



Date: 14.01.2019

NOTICE FOR EMPANELMENT OF STOCK AUDITORS FOR BRANCHES UNDER MUMBAI ZONE

Applications in prescribed format are invited from 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 for empanelment as stock & Book Debts auditors with our branches under Mumbai Zone.

Interested individuals/firms those having their place of business in the state of Maharashtra satisfying the eligibility criteria may submit their application along with requisite credentials to our office within cutoff date of 02nd February, 2019. Those already submitted their applications in this FY 2018-19 for such empanelment need to apply once again.

Applications received after the due date and also without relevant particulars will be summarily rejected and bank's decision in this regard shall be final and binding on all parties.

Bank will be on its liberty to reject or empanel any individual/firms without giving any reason to affected parties/firms.

The Bank's decision on selection/empanelment shall be final no communication in this regard shall be entertained.

महा प्रबंधक एवम अंचल प्रबन्धक

General Manager & Zonal Manager



Eligibility criteria for empanelment:

Minimum Criteria:

- a) The applicant should be a qualified Chartered / Cost Accountant or a firm of Chartered/Accountants, registered with Institute of Chartered Accountants of India / Institute of Cost Accountants of India.
- b) A registered Stock Auditor of stocks under section 34AB of Wealth Tax Act and fellow/associate member of Institution of Stock Auditors as specialist in jewellery, precious stones & ornaments or as specialist in Works of Art or as Stock Auditor for chemicals or as Stock Auditor 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.
- c) 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.
- d) 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 our Bank, such stock auditor /audit firm shall be eligible for empanelment after a cooling period of two (2) years from the date of retirement of that employee.

Additional / Preferred Criteria:

- a) Empanelment with PSBs as stock auditor shall be treated as preferred qualification, but not mandatory one for being empanelled.
- b) The firm having partners/personal 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.
- c) Firms having more than one qualified Chartered Accountants/ cost accountants as partners.

Other Criteria:

- a) The applicant individuals/firms as well as partners must be income tax assessee.
- b) 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.
- c) An undischarged insolvent shall not be eligible for employment.
- d) 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.

Categories of the Stock Auditors:

Category	Criteria	Advance Limit
A	Stock audit experience up to 5 years	Up to Rs.5.00 crores
B	Stock audit experience up to 5 years plus empanelment with one PSB as Stock Auditor	Up to Rs. 25.00 crores
C	Stock audit experience more than 5 years plus empanelment with one PSB as Stock Auditor	No limit
D	Empanelled for Specialised stock viz. Jewellery, precious stones, metals, artworks etc.	No limit

Empanelment Procedure:

- Empanelment, annual review of performance and service quality and removal/de-panelment of Stock Auditors shall be through committee approach at Zonal Office.
- Zonal Office shall issue a public notice inviting applications from interested eligible stock auditors for empanelment with the Bank prescribing the eligibility criteria there for.
- Such public notice shall be uploaded on the Bank's corporate website www.ucobank.co.in)together with proforma of application (Annexure-I), Code of Conduct document for stock auditors (Annexure-II), and proforma of declaration-cum-undertaking (Annexure-III) to be submitted by the applicant stock auditors.
- Normally, three weeks' time from the date of public notice shall be allowed to intending Stock Auditors for submission of applications

Issuance of Empanelment Advice to Approved Stock Auditor:

- Zonal Head shall advise applicant Stock Auditor about his/its approval on the Bank's panel as Stock Auditor as per enclosed proforma marked, Annexure – IV stipulating terms and conditions of such empanelment.
- Empanelment shall become effective only upon receipt of acceptance of stipulated terms and conditions of empanelment on panel and required declaration-cum- undertakings from the approved Stock Auditor.
- Zonal Offices shall maintain a proper and updated data base of approved and empanelled Stock Auditors.

Duration of Empanelment and Re-empanelment:



- i. Empanelment of Stock Auditor shall be for duration of THREE years unless removed from the panel.
- ii. Three months before expiry of three-year term, Stock Auditor shall make an application to the concerned Zonal Office afresh for renewal/re-empanelment which will be considered in the next meeting by the aforesaid committees as per the procedure laid down hereinbefore.
- iii. If no fresh application for renewal/re-empanelment is received, Stock Auditor shall automatically stand delisted.

Review of Performance and Service Quality of Stock Auditors:

- i. Performance and service quality of Stock Auditors shall be reviewed annually by the Committees for Empanelment of Stock Auditors at Zonal Offices.
- ii. Stock Auditor-wise Performance Review sheets with approval of the Zonal Office Committee for Empanelment of Stock Auditors for continuation or removal of the Stock Auditor from its panel shall be preserved at Zonal Office and summary report should be submitted to Head Office

Removal/De-panelment of Stock Auditors:

- i. Where reports are found not satisfactory, branches/offices should offer specific comments in respect of quality of reports submitted by the Stock Auditor and their performance and service quality to enable the Committee for Empanelment of Stock Auditor at Zonal Offices to consider continuation or otherwise of their names on the approved panel.
- ii. Stock Auditor shall be removed from the Bank's panel for unsatisfactory performance and service quality and/or for any negligence, lapses, professional misconduct and/or unfair practices resorted to by Stock Auditor.
- iii. Such removal shall be done by Zonal Office Committee for Empanelment of Stock Auditor after due consideration of report by the Branch.
- iv. If any adverse feature is observed by the Zonal Office Committee for Empanelment of Stock Auditor in the performance and service quality and/or on receipt of report involving fraudulent activity, the concerned Zonal Head shall issue a show cause notice to the Stock Auditor giving 30 days' time for clarifying his/its action.

Immediately upon receipt clarifications from stock auditors, the Zonal Office Committee for Empanelment of Stock Auditor shall take a decision including removal/de-empanelment of the Stock Auditor. Zonal Head shall advise the decision of removal to the Stock Auditor under intimation to Head Office and FC Branches.

- v. If a Stock Auditor is prima-facie found to have been involved in some fraudulent activities/conspiracy with the borrowers in over-valuation of property, following the procedural guidelines laid down by the IBA, the Bank shall report immediately the name of such delinquent Stock Auditor to IBA for placing it on the IBA's Caution List of Third Party Entities (TPEs) involved in fraud. For the purpose, Zonal Heads shall submit information on such delinquent Stock Auditor



as per prescribed format to Head Office, Credit Monitoring Department on an on-going basis.

- vi. Also, Zonal Offices shall report immediately the names of Stock Auditor depanelled/removed for any of the above reasons to other related professional bodies and institutions.
- vii. Any Stock Auditor on the panel of the Bank is liable for removal by the Bank for any other reasons whatsoever and/or at the discretion of the Bank without assigning any reasons there for.

OBLIGATIONS OF THE BANK:

- i. All receipts of application are to be duly acknowledged as also the rejection sare to be communicated giving due reasons.
- ii. All empanelment / appointment / de-empanelment of stock auditors shall bedone in accordance with the provisions of this guidelines and its amendment from time to time.
- iii. All instructions to the stock auditors are to be given in writing.
- iv. No security deposits or any other indemnity money should be taken from the stock auditors.
- v. Professional fees to the stock auditors need to be paid within 45 days of the submission of stock audit 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.

Compliance of Standards and Procedures:

- I. 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.
- II. The Stock Audit should be completed within 30 days from the date of intimation to the Stock Auditor as per the schedule given below:
 - a. Commencement of Audit work - Within 10 days from the date of intimation.
 - b. Conclusion of Audit - Within 10 days from the date of commencement.
 - c. Submission of Audit Report - Within 10 days from completion of Audit.



- III. The reports must be prepared and submitted in the Bank's approved format (as prescribed in operational guidelines for Credit Monitoring) in terms of engagement/ appointment.

Professional Fees:

The structure of fee payable by the Bank to Auditors for Stock Audit is as follows:

Working Capital Limit (FB+NFB)	Fee Not Exceeding
Up to Rs.5.00 crore	Rs.10,000.00
Above Rs.5.00 Crore to less than Rs.10.00 Crore	Rs.15,000.00 subject to Minimum Rs.10,000/=
Above Rs.10.00 Crore to less than Rs.50.00 Crore	Negotiable at the time of assignment not exceeding Rs.30,000/=
Above Rs.50.00 crore	Negotiable at the time of assignment not exceeding Rs.50,000/=

NOTE on Professional Fee and Other Expenses:

- The fee structure represents the maximum amount of fee payable as per Working Capital Limit and is subject to negotiation at the time of giving assignments.
- Bank shall pay net amount after deduction of applicable taxes at applicable rate from the fee as above on receipt of stock audit report in prescribed format and accepted by Bank.
- For outstation assignments, actual railway tickets up to AC Two tier Sleeper and per day diem of Rs.750/- may be considered for reimbursement by the Bank.
- However, in respects of accounts which are very typical in nature enhanced fees to tune of 10% of above prescribed fees should be considered only with approval of sanctioning authority and after negotiation with the auditors, if necessary.
- However, out of pocket expenses for cost of photographs, outstation conveyance, etc, may be reimbursed on actual basis.



ANNEXURE-I

**Application format for empanelment as stock & book debt auditor
(On letter head of Stock Auditor Firm)**

Signed Photo

Signed Photo

Signed Photo

Application for empanelment as stock auditor of [Mark 'X' against appropriate box (es)]

All types of stocks and receivables	
All types of stocks and receivables except specialized stocks of gold, jewellery, precious stones, ornaments, works of arts, etc	
Specialized stocks of gold, jewellery, precious stones, ornaments / works of art / etc	

Zonal Manager

UCO Bank

_____ Zone

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

1	Name of the Applicant				
2	Constitution		Individual / Proprietorship / Partnership		
3	Address				
	Phone No				
	Email				
	Date of establishment				
	Membership/ affiliation details with Institutes /Professional bodies				
	Name	Institution/ Body	Member since	Membership Type	Membership No.
	Firm's PAN				
	Practicing as auditor since				
	Undertaking stock audit since				
	Stock audit handled in last 3 years with name of clients (<i>Attach separate sheet if required</i>)				
	Details of present set up / infrastructure available to deal with stock audit works (including audit under SAP environment)				

	Details of existing empanelment																	
4	Personal Detail of Proprietors/Partners, Key Personnel, Employee (qualified)																	
Sl	Name	Date of Birth	Qualification	PAN	Mobile No.	Position held												
5	Additional information, if application is for auditing of specialized stocks, on firm/partners																	
	Details of registration of valuer of stocks under section 34AB of Wealth Tax Act																	
	Details of fellow/associate membership with Institution of Valuers as specialist in jewellery, precious stones & ornaments / works of art / etc																	
6	Undertakings / Declarations																	
<p>I/We do hereby undertake that [strike out which is not applicable]</p> <p>I/we/none of our employees are ex-employee of your Bank,</p> <p style="text-align: center;">OR</p> <p>I/_____ of our partners/_____ of our employees was/were ex-employees of your Bank (give details, viz. Name, EMP No. and Date of retirement/resignation) but ceased to be under your employment since last 3 years or more.</p> <p style="text-align: center;">AND</p> <p>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>																		
<p>I/We do hereby declare that</p> <p>I/We am/are not central statutory auditor of your Bank</p> <p>I/We am/are not branch statutory/concurrent auditor of your Bank</p> <p style="text-align: center;">OR</p> <p>I/We are statutory/concurrent auditor of following branches</p> <table border="1" style="width: 100%;"> <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>							Branch	Assignment	From	to								
Branch	Assignment	From	to															
<p>I/We undertake to disclose any change in the above status as and when takes place during the empanelment period</p>																		
<p>I/We do hereby solemnly declare and affirm that</p> <p>I/We have not been removed/dismissed from service/employment earlier</p> <p>I/We have not been convicted of any offence and sentenced to a term of imprisonment</p> <p>I/We have not been found guilty of misconduct in professional capacity</p> <p>I/We have not been convicted of an offence connected with any proceeding under the I.T. act 1961 &/or W.T. Act 1957 &/or G.T. Act 1958</p>																		

	I/We am/are not undischarged insolvent(s) There are no complaints against me/us, registered with CBI/SFIO/Police/Courts of law I/We have not been blacklisted/depanelled by any bank/FI/IBA/others in the past
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 & 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	

For & on behalf of (Firm)

(Signature)

Name

Designation

(Signature)

Name

Designation

(Signature)

Name

Designation

[All partners to subscribe their signatures]

List of enclosures:

1 _____ 2 _____
 3 _____ 4 _____
 5 _____ 6. _____.

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

CODE OF CONDUCT FOR STOCK AUDITORS

Stock Auditors empanelled with the Bank shall strictly abide by the following code of conduct prescribed and as amended by the Bank from time to time and shall give an undertaking to this effect at the time of his/its empanelment. The same is incorporated in the enclosed format of Declaration-cum-Undertaking in Annexure-3.

- To express an opinion only when it is founded on adequate knowledge and honest conviction.
- To refrain from misrepresenting qualifications, work experience and membership of professional bodies.
- To treat all information procured during the course of the business as confidential.
- To observe integrity and fair play in the practice of the profession.
- To refrain from undertaking to review the work of another stock auditor of the same client except under written orders from the Bank and with knowledge of the concerned stock auditor.
- To give unbiased audit report conforming to standards and conforming to the objective opinion of the business and not to attempt merely to accommodate the interests of the client.
- To steer clear of situations where interests and duty clash.
- To conduct himself/itself/themselves in such a manner that will not prejudice the professional status or reputation of the profession.
- To follow this Code as amended or revised by the Bank time to time

Declaration-cum-Undertaking

[to be executed on non-judicial stamp paper of requisite value]

On this day _____ day of _____ 20____,
I, _____, S/o / D/o / W/o _____,
sole-proprietor of M/s _____ /

M/s _____, a partnership firm/company registered in India and
we,

(1) _____, S/o /D/o / W/o _____,
(2) _____, S/o /D/o / W/o _____,
(3) _____, S/o /D/o / W/o _____, and
(4) _____, S/o /D/o / W/o _____

its partners/lead auditors of the company declare and undertake as under:

1. I am a citizen of India/all the partners of the partnership firm/all the directors of the company are citizens of India and, the entity is a body corporate registered in India.
2. Whereas at my/our request, UCO Bank, Zonal Office, _____ has empanelled me/us to audit stocks and receivables that may be requisitioned by the Bank from time to time.
3. Whereas I/we have accepted unconditionally the terms and conditions of my/our empanelment.
4. I/We have a clean track record inasmuch as –
 - (i) I/We have not been removed/dismissed from valuation related service/previous employment earlier.
 - (ii) I/We have not been found guilty of misconduct in professional capacity.
 - (iii) I/We have not been convicted of any offence and sentenced to a term of imprisonment.
 - (iv) I/We have not been convicted of an offence connected with any proceeding under the Income Tax Act 1961 and/or Wealth Tax Act 1957 and/or Gift Tax Act 1958 and/or Service Tax Act.
 - (v) I/We have no complaints registered against me/us with CBI and/or SFIO and/or police and/or court of law and/or have not been blacklisted by any bank/FI/IBA.
5. I/We am/are not an undischarged insolvent/s.
6. I/the firm and all the partners of the firm/the company and all the directors of the company each possess PAN Card.
7. I/We possess Service Tax Number.
8. All directors of the company each have DIN allotted to them.

9. I/We shall comply with the guidelines, standards and procedures, and abide by the code of conduct prescribed and as amended by the Bank from time to time.
10. I/We shall act with independence, integrity and objectivity; shall undertake all valuation works entrusted to me/us by the Bank with an independent mind and shall not come under any influence of anybody.
11. I/We are not related to any of the personnel in the department / division in the Bank dealing with audit work directly.
12. I/We shall not undertake audit work that may be assigned to me/us by the Bank from time to time in which I/the firm/the company/any of the partners/any of the directors/any of my/our employees have any direct or indirect interest in the properties.

I/We also undertake to give a declaration of my/our having no such interest in the subject firm/company by incorporating the same in my/our audit Reports thereon.

13. I/We shall complete the assignment of audit work and submit duly signed Audit Report [by me/us/ lead auditors of the company] on stocks and receivables that shall be assigned to me/us by the Bank from time to time within the timeframe stipulated by the bank/mutually agreed upon.
14. I/We shall keep the Bank informed immediately of any change in the constitution of the firm/company.
15. I/We shall not induct/appoint/employ any person as partner/ director/ employee who is a retired staff member of Bank –
 - (i) against whom any punishment/penalty arising out of disciplinary proceedings has been imposed upon him/her during the service career or subsequent to his/her superannuation and/or
 - (ii) any disciplinary/criminal/judiciary proceedings are pending subsequent to his/her superannuation from the Bank's service and/or

I/We also declare that I am not/none of the partners of the firm/none of the directors of the company/none of my/our employees is retired staff member of the Bank during cooling period of 2(two)years after retirement .

I/We shall keep the Bank informed immediately as and when any retired staff member of the Bank clear of disqualifications as above is taken in as my/our employee/partner/director.

16. I/We shall not conceal or suppress any material information and facts prejudicial to the interest of the Bank and shall disclose immediately to the Bank any such developments that may take place during the tenure of my/our empanelment with the Bank.



UCO BANK

(A Government of India Undertaking)

(ZONAL OFFICE, MUMBAI)

Uco Bank Building, D.N.Road,

Fort, Mumbai- 400 001

Tel:- (022)- 40544302/351

E-mail : zo.mumbai@ucobank.co.in

Website:- www.ucobank.com

**Inviting Application
For Empanelment Of
Stock Auditor**

Uco Bank, Zonal Office, Mumbai invites fresh application for selection of Stock Auditor. Application document can be downloaded from our Bank's website: www.ucobank.com under the tab "Tender / Notices". For Further details, please visit the above mentioned website.

**Zonal Manager,
Mumbai**