



युनाइटेड बैंक ऑफ़ इंडिया

United Bank of India

प्र.का. : 11, हेमंत असु सरणी, कोलकाता - 700 001

H.O. : 11, Hemanta Basu Sarani, Kolkata - 700 001

**PUBLIC NOTICE FOR EMPANELMENT OF STOCK AUDITORS**

United Bank of India invites application in sealed envelope for empanelment of stock & receivable auditors for audit of inventories, trade receivables and trade creditors of its borrowers from the eligible individuals and proprietorship/partnership firms fulfilling the criteria appended to this notice in the format annexed along with the supportive documents.

The application in prescribed format (annexed), complete in all respect, along with all supportive documents as stated in the application format, must reach the General Manager (Credit) within 30.09.2014 positively. The application in sealed envelope with inscription 'APPLICATION FOR EMPANELMENT OF STOCK AUDITORS' should be sent by hand/ordinary post/courier to

The General Manager (Credit)  
United Bank of India, Head Office  
United Towers, 3<sup>rd</sup> Floor  
11, Hemanta Basu Sarani  
Kolkata - 700001

All complete applications received shall be acknowledged through email to the email ID provided in the application. However, applications, which are not duly filled up and/or lacking required supportive documents, shall not be acknowledged and shall be treated as 'NOT RECEIVED'. Any complete application received after the above mentioned cut-off date shall not be considered for current process of empanelment but may be acknowledged for consideration in future process.

The stock auditors presently empanelled with the Bank shall also require to apply fresh and the existing panel will cease to exist on publication of the new panel.

The selected stock auditors will be intimated through email along with a copy of draft agreement (format annexed) to be executed. On execution of the Agreement the stock auditor shall be empanelled for five years, unless delisted by the Bank in the interim period for valid reasons. Rejection of applications shall also be intimated through email citing reasons

The Bank's decision on selection shall be final and no communication in that respect shall be entertained.

All persons/firms intending to apply are requested to go through the appendix for eligibility criteria and other norms before application. Any query in this regard may be sent by email to [kanchanc1@unitedbank.co.in](mailto:kanchanc1@unitedbank.co.in)

[D Mukherjee]  
General Manager (Credit)

## APPENDIX

### Eligibility Criteria and other norms for empanelment of Stock & Receivable Auditors

#### 1. Eligibility criteria for empanelment

##### 1.1 Minimum criteria

- The applicant should be a qualified Chartered / Cost Accountant or a firm of Chartered/Cost Accountants, registered with Institute of Chartered Accountants of India / Institute of Cost Accountants of India.
- A registered valuer of stocks under section 34AB of Wealth Tax Act and fellow/associate member of Institution of Valuers as specialist in jewellery, precious stones & ornaments or as specialist in Works of Art or as valuer for chemicals or as valuer of any such specialized stock may also apply for empanelment as stock auditor for such specialized categories. An audit firm having at least one such partner or senior employee shall be eligible for being empanelled as stock auditor for such specialized stock.
- The applicant should have post-qualification practicing experience of at least 3 years with at least 2 years experience in stock audits in different types of industry/sector. In case of firms, the experience of the Managing / Senior partners shall be considered as the experience of the firm.
- Minimum age of the individual stock auditor should be 25 years at the time of application. In case of firms proprietor / any of the partners should not be of age below 25 years. However, at the time of empanelment the age of individual applicant / proprietor /any of the partners shall not exceed 75 years.
- The applicant individuals / firms as well as all partners must be income tax assessee
- In case the Stock auditor / proprietor or any of the partners of the audit firm / employee of the audit firm is an ex-employee of the Bank, such stock auditor / audit firm shall be eligible for empanelment after a cooling period of three (3) years from the date of retirement of that employee.
- The applicant should be an Indian citizen

##### 1.2 Additional / Preferred Criteria

- Empanelment with PSBs / FIs / DRT / High Court / Supreme Court as stock auditor shall be treated as a preferred qualification, but not mandatory one for being empanelled.
- The firms having partners/personnel with engineering background and/or partners/personnel experienced with SAP environment and/or partners/personnel with CISA/DISA to assist stock audit will be given preference
- Where there are common partner(s) in more than one firm, only one of such firms may be considered for empanelment.

### 1.3 Negative Criteria

- The auditors against whom complaints have been registered with CBI / SFIO / police / court of law &/or blacklisted by any bank / FI / IBA/etc shall not be eligible
- The auditors convicted of any offence and sentenced to imprisonment / found guilty of misconduct in professional capacity / convicted under IT Act &/or WT Act &/or Gift Tax Act &/or Service Tax Act, shall not be eligible.
- An undischarged insolvent shall not be eligible for empanelment
- A central statutory auditor of the Bank shall not be eligible for empanelment as stock auditor during the tenor as statutory Auditor. Statutory / concurrent auditor of a branch shall not be eligible for undertaking stock audits related to the same branch, even if empanelled.

### 2. Categories of the Stock & receivable auditors

	Stock & receivable Auditor	For advance limit
A	Individual / Proprietorship*	Upto ₹10.00 crores
B	Firms having stock audit experience upto 3 years	Upto ₹25.00 crores
	Firms having stock audit experience more than 3 years upto 5 years	Upto ₹100.00 crores
C	Firms having stock audit experience more than 5 years	No limit
D	Empanelled as auditor for specific specialized stocks	No limit for such specific stock

- \* Individual/proprietorship firm having just minimum experience, i.e. post-qualification practicing experience of 3 years with stock audit experience of 2 years shall be awarded the job of stock audit for limits upto ₹5 crores.

### 3. Empanelment Procedure

- Fresh applications (as per format given in **Annexure –I**) will be invited from the eligible stock auditors for empanelment in the format(s) available in Bank's corporate website. Existing empanelled stock auditors will require to apply de novo. The intending stock auditors shall apply directly to the General Manager in charge of Credit, Head Office.
- The empanelment will be done on the basis of applications received by the Credit Department, H.O. upto a cutoff date, fixed internally. However, interested auditors may apply throughout the year and such applications received after cutoff date may be considered for empanelment on merit during next meeting of Empanelment Committee, which will be held at least annually.
- The empanelment shall be done by an Empanelment Committee.
- The list of empanelled stock auditors, as approved by the Empanelment Committee, shall be available in the Bank's corporate website as also in the intranet. A stock auditor once empanelled under this guideline shall continue to remain enlisted for a stretch of 5 (five) years unless removed by the Bank during the interim period.
- The applicants, rejected during scrutiny &/or by Empanelment Committee should be informed in writing giving the cause of rejection.

#### **4. Duration of Empanelment**

- The duration of empanelment shall be for a period of five years. However, the quality of service provided / performance of the stock auditors shall be reviewed annually by the Bank.
- Upon expiry of 5 years from the empanelment the stock auditor will require to apply afresh for renewal/re-empanelment, which will be considered in next meeting of Empanelment Committee. If no such application is received before such meeting, the stock auditor will automatically be delisted.
- However, at any time during the 5 years period the Bank may at its discretion de-empanel / remove any stock auditor after serving due show cause notices. Such stock auditors will remain debarred from empanelment for next 5 years.

#### **5. Performance review of stock auditors**

- There shall be periodical review of the performance of the empanelled stock auditors
- In case any fraudulent activity by the stock auditor is observed, while examining a stock audit report, the matter shall immediately be reported without waiting for half-yearly performance report.
- If any adverse feature is observed in the performance review report &/or on receipt of a report involving fraudulent activity, a show cause notice is to be issued to the stock auditor giving 30 days time for clarifying its action. On receipt of clarification a report is to be placed before the Empanelment Committee immediately for decision including removal / de-empanelment. If no clarification is received within stipulated period, the report is to be placed without allowing further time.

#### **6. Removal / de-empanelment of stock auditors**

- Removal / de-empanelment of Stock Auditor will be done by the Empanelment Committee.
- All reports prepared after issuing show cause notices to the stock auditors and/or the names of the empanelled stock auditors against whom complaints have been registered with CBI / SFIO / police / court of law &/or blacklisted by any bank / FI / IBA during the interim period and/or the names of the empanelled stock auditors convicted of any offence and sentenced to imprisonment / found guilty of misconduct in professional capacity / convicted under IT Act &/or WT Act &/or Gift Tax Act &/or Service Tax Act during the interim period shall be placed before Empanelment Committee for taking decision.
- The Committee shall take decisions on the reported cases and in extreme cases where the stock auditor has been found to be indulging in unfair practices, guilty of professional misconduct, violating the code of ethics and professional practice and/or where the stock auditor has been delisted / blacklisted by other lenders / IBA / Central authorities/agencies and/or where the stock auditor has been convicted by any legal authority, the Committee may decide for removal of the errant stock auditor from the panel.

- Any stock auditor thus removed / de-empanelled shall be barred for next 5 (five) years for relisting and the name shall be reported to IBA as well as to institute of Chartered accountants / Institute of Cost Accountants immediately.

#### **7. Appointment of Empanelled stock auditors**

- List of empanelled stock auditors will be made available in the Bank's corporate website and intranet site. The list shall contain the name of the firm / stock auditor, name of the proprietor / partners, address, contact no., qualification, experience, specialization (if any), category, etc.
- Region / Branch will appoint stock auditors from this list giving terms of reference in writing. The appointment shall generally be in consultation with the borrower, as the fees will be borne by the borrower.
- While appointing stock auditor, Region / Branch shall verify whether the auditor is qualified / experienced to audit the nature of the stock, as stated in the guidelines.

#### **8. Obligations of Bank**

- All receipts of application are to be duly acknowledged as also the rejections are to be communicated giving due reasons.
- All empanelment / appointment / de-empanelment of stock auditors shall be done in accordance with the provisions of this guidelines and its amendment from time to time.
- All instructions to the stock auditors are to be given in writing
- No security deposits or any other indemnity money should be taken from the stock auditors
- Professional fees to the stock auditors need to be paid within 45 days of the submission of valuation report and its acceptance by the Bank. In case the stock audit report submitted by the auditor is not in order, the Bank shall bring the same to the notice of the auditor within 15 days of submission for rectification and resubmission. In case no such communication is received by the auditor, it would be presumed that the audit report has been accepted by the Bank.

#### **9. Compliance of Standards and Procedures**

- The reports must be prepared and submitted in the Bank's approved format upon execution of job as per Terms of engagement

#### **10. Independence and Objectivity**

- All empanelled stock auditors shall act with independence, integrity and objectivity. They shall undertake all audit works with an independent mind and shall not come under any influence of anybody. The empanelled auditor shall also not be related to any of the personnel in the Bank in the Department/Office dealing with the audit work directly.

## 11. Professional Fees

Slab	Overall working capital limit (fund+non-fund)	Fee
1	Upto less than ₹10 crores	₹10000
2	₹10 crores to less than ₹25 crores	₹20000
3	₹25 crores to less than ₹50 crores	₹30000
4	₹50 crores to less than ₹100 crores	₹40000
4	₹100 crores and above	₹50000

- The Branch / Region may negotiate with the stock auditor, in consultation with the borrower, for reducing the fees. However, out of pocket expenses for cost of photographs, outstation conveyance, etc, may be reimbursed on actual basis. In cases of outstation assignments travelling, boarding and lodging charges may be paid lower of actual and following eligibility;

Partner/proprietor of stock auditor firm	As per eligibility of Scale VI officers
Qualified assistants/employees	As per eligibility of scale III officers
Unqualified assistants/employees	As per eligibility of scale I officers

Annexure -I

**Stock Auditor's / Stock Auditor Firm's Letterhead**

**Application format for empanelment as stock auditor**

Signed  
Photo

Signed  
Photo

Signed  
Photo

Signed  
Photo

Signed  
Photo

No.:

Date:

<b>Application for empanelment as stock auditor of</b> [Mark 'X' against appropriate box(es)]	
<b>All types of stocks and receivables</b>	
<b>All types of stocks and receivables except specialized stocks of gold, jewellery, precious stones, ornaments, works of arts, etc</b>	
<b>Specialized stocks of gold, jewellery, precious stones, ornaments / works of art / etc</b>	

The General Manager (Credit)  
United Bank of India  
Head Office  
11, Hemanta Basu Sarani  
Kolkata – 700001

Dear Sir / Madam,

I/we hereby apply for empanelment as stock & receivable auditor and furnish hereunder the requisite biodata / information / documentation for your consideration

1.	Name of the Applicant			
2.	Constitution		Individual / Proprietorship / Partnership	
3.	Firm's Details			
3.a	Address			
3.b	Phone No.			
3.c	Email			
3.d	Date of establishment			
3.e	Membership/ affiliation details with Institutes of Chartered / Cost Accountants			
	Name of the Body	Member since	Membership type	Membership No.
3.f	Firm's PAN / TAN			
3.g	Practicing as auditor since			
	Undertaking stock audit since			
	Stock audit handled in last 3 years with name of		<i>Attach separate sheet if required</i>	

	clients	
3.h	Details of present set up / infrastructure available to deal with stock audit works (including audit under SAP environment)	
3.i	Details of existing empanelment	
3.j	Names of proprietor / all partners (also mention managing/key/senior partner)	1 2 3 4 ...
4.	Particulars of individual/proprietor/partners <b>Particulars for each partner are to be provided (separate pages may be used for each partner to provide information in prescribed format)</b>	
4.a	Personal details	
	Name	Nationality
	Son/daughter/wife of	
	Sex	Date of Birth
	Age	PAN
	Address	
	Telephone	Mobile
	Email	
4.b	Educational / Professional qualifications	
	Sl	Qualification
	Nature*	University / Institution /Examining Body
		Date of award
	* Graduate degree /diploma / Post-graduate degree/diploma/certificate / Professional certificate	
4.c	Membership / affiliation details	
	Name of the Body	Member since
	Membership type	Membership No.
4.d	Work experience details	
	Practicing as auditor since	<u>In Individual capacity:</u> <u>Under this firm:</u> <u>Under other firm(s):</u>
	Undertaking stock audit since	<u>In Individual capacity:</u> <u>Under this firm:</u> <u>Under other firm(s):</u>
	Stock audit handled in last 3 years with name of clients [Attach separate sheet if required]	<u>In Individual capacity:</u> <u>Under this firm:</u> <u>Under other firm(s):</u>
4.e	Whether proprietor/partner of any other firm, If so, name and address	
4.f	Duration with the applicant firm	
4.g	Whether empanelled / registered with others as stock auditor,	



	If so give details													
5	Additional information, if application is for auditing of specialized stocks, on firm/partners													
5.a	Details of registration of valuer of stocks under section 34AB of Wealth Tax Act													
5.b	Details of fellow/associate membership with Institution of Valuers as specialist in jewellery, precious stones & ornaments / works of art / etc													
6	Undertakings / Declarations													
6.a	<p>I/We do hereby undertake that <del>[strike out which is not applicable]</del>  I/we/none of our employees are ex-employee of your Bank,  OR  I/... of our partners/... of our employees was/were ex-employees of your Bank (give details, viz. Name, SPF No. and Date of retirement/resignation) but ceased to be under your employment since last 3 years or more.  AND  I/We shall not induct/employ any partner/employee during the tenor of our empanelment as a stock auditor, who is/are within the abovementioned cooling period of 3 years from the date of retirement / resignation</p>													
6.b	<p>I/We do hereby declare that</p> <ul style="list-style-type: none"> <li>I/We am/are not central statutory auditor of your Bank</li> <li>I/We am/are not branch statutory/concurrent auditor of your Bank</li> </ul> <p>OR</p> <p>I/We are statutory/concurrent auditor of following branches</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Branch</th> <th>Assignment</th> <th>From</th> <th>to</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>I/We undertake to disclose any change in the above status as and when takes place during the empanelment period</li> </ul>		Branch	Assignment	From	to								
Branch	Assignment	From	to											
6.c	<p>I/We do hereby solemnly declare and affirm that</p> <ul style="list-style-type: none"> <li>I/We have not been removed/dismissed from service/employment earlier</li> <li>I/We have not been convicted of any offence and sentenced to a term of imprisonment</li> <li>I/We have not been found guilty of misconduct in professional capacity</li> <li>I/We have not been convicted of an offence connected with any proceeding under the I.T. act 1961 &amp;/or W.T. Act 1957 &amp;/or G.T. Act 1958</li> <li>I/We am/are not undischarged insolvent(s)</li> <li>There are no complaints against me/us, registered with CBI/SFIO/Police/Courts of law</li> <li>I/We have not been blacklisted/depanelled by any bank/FI/IBA/others in the past</li> </ul>													
6.d	<p>I/We solemnly declare that the information furnished above is complete and entirely true and nothing has been concealed. I/We also affirm that terms &amp; conditions of United Bank of India relating to empanelment of stock auditors are acceptable to us and I/We also undertake to keep the Bank informed of any events /happenings which would make me/us ineligible for empanelment / remaining empanelled as stock auditor</p>													

For & on behalf of ..... (Firm)

Date:  
Place:

(Signature)

Name

Designation

[All partners to subscribe their signatures]

(Signature)

Name

Designation

(Signature)

Name

Designation

(Signature)

Name

Designation

List of enclosures:

1..... 2..... 3..... 4..... 5.....  
6..... 7..... 8..... 9..... 10.....  
.....

**Self-attested documents to be provided along with the application**

- Photographs of the applicant stock auditor/proprietor/all partners
- Identity and address proofs of the applicant stock auditor/proprietor/all partners
- Copy of Trade License
- Copy of registered partnership deed (in case of partnership firms)
- Copies of PAN Card of the applicant stock auditor/proprietor/all partners
- IT returns of last 3 years
- Copies Registration Certificate of the applicant stock auditor/proprietor/all partners with Institute of Chartered Accountants of India and Institutes of Cost Accountants of India
- Copies Registration Certificate of the applicant stock auditor/proprietor/all partners under W.T. Act as valuer of stock (in case application is for audit of specialized stocks)
- Evidences of professional qualifications and experience of the applicant stock auditor/proprietor/all partners
- Evidences of enrolment/ registration as valuers with professional bodies
- Evidences of existing empanelment, if any, with PSBs, FIs, Supreme Court, High Courts, Govt authorities/departments, etc

ANNEXURE - II

*[To be executed on non-judicial stamp paper worth ₹10/- upon selection by Empanelment Committee and name of selected stock auditor will be enlisted only upon execution]*

**AGREEMENT WITH THE STOCK AUDITOR ON THE APPROVED PANEL OF THE BANK**

This Agreement made at ..... on this ..... day of ..... 20\_\_\_, between \_\_\_\_\_ of \_\_\_\_\_ (hereinafter called the 'Stock Auditor') of the One Part and United Bank of India, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, having its head office at 11, Hemanta Basu Sarani, Kolkata – 700001 and branches at different places (hereinafter called the 'Bank', which term shall unless repugnant to context include its successors and assigns) of the Other Part.

Whereas on the request of the Stock Auditor, the Bank has empanelled the Stock Auditor to undertake audit of inventories and trade receivables as well as trade creditors, as may be requisitioned by the Bank from time to time.

Whereas the Stock Auditor has agreed to render his/her/its services inter-alia on the terms and conditions mentioned hereunder;

**NOW THIS AGREEMENT WITNESSETH AS UNDER**

- 1 That the Stock Auditor agrees to undertake audit of inventories and trade receivables as well as trade creditors as per requisition made by Bank from time to time through job specific letter of engagement/assignment with terms of engagement and accept fee as prescribed / decided by the Bank.
- 2 That the Stock Auditor shall not sub-contract the work, when requisitioned by the Bank, to any other auditor.
- 3 That the Stock Auditor will personally inspect the inventories and relevant documents in respect of debtors and creditors in connection with the audit of the same.
- 4 That the Stock Auditor shall not undertake the audit related to a branch of the Bank, where the empanelled Stock Auditor is having assignment as Statutory/Concurrent Auditor.
- 5 That the Stock Auditor shall maintain secrecy of the Bank's clients and their assets/liabilities.
6. That the Stock Auditor shall act with independence, integrity and objectivity and shall not come under influence of anybody and shall not accept any assignment from the department/office in the Bank where any of the personnel is related to the Stock Auditor.
- 7 That the empanelment does not carry assured engagement/appointment of Stock Auditor and it is the Bank's prerogative to engage the services of the Stock Auditor from the panel.
- 8 That in case constitution of the Stock Auditor undergoes any change, the same shall be informed to the Bank immediately

- 9 That if for any reason whatsoever the Bank may not maintain any panel or discontinue the panel, the Stock Auditor shall have no grievance against the Bank and the Bank shall not be liable in any manner whatsoever.
- 10 That in case services of Stock Auditor are not found satisfactory and their audit reports are unworthy of being acted upon, the Bank may delist/de-panel the Stock Auditor's name from the approved panel of the Bank after issuance of show-cause notice.
- 11 That the Bank reserves the right to take appropriate legal action including filing / lodging complaint to the professional body, if there is any misconduct on the part of the Stock Auditor or audit report submitted by the Stock Auditor to Bank is incorrect or false. This shall be without prejudice to Bank's right to delist/de-panel the Stock Auditor from its panel.
- 12 That the Stock Auditor agrees and hereby gives consent to exchange information with other banks, financial institutions, NBFCs directly or through the medium of RBI, IBA or any other institution or association about particulars (name, address and other details) of Stock Auditor, performance as well as cause for delisting / de-paneling, if any.

In witness whereof, the parties hereto have set their hand on the day, month and year mentioned herein above.

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Stock Auditor (*signature with Membership/Registration No.*)

*[in case of partnership firms all the partners to subscribe their signatures]*

For United Bank of India

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Authorized Signatory