

SCOPE OF WORK

iDEX-DIO has already signed contracts with more than 70 Nos of startups/MSMEs. Defence India Start up Challenge (DISC)/Open Challenge (OC) winners, who are located in different parts of the country and their projects are under progress at different stages. These numbers are continuously increasing and are expected to reach up to 200 nos. by March 2023.

The activities of each contract are divided in six milestones. iDEX-DIO is providing grants along with other required support to DISC/OC winners in five tranches during Milestone 0 to milestone 5. The certificate of grant utilisation and expenditure is furnished by statutory auditors/Practicing CAs of the DISC/OC winner on completion of each milestone. iDEX is getting the utilization/expenditure details submitted by DISC/OC winners audited from an External Auditor after completion of Milestone-3 and 5 or as & when iDEX requires at any other point of time (if any).

iDEX-DIO intends to invite bids from reputed and experienced Chartered Accountant/ Cost Accountant firm for appointment as External Auditor for conducting the audit of cumulative expenditures incurred by DISC/OC winners relating to the contract signed with iDEX-DIO on completion of milestone no. 3 & 5 or as & when required by iDEX-DIO.

The Chartered Accountant/Cost Accountant Firm would be required to constitute an independent and competent team of professionals to conduct the audit of utilization/expenditures of DISC/OC winners (in accordance with the provisions and guidelines given in the contract signed with the DISC/OC Winners) after completion of Milestone 3 & 5 of each contract and additionally as & when required by iDEX-DIO. As estimated tentative audit cases may be **216 cases** during the period of **two years** (period of contract). However the number of cases may decrease due to any evolving situations. The payment will be made on the basis of actual number of audit cases completed.

Activities to conduct audit work are given below:

- a) Audit case of the DISC/OC winner on completion of milestone 3, 5 or whenever iDEX-DIO desires will be assigned to the selected firm through E-mail.
- b) There may be more than one audit case of the same/different DISC/OC winner at the same point of time to be audited by the Firm.

- c) Acknowledgement to this has to be given by the Firm to DIO including declaration regarding relation (if any) with the DISC/OC winner.
- d) Audit work will always be carried out for the transactions made up to the completion of such milestone. Example- if audit is given after completion of milestone (MS)-3, then it means all transactions made till completion of MS-3 has to be audited by the Firm at this time.
- e) Detail of the concerned DISC/OC winner will be shared with the firm for direct interaction during the course of audit work.
- f) DISC/OC winner will share CA certified utilization certificate with the firm to know the period of expense & other details relating to Grant utilization/winner's matching(own) contribution/actual incurrence along with date wise expense detail in excel, invoices of the same, payments /bank transactions, Agreements, POs./Work orders(if any)etc.
- g) Selected firm shall be required to audit such expenses related to the concerned project in line with the provisions of the SPARK contract signed with DISC/OC winner i.e. actual incurrence of such expenses, categorization of expense under correct expense head of the prescribed expense statement, payment proofs, compliance with provisions of the concerned contract etc.
- h) Firm may ask further clarifications or supporting documents as required directly from the DISC/OC winner.
- i) Team of the firm conducting audit of any such case may require to physically visit (Local /Out Station as the case may be) the premises of the DISC/OC winner if the scope of the work demands or due to any other reason required so.
- j) Firm needs to complete the audit activity within the stipulated time period (maximum 14 working days from the date of sharing documents by the DISC/OC winner to the Firm).
- k) After completion of audit work, firm shall submit their report in the prescribed format to the iDEX-DIO.
- l) Concerned Finance Executive at iDEX-DIO will provide acceptance of the audit report to the firm so as to enable the firm claiming of audit fee of such audit work from iDEX-DIO.

In case, audit of one or more cases are under progress at the time of expiry of contract, CA/CMA firm shall complete such audits even after expiry of the contract and such cases will be considered under the scope of the said contract.

An Audit Report format for reference only is as follows:

(Audit Report is to be provided on letterhead of the firm)

(For Reference only, it may change as per future requirements)

Sub: External Audit of M/s..... on completion of Milestone (MS) #.....
SPARK Grant Agreement No.-
Dated.....
Challenge Name:

Audit Report of the firm must contain the below given details:

Details of Fund utilization of M/s. as on

Milestone Completed	Spark Grant Sanctioned	Spark Grant Disbursed	Spark Grant Utilized	Matching Contribution Utilized (Cash)	Matching Contribution Utilized (in kind)	Matching Contribution Utilized (Past Expense)

We have verified the documentary evidence corresponding to the expenditures cited above. We have conducted our audit in accordance with Para 16, 18, guidelines given in all other relevant annexures (Ann. C, X ,Y etc.) and financial FAQs of the SPARK Grant Agreement. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement and expenditures claimed by the DISC/OC winner are incurred on development of the product as per the signed SPARK Grant Agreement b/w DIO and M/s.....

I believe that my audit provides a reasonable basis for my opinion. In my opinion, the financial statements referred to above present fairly, in all material respects and funds (Spark Grant & Matching Contribution) are utilized properly in compliance with all the provisions & guidelines of the SPARK Grant Agreement.

Observations of the firm (if any):

- 1.
- 2.
- 3.

Signature and stamp of External Auditor