty of misconduct in professional capacity.
5. I am not an un-discharged insolvent.
6. I have not been convicted of an offence connected with any proceeding under the Income Tax Act 1961, Wealth Tax Act, 1957 or Gift Tax Act 1958.
7. My PAN card No. / GST No., as applicable is _____
8. I undertake to keep you informed of any events or happenings which would make me ineligible for empanelment as Forensic Auditor.
9. I have not concealed or suppressed any material information, facts and record and I have made a complete and full disclosure.

Dated:

Signature: _____

Name: _____

Annexure 10

Format of undertaking to be submitted by Forensic Auditors (Where the applicant is a company)

I, _____ designation _____ duly appointed as authorized signatory of _____, hereinafter referred to as "Company", (Name of the applicant Company) vide board resolution no._____ dated _____ do hereby for and on behalf of the Company solemnly affirm and state as under:

1. That none of the promoters/directors of the company have been removed/ dismissed from any service employment earlier.
2. That none of the promoters/directors of the company have been convicted of any offence.
3. That neither the company nor any of its promoters/directors have been found guilty of misconduct in professional capacity.
4. That the company is not an insolvent.
5. That neither the company nor any of its promoters/directors have been convicted of an offence connected with any proceeding under the Income Tax Act 1961, Wealth Tax Act, 1957 or Gift Tax Act, 1958.
6. That the PAN /GST No. of the company is _____ .
7. That we undertake to keep you informed of any events or happenings which would make the company ineligible for empanelment as Forensic Auditor.
8. That we have not concealed or suppressed any material information, facts and record and I have made a complete and full disclosure.
9. That copies of the related Board Resolution/s, PAN Card and document evidencing issuance of GST No. are enclosed.
10. That we undertake to keep confidential all the Information under this allotment for Forensic audit i.e. any data or information disclosed/furnished by the J&K Bank in connection with and for the purpose of conducting Forensic Audit, and includes any personal information of the customers or the information which our company may obtain during the conduct of such forensic Audit from whatsoever source. Such information shall also include any copy, abstract, extract, sample note, module etc. thereof. The information shall be used solely for and

in connection with the job assigned i.e. Forensic Audit.

11. I/We shall not use or disclose any Information or any materials derived therefrom to any other person or entity other than persons in the direct employment of the audit company who have a need to have access to and knowledge of the Information solely for the Purpose authorized by bank. We may disclose information to consultants only if the consultant has executed a Non-Disclosure Agreement with the audit company that contains terms and conditions that are no less restrictive than these. The company shall take appropriate measures by instructions and written agreement prior to disclosure to such employees or consultants to assure against unauthorized use or disclosure. The audit company agrees to notify the bank immediately if it learns of any use or disclosure of the bank's information.
12. Upon completion of assignment / written demand notice of the Bank, the audit company shall (i) cease using the Information, (ii) return the Information and all copies, abstract, extracts, samples, notes or modules thereof to the bank within seven (7) days after receipt of notice and (iii) upon request of the Bank, certify in writing that the audit company has complied with the obligations set forth in this paragraph.
13. We shall indemnify and keep indemnified the J&K bank against all direct/actual losses suffered by J&K bank, whether on account of any third party claim or otherwise arising out of and in connection with the Breach of the confidentiality obligations undertaken by virtue of this work.
14. The confidentiality obligation assumed under this allotted work shall survive and continue to be observed irrespective of the fact whether the audit company continues to be Forensic Auditor for the allotted work or not.

Dated:

Signature of Authorized Signatory: _____

Seal of the company: _____

Annexure 11

NON - DISCLOSURE AGREEMENT

This Non-Disclosure Agreement (hereinafter referred to as „agreement“) is made on this _____ day of _____ 20____ at____ between _____ (Give name constitution, father’s / spouse name in case of individual, address of Forensic Auditor) (hereinafter referred to as, “Receiving Party” which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) of the FIRST PART;

AND

The Jammu and Kashmir Bank Ltd., a Banking Company under Indian Companies Act 2013 having its registered office at Corporate headquarters M.A Road, Srinagar J & K (hereinafter referred to as “Disclosing party/J&K Bank” which expression shall unless repugnant to the subject or context thereof, include its successors and assigns) of the OTHER PART.

‘Receiving Party’ AND ‘J&K Bank’ / „Disclosing Party“ are hereinafter collectively referred to as “the parties” and individually as “the party”.

WHEREAS

J&K Bank / Disclosing Party has agreed to engage Receiving Party as Forensic Auditor for conducting forensic audit of _____

For the purpose of Forensic Audit which may be assigned by J&K Bank / Disclosing Party to the Receiving Party, the J&K Bank would need to disclose certain valuable confidential information to the Receiving Party.

Therefore, in consideration of covenants and agreements contained herein for the mutual disclosure of confidential information to each other and non-disclosure thereof as provided herein after, and intending to be legally bound, the parties agree to terms & conditions as set out hereunder.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS UNDER:

- 1. Information:** “Information” under this agreement means any data or information disclosed/furnished by the disclosing party (J&K Bank) to the receiving party in connection with and for the purpose of conducting Forensic Audit, and includes any personal information of the customers or the information which the receiving party may obtain during the conduct of such forensic Audit from whatsoever source. Such information shall also include any copy, abstract, extract, sample note, module etc thereof.

The Receiving Party may use the Information solely for and in connection with the job assigned i.e. Forensic Audit.

Notwithstanding the foregoing, “Information” shall not include any information which the Receiving Party can show : a) is now or subsequently becomes legally and publicly available without breach of this Agreement by the Receiving Party, (b) was rightfully in the possession of the Receiving Party without any obligation of confidentiality prior to receiving it from the Disclosing Party, (c) was rightfully obtained by the Receiving Party from a source other than the Disclosing Party without any obligation of confidentiality, (d) was developed by or for the Receiving Party independently and without reference to any Information and such independent development can be shown by documentary evidence, or (e) is disclosed pursuant to an order of a Court or Government Agency as so required by such order, provided that the Receiving Party shall, unless prohibited by law or regulation, promptly notify the Disclosing Party of such order and afford the Disclosing Party the opportunity to seek appropriate protective order relating to such disclosure.

2. **Non-Disclosure:** The Receiving Party shall not use or disclose any Information or any materials derived therefrom to any other person or entity other than persons in the direct employment of the Receiving Party who have a need to have access to and knowledge of the Information solely for the Purpose authorized by Disclosing Party. The Receiving Party may disclose information to consultants only if the consultant has executed a Non-Disclosure Agreement with the Receiving Party that contains terms and conditions that are no less restrictive than these. The Receiving Party shall take appropriate measures by instructions and written agreement prior to disclosure to such employees or consultants to assure against unauthorized use or disclosure. The receiving party agrees to notify the Disclosing Party immediately if it learns of any use or disclosure of the Disclosing Party’s information in violation of terms of this agreement.

In the event of any actual or suspected misuse, disclosure or loss of, or inability to account for, any Confidential Information of the disclosing Party, the receiving Party promptly shall (i) Notify the disclosing Party upon becoming aware thereof; (ii) Promptly furnish to the other Party full details of the unauthorized possession, use, or knowledge, or attempt thereof, and use reasonable efforts to assist the other Party in investigating or preventing the reoccurrence of any unauthorized possession, use, or knowledge, or attempt thereof, of Confidential Information; (iii) Take such actions as may be necessary or reasonably requested by the disclosing Party to minimize the violation; and (iv) Co-operate in all reasonable respects with the disclosing Party to minimize the violation and any damage resulting there from.

3. **Publications:** The Receiving Party shall not make news releases, public announcements, give interviews, issue / publish advertisements / publicize in any other manner whatsoever in connection with this Agreement or of the forensic Audit, the contents/provisions thereof, other information relating to this Agreement or of the forensic Audit, the Purpose, the Information or other matter of this Agreement, without the prior written approval of other party.

4. **Title and Proprietary Rights:** Notwithstanding the disclosure of any information by the Disclosing Party to the Receiving Party, the Disclosing Party shall retain title and all intellectual property and proprietary rights in the Information. No License under any trademark, patent or copyright or application for same which are now or thereafter may be obtained by such Party is either granted or implied by the conveying of Information. The Receiving Party shall not conceal, alter, obliterate, mutilate, deface or otherwise interfere with any trade mark, trade mark notice, copyright notice, confidentiality notice or any notice of any other proprietary right of the Disclosing Party on any copy of the Information, and shall reproduce any such mark or notice on all copies of such Information. Likewise, the Receiving Party shall not add or emboss its own or any other mark, symbol or logo on such Information.
5. **Return of Information:** Upon completion of assignment / written demand notice of the Disclosing Party, the Receiving Party shall (i) cease using the Information, (ii) return the Information and all copies, abstract, extracts, samples, notes or modules thereof to the Disclosing Party within seven (7) days after receipt of notice and (iii) upon request of the Disclosing Party, certify in writing that the Receiving Party has complied with the obligations set forth in this paragraph.
6. **Remedies:** The Receiving Party acknowledges that if the Receiving Party fails to comply with any of its obligations hereunder, the Disclosing Party may suffer immediate irreparable harm for which monetary damages may not be adequate. The Receiving Party agrees, in addition to all other remedies provided at law or in equity, the Disclosing Party shall be entitled to injunctive relief hereunder.
7. The Receiving Party shall indemnify and keep indemnified the Disclosing Party/J&K bank against all direct/actual losses suffered by disclosed party/J&K bank, whether on account of any third party claim or otherwise arising out of and in connection with the Breach of the confidentiality obligations undertaken by virtue of this agreement.
8. The confidentiality obligation assumed under this Agreement shall survive and continue to be observed irrespective of the fact whether the Receiving Party continues to be on the Panel of Forensic Auditors of the Disclosing Party/J&K bank or not.
9. **Entire Agreement, Amendment, and Assignment:** This Agreement constitutes the entire Agreement between the Parties relating to the matters discussed herein and supersedes any and all prior oral discussions and/or written correspondence or agreements between the Parties. This agreement may be amended or modified only with the mutual written consent of the Parties. Neither this agreement nor any right granted hereunder shall be assignable or otherwise transferable.

- 10. Governing Law:** The provisions of this Agreement shall be governed by the Laws of India.
- 11. General:** The Receiving Party shall not reverse-engineer, decompile, disassemble or otherwise interfere with any software disclosed hereunder. All Information is provided "as is". In no event shall the Disclosing Party be liable for the inaccuracy or incompleteness of the Information. None of the Information disclosed by the Parties constitutes any representation, warranty, assurance, guarantee or inducement by either party to the other with respect to the fitness of such information for any particular purpose or infringement of trade marks, patents, copy rights or any right of third persons.
- 12.** This agreement shall, in all respects, be governed by, and construed in accordance with the Laws of the UT of J&K read with applicable Laws of India. The Courts in Srinagar, India shall have exclusive jurisdiction in relation to this agreement.
- 13.** It will be the endeavor of the Parties to resolve amicably any disputes or differences that may arise between them from misconstruing the meaning and operation of this Agreement and the breach that may result.

In case of dispute or difference arising between the Parties relating to any matter arising out of or connected with this Agreement, such disputes or difference shall be settled in accordance with the Arbitration and Conciliation Act, 1996. The sole Arbitrator shall be chosen by mutual discussion between the Parties. The decision of the arbitrator shall be final.

The arbitration proceedings shall be held at Srinagar, Kashmir India, and the language of the arbitration proceedings and that of all documents and communications between the parties shall be English.”

IN WITNESS WHEREOF, the parties hereto have executed these present on the day, month and year first herein written below.

For and on behalf of

_____ (Receiving Party)

Signature: Name: Capacity: Date:

Witnesses: 1.

2.

For and on behalf of J&K Bank

Signature:

Name of Signature: Designation:

Date: Witnesses: 1.

2.