

**The Maharashtra State Co-operative Bank Ltd.,
Sir Vitthalidas Thackersey Memorial Building,
9, Maharashtra Chambers of Commerce Lane,
Fort, Mumbai – 400 001.**

TENDER NOTICE

Sealed offer are invited (two bid system) from Registered Reputed Firm for conducting concurrent audit of Treasury Department, Banking Department- Depositor Education & Awareness Fund & International Banking Division of The Maharashtra State Co-operative Bank Ltd., Fort, Mumbai. For details please visit our official webside – <https://www.msccbank.com/tenders.htm>

Date:-17/03/2020

Place – Mumbai

Sd/-
(Dr.Ajit Deshmukh)
Managing Director

**The Maharashtra State Co-operative Bank Ltd ("MSCB")
(Incorporating The Vidarbha Co-op. Bank Ltd.)**

**Tender Document
For
APPOINTMENT OF CONCURRENT AUDITOR**

For

TREASURY, BANKING & INTERNATIONAL BANKING DIVISION

Tender Name : Appointment of Concurrent Auditor

Period of Support : 3 Financial Years – 2020-21, 2021-22, 2022-23

Tender Number : MSCB/TRA/F-Con Audit /274/2019-20

Date of Issue Tender : March 17, 2020

Last Date of Tender Submission : March 24, 2020 Time 4.00 p.m.

Technical Tender open : March 24, 2020 Time 5.00 p.m.

Total No of Pages : 13

Tender Price : Rs. 2000/- (Rs. Two thousand only)+GST 18%

Contact Details and Place of Submission : Shri M.V.Khaire, Manager, Treasury,
The Maharashtra State Co-operative Bank Ltd.,
Vaikunthbhai Mehta Smruti Bhavan,
120, Shahid Bhagatsing Road,
Fort, Mumbai – 400 001.

Tel : 022- 22800672 / 022- 22800656
Email: mvkhaire@mscbank.com
srshinde@mscbank.com
midoffice@mscbank.com

The Maharashtra State Co-operative Bank Ltd ("MSCB")

(Incorporating The Vidarbha Co-op. Bank Ltd.,)

Scheduled Bank

Sir Vitthaladas Thackersey Memorial Building,

9, Maharashtra Chambers of Commerce Lane, Fort, Mumbai – 400 001.

TENDER NOTICE

Sealed offers are invited (two bid system) from Registered Reputed Firm for conducting concurrent audit of Treasury Department / International Banking Division & Amount taken under, Depositor Education & Awareness Fund of The Maharashtra State Co-Operative Bank Ltd. Head Office, Fort, Mumbai-

Tender Highlights :

Service Period	Financial Year 2020-21, 2021-22 & 2022-23
Document Reference	MSCH/TRA/F-Con Audit/274/2019-20
Date of Commencement of Sale of Document	March 17, 2020
Last Date and Time for receipt of offers from Vendors	March 24, 2020 Time – 4.00 P.M.
Address for Communication	As above
Contact Telephone Numbers	022- 22800672-710 / 022- 22800656
FAX Number	022-2204 3417/2204 3421
e-mail ID	mvkhaire@mscbank.com srshinde@mscbank.com midoffice@mscbank.com

* **Those Firms who have already participated in Tender process earlier, Ref.No.MSCH/TRA/F-Con Audit/241/2019-20, can submit their documents without tender document fees.**

Terms and Conditions, eligibility criteria and procedure for submission of offer etc are given in the tender document. The Tender document may be obtained by paying a non-refundable fee Rs. 2000/- (Rupees Two thousand Only)+GST 18% in cash or in the form of demand draft in favor of "**The Maharashtra State Co-operative Bank Ltd., Mumbai**" payable at Mumbai, from the office of The Managing Director of the Bank during office hours between 10.15 am to 17.00 pm. The same can also be downloaded from the official website of MSCB (www.mscbank.com) and sealed offers may be submitted along with non-refundable fee of Rs. 2000/- (Rupees Two thousand Only) +GST 18% in the form of demand draft in favour of "**The Maharashtra State Co-operative Bank Ltd., Mumbai**" payable at Mumbai **on or before** March 24, 2020 by NEFT on Account No.0002116900000004 (IFCI code MSC10082002, Title Account –Other Receipt Account) duly complete in all respect.

Date :- March 17, 2020

Mumbai

Sd/-
(Dr.Ajit Deshmukh)
Managing Director

Tender Document for Appointment of Concurrent Auditor for the Financial Year 2020-2021 to 2022-2023

1. THE MAHARASHTRA STATE CO-OPERATIVE BANK LTD. (MSCB):

The Maharashtra State Cooperative Bank Ltd., Mumbai is a premier Co-operative institute at State level established in 1911. It is rendering its services to its increasing number of clientele in more diversified and multifarious bank services and facilities over last 10 decades and has established itself a leader of co-operative movement in the state of Maharashtra through its Six regional offices, and 54 Branches in the State.

Ours is the Apex Co-op. Bank having Working Capital of Rs. 27,949/- Crore as on 31.03.2019. The details of the concerned department are under –

2. TREASURY DEPARTMENT –

Treasury operations are carried out as per guidelines of RBI, NABARD & FBIL. It undertakes to make profitable investment of Bank's funds in Government securities, treasury bills, call-money, short term deposits, and NON SLR Bonds and other RBI approved product. If the Bank is in need of funds, this section taps various sources in the money market, maintains Bank's Cash Reserve Ratio and Statutory Liquidity Ratio, Purchase and sell of Government securities of own & on behalf of constituent banks. etc functions are performed by the department. Bank having Investment of Rs.6,532/- crore as on 31st March 2019. This Department is situated at Vaikunthbhai Mehta Smruti Bhavan,120, Shahid Bhagatsing Road, Fort, Mumbai – 400 001.

3. INTERNATIONAL BANKING DIVISION –

International Banking Division of the Bank commenced foreign exchange business from 1990. This Department offer the services in Foreign Exchange business to various institutions in pre shipment/packing credit, establishment of foreign letter of credit as an Authorized Dealer and also undertake collection of Export / Import bills, etc in accordance with RBI, FEMA, FEDAI directives. External commercial Borrowings and Export Guarantee Transactions are also carried out.

4. BANKING DEPARTMENT - Depositor Education & Awareness Fund

Verified that the returns have been correctly compiled in accordance with the Depositor Education and Awareness Fund Scheme, 2014.

5. PURPOSE OF FLOATING TENDER –

Considering the complexity of Treasury, Forex transactions as well as Depositor Education & Awareness Fund, it is absolute essential to monitor trading position including price, market depth, etc and conduct day to day business in tune with internal guidelines & RBI/NABARD guidelines internal audit/concurrent audit is to be carried out on monthly basis as per RBI/NABARD in stipulated time frame.

6. SCOPE OF WORK –

6.1	INVESTMENT – Treasury Department
SR.NO.	DETAILS
6.1.1	To confirm that our investment policy has been framed in line with the guidelines of Reserve Bank of India.
6.1.2	To ensure the operations are conducted in accordance with sound and acceptable business practices and in compliance with relevant RBI circulars.
6.1.3	Physical verification & reconciliation of securities with SGL balance & confirmation.
6.1.4	Classification and disclosure of investment portfolio.
6.1.5	Risk assessment & management associated with treasury operations.
6.1.6	Verification of dealings (sales & purchase) in investment portfolio of bank and constituent's accounts.
6.1.7	Accounting of interest and profit & loss on investment
6.1.8	Quarterly valuation of investment in line with guidelines issued by RBI and at rates prescribed by FBIL and providing for depreciation on investment.
6.1.9	Amortization of premium on securities under 'held to maturity' category.
6.1.10	Provisioning for investments under 'available for sale' category.
6.1.11	To identify the scope of incremental revenue as compared to other banks.
6.1.12	To analyses the return on investment made during the year.
6.1.13	Review report of RBI/NABARD/Government Auditors
6.1.14	Other relevant features of RBI circular.
6.1.15	To review minutes of Investment Committee Meetings.
6.1.16	Checking of access and logical controls.
6.1.17	Checking of calculations of WAP and amortization.
6.1.18	Training and Management Review.
6.1.19	Review of Investment Policy.
6.1.20	Risk Management Review.
6.2	Banking Department - Depositor Education & Awareness Fund
SR.No.	DETAILS
6.2.1	Monthly returns in Form I and Form II filed with RBI duly certified
6.2.2	Details of settlement made by the branches of the bank to customers
6.2.3	Other books and records of the bank and
6.2.4	Written representation
6.2.5	Verified Form I and Form II
6.2.6	Verified details received from the branches regarding settlement made to customers on sample basis
6.2.7	Verified that Half-yearly Reconciliation Certificates (Form III) have been submitted on time.
6.2.8	Verified that the returns have been correctly compiled in accordance with the Depositor Education and Awareness Fund Scheme, 2014

6.3	INTERNATIONAL BANKING DIVISION
SR.NO.	DETAILS
6.3.1	IMPORT:- Verify following <ol style="list-style-type: none"> 1. L.C. issuance 2. Forex Limits 3. Documentary Bills under Foreign LC 4. Import Bill for collection 5. Advance Remittance for imports 6. Forward Contracts
6.3.2	EXPORT :- <ol style="list-style-type: none"> 1. L.C. Advising 2. Foreign bill purchased/negotiated/discounted 3. Export Bill for collection 4. Preshipment / Post shipment limits/disbursement/recovery 5. Interest on Preshipment Loan 6. Forward Contracts
6.3.3	Verify Foreign Bank Guarantees, Outward/Inward Remittances collection of cheques, issue of FIRC/EEFC account, Form A 4 handling of foreign currency notes etc, Form A2 for outward remittance
6.3.4	Verification of dealings (Sales & Purchases) in forex transactions.
6.3.5	Review calculation & recovery of interest
6.3.6	Review revaluation of outstanding foreign currency transactions as per FEDAI
6.3.7	Review timely submission of Statutory Return to RBI.
6.4	Checklist for Audit of Investment Portfolio (As provided by NABARD) <ul style="list-style-type: none"> • Whether the Bank has a Board approved Investment Policy-check whether the same is in accordance with the broad guidelines for investment issued by the RBI • Whether the bank has constituted an Investment Committee-verify the minutes book, proceedings. • Go through the observations of concurrent auditors Statutory Auditors and NABARD Inspections reports and follow up action taken. • Whether there is a fictional separation of trading, settlement, monitoring, control and accounting. ? • Whatever there is a clear bifurcation of transactions of own investment and PMS, if any? • Whatever the limit for the dealer and authority to put through transaction been followed ? • Whatever deal slip is prepared for every transaction entered? • Whatever deal tickets are serially numbered and are there adequate controls with regard to unauthorized/unaccounted use of the deal tickets? • Do the deal ticket give all the required particulars including the time of the deal and are these checked/signed/initialed by the dealer ? • Ensure that alterations and cancellations on deal slip are authorized by the Treasury Manager.

- Check that the copy sent to the counterparty is signed by the client and deals are supported by confirmation letter from the counter party.
- Does the bank have an approved panel of brokers ?
- Whatever the deals done through brokers are only with the approved ones ?
- To be ensured that the role of the broker is restricted to that of bringing the two parties to the deals together.
- Brokerage paid is at the approved rates and TDS is deducted as per the provisions of the Income Tax Act, 1961
- It should be ensured that all transactions made by the bank are in accordance with the approved investment policy and RBI regulation.

Credit Risk

- To Check whatever the counter party exposure limits haven been separately specified for the excesses and to be ensured that they are ratified by the competent authority.

Market Risk

- Check for various limits specified in the investment policy. To check for the excesses and to be ensured that they are ratified by the competent authority

Interface between front and back office

- Is there seamless interface between the front and back offices ? In other words, how are deals put through by front office, captured by back office and what is the system of reconciliation between the two.

Money Market

- Are there any oversold positions?
- To be ensured that rates at which the deals are done are in line with market rates.
- Identify a sample of purchase and sale of investments and vouch them keeping in mind internal procedures, RBI regulations, authorization powers, counter party contracts, price feeds etc.
- Whatever all investment are appropriately categorized at the time of acquisition ?
- Whatever capitalization of charges is as per the internal policy? to be ensured that charges to be considered as revenue is not capitalized.
- Whatever any shifting of securities is effected ? Are they in accordance with the RBI guidelines ? Is the loss at the time of shifting provided ?
- Ensure that broken period interest paid to seller is not capitalized as a part of cost but treated as expenses.
- Check for the accuracy and completeness of :

7.	<ul style="list-style-type: none"> ✓ Book value of securities in the portfolio ✓ Interest accrual in case of dated Govt. / debt securities. ✓ Amortization in case of securities held under HTM category. ✓ Income/dividends accounted in case of discounted instruments/ share/mutual funds. ✓ Profit/loss calculation on sale and booking of sale proceeds/profit & loss. ✓ Valuation as per norms – Mark To Market (MTM) <ul style="list-style-type: none"> • Ensure whether classification NPA and their accounting is as per statutory regulations. • Half yearly review of the investment portfolio undertaken by the bank and whether the same is forwarded to NABARD within the stipulated time? <p><u>Examination of reconciliation</u></p> <ul style="list-style-type: none"> • Confirmation to be obtained for CSGL accounts and checked with bank's books. • Scrip's held in physical form to be physically verified. • Reconciliation in the balance for securities as per front and back office records. <p><u>Calculation and Maintenance of SLR and CRR</u></p> <p>Verify position of SLR and CRR on select dates and ensure adherence to the same.</p> <ul style="list-style-type: none"> • Correctness of the compilation of DTL position. • Maintenance of liquid assets. • For determining the DTL position, weekly trial balance as on Friday received from different branches are consolidate at the Head Office. The central auditor should request the branch auditors to verify the correctness of the trial balances and cash balance at the branch on selected dates. As regards weekly returns reviewed on a sample basis to identify any prime-facie errors/inconsistencies. <p>ELIGIBILITY CRITERIA –</p> <p>To be eligible for consideration the bidder should satisfy following criteria</p> <p>7.1. It should be a firm of Chartered Accountants having minimum 3 FCAs. (Name & Registration No. to be submitted)</p> <p>7.2. Firm should be registered with Institute of Chartered Accountants of India. (Registration Certificate to be submitted)</p>
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7.3.	Firm should have experience in audit of Treasury (Portfolio size should be more than Rs.10,000/- crore) and International banking division functions for minimum of 3 years in Bank (List of work in hand should be enclosed with proposal) (List of client and portfolio size to be submitted)
7.4.	Firm should have minimum annual turnover of Rs.50/- lakh in preceding financial year. (CA certificate of turn over to be submitted)
7.5.	Firm should have minimum 15 qualified staff (Graduate, Article Assistant) (List of staff with experience to be submitted)
7.6.	Firm having Partner/Staff (List to be enclosed) who have undergone certificate course in Forex and Treasury management.(FEDAI, IIBF or equivalent)
7.7.	Firm should not be debarred or disqualified under any law. (Declaration of Non Disqualification / Black list to be enclosed)
8.	<p>DETAILS OF COMPANY -</p> <p>All information should be submitted as per annexure 1 in true with the services eligibility criteria.</p>
9.	<p>FINANCIAL OFFER -</p> <p>Financial offer be submitted in the prescribed format as provided in Annexure "2". There will be no negotiations on financial offer. Hence the firm & final financial offer should be quoted. Minimum fee of Rs. 1,25,000/- + Applicable tax (P.A.)</p>
10.	<p>PROCEDURE FOR SUBMISSION OF PROPOSAL -</p>
10.1.	<p>Two Envelope System –</p> <p>The company which is eligible as mentioned in the eligibility criteria, is submit proposal in two pars viz- 1. Company Details and 2. Financial Offer in two separate sealed envelope.</p> <p>The envelope should be clearly marked as ;</p> <ol style="list-style-type: none"> 1. "Proposal for Appointment of Concurrent Auditor for MSCB" - with details of services to be provided and company details as per annexure 1 and 2. "Financial Proposal for Concurrent Auditor for MSCB" – as per annexure 2 <p>The above two envelop should be enclosed in single outer envelope and should be marked as Appointment of Concurrent Auditor for MSCB"</p>

10.2	<p>Submission of Tender – Both the proposals should be addressed to :</p> <p style="text-align: center;">The Manager, Treasury The Maharashtra State Co-operative Bank Ltd., Vaikuthabhai Mehta Smruti Bhavan, 120, Shahid Bhagatsing Road, Fort, Mumbai – 400 001</p> <p>The last date and time for submission of Tender in 4.00 p.m. on March 24, 2020. Both the envelope should be submitted together duly enclosed in one single outer envelope as mentioned above.</p>
11.	<p>EVALUATION PROCESS –</p>
11.1.	<p>Any proposal if found' to contain false or incorrect information is liable to be rejected outright.</p>
11.2.	<p>Financial proposal not submitted in the prescribed format is liable to be outright rejected.</p>
11.3.	<p>MSCB reserves the right to reject any and / or all proposals without assigning any reason thereof.</p>
11.4.	<p>The proposal satisfying the eligibility criteria as mentioned in point no.5 will be considered for further evaluation on financial criteria.</p>
12.	<p>PAYMENT TERM -</p>
	<p>The company will require to be quarterly for the Services which will be paid by the Bank within a period of 15 days from the date of submission of the Bill after statutory deduction/s as TDS.</p>
13.	<p>VALIDITY OF OFFER –</p>
	<p>The offer shall be valid up to 90 days from the date of opening of financial offer.</p>
14.	<p>ACCEPTANCE OF OFFER –</p>
	<p>Bank reserves the right to accept or to cancel the offer without any reason.</p>
15.	<p>SHORT LISTING OF OFFER –</p>
	<p>Those who will fulfill the eligibility criteria as mentioned in point no. 7 will be short listed for opening of envelop 1 Company Details.</p>
	<p>Financial Offers will be opened those who will be qualify as per company details.</p>

16.

CONFIDENTIALITY -

Information reports & record of the bank shall be kept confidential. The information collected during the course of the assignment would be confidential and shall not be used for any other purpose other than for MSCB

17.

TERMINATION OF SERVICES –

Either the Bank or the Company can terminate the services by giving to other party in writing a minimum of 3 months notice in advance.

However under exceptional circumstance such as unethical professional behavior, breach of trust, breach of confidentiality or unsatisfactory services on the part of the company at any point during the services Period without assigning any reasons with immediate effect with 24 hours' notice in writing.

ANNEXURE – 1**A) DETAILS OF COMPAY**

SR. NO	PARTICULARS	REMARKS
1	COMPANY PROFILE	YES/NO
2	REGISTERED ADDRESS OF	YES/NO
3	TELEPHONE NO	YES/NO
4	FAX NO	YES/NO
5	E- MAIL ID	YES/NO
6	REGISTRATION NO WITH ICAL	YES/NO
7	PAN NO	YES/NO
8	GST REGISTRATION NO	YES/NO
9	AUDITED BALANCE SHEETS FOR 2016-17, 2017-18, 2018-19	YES/NO
10	BANK DETAILS OF WHICH AUDIT CONNDUCTED	YES/NO
11	NAME OF AUTHORISED PERSON TO BE CONTACTED	YES/NO
12	CONTACT DETAILS OF AUTHOURSISD PERSONS	YES/NO

B) ABSTRACT

SR. NO	PARTICULARS	REMARKS
1	NO.OF FCA	SHOULD BE MENTIONED
2	EXPERIENCE IN TREASURY & IBD AUDIT	SHOULD BE MENTIONED
3	ANNUAL TURNOVER OF COMPANY/FIRM 2018-19	SHOULD BE MENTIONED
4	NO.OF QUALIFIED STAFF	SHOULD BE MENTIONED
5	ADDITIONAL QUALIFICATION PARTNERS / STAFF	SHOULD BE MENTIONED

NOTE – Above details to be submitted separately with proposal indicating Yes/No before each item, duly signed by Authorized signatory.

AUTHORISED SIGNATORY

SEAL

FINANCIAL OFFER

SR NO	YEARS	CHARGES/FEES (Rs.)
1	2020-2021	
2	2022-2022	
3	2022-2023	
	TOTAL	

AUTHORISED SIGNATORY

SEAL

TERMS & CONDITIONS –

- 1) All the costs should be quoted in Indian Rupees. and shall be valid through the service period
- 2) There will be no negotiations on financial offer hence the firm & final financial offer should be quoted and need to be submitted on company's letter head.
- 3) The payment will be made on quarterly basis
- 4) Taxes will be paid on actual by the bank.
- 5) Either the Bank or the company can terminate the services by giving to other party in writing a minimum of 3 months' notice in advance.
- 6) Under exceptional circumstances such as unethical professional behavior, breach of trust, breach of confidentiality or unsatisfactory services on the part of the firm, The Bank shall reserves the right to terminate the services of the company at any point during the Contract Period without assigning any reasons with immediate effect, with 24 hours' notice in writing.
- 7) Vendor has to submit acceptance letter for terms & conditions
