



DDSTCB/FORENSIC AUDIT/15/2025-26/148

16th May 2025

Notification No. DDSTCB/AUDIT/15/2025-26/100

16th May 2025

ENGAGING FORENSIC AUDITOR

The Daman & Diu State Co-operative Bank Limited (DDStCB), Nani Daman is a licensed State Co-operative Bank having its headquarters at Nani Daman, having its area of operation in Dadra & Nagar Haveli, Daman and Diu Districts of Union Territory of DNH & DD. The Bank is having 5 branches in Daman District and 4 branches in Diu District of the UT Region.

The DDStCB desires to engage Chartered Accountants for undertaking Forensic Audit in the four branches of the Bank located in Diu District of the Union Territory. The particulars of the eligibility, remuneration, terms and conditions and Application Form etc., are furnished in the website of the Bank www.3dcoopbank.in **The last date for receipt of the completed applications at Bank's Head Office (Inspection Division) is 31st May 2025.** The application and other details can be downloaded from Bank's website.

APPLICATION TO BE SUBMITTED TO:

**THE GENERAL MANAGER,
ACCOUNTS DEPARTMENT
THE DAMAN & DIU STATE CO-OPERATIVE
BANK LIMITED
HEAD OFFICE
H.NO.14/54, FIRST FLOOR, DILIP NAGAR
NANI DAMAN – 396 210
Union Territory**

ON THE WEBSITE

OUTSOURCING OF FORENSIC AUDIT FUNCTIONS

Notification No. DDSTCB/AUDIT/15/2024-25/100 Dated 16.05.2025

Issued for engaging Chartered Accountants/ Chartered Accountant

Firms Details:

- A. Terms and Conditions of Engagement including details of fee Structure and Methodology for conducting Forensic Audit/reporting
- B. Application Form for Empanelment of Forensic Auditors (Annexure-I)
- C. Letter of Acceptance (Annexure-II)
- D. Letter of Undertaking (Annexure-III)
- E. Compliance of DO's and Don'ts (Annexure-IV)
- F. List of Branches selected for the Forensic Audit (Annexure-V)

A. TERMS AND CONDITIONS FOR APPOINTMENT OF EXTERNAL AUDITORS, CONDUCTING FORENSIC AUDIT OF FOUR BRANCHES IN DIU DISTRICT OF THE DAMAN & DIU STATE CO-OPERATIVE BANK LTD.(DDSTCBL)

1. The Daman & Diu State Co-operative Bank Ltd., Nani Daman, Union Territory desires to invite proposals from practicing chartered Accountants Firm/ Forensic audit firms having their presence in Nani Daman (Union Territory) in the prescribed format for conducting forensic/ transactional audit of Fixed deposit /Bank Accounts of all the four (4) branches located in Diu, Vanakbara, Ghoghla and Fudam of Diu District for a period of last ten years i.e. w.e.f. FY 2015-16 to FY 2024-25.

2. Only those firms who fulfill the following criteria are eligible to apply. Offers received from the firms who do not fulfill all or any of the following eligibility criteria are liable to be rejected. The eligible firm should have relevant experience in conducting forensic audit besides having experience in field of auditing in general.

2.1.1 Minimum three partners shall be full time partner in such firm.

2.1.2 At least one partner should possess F.A.F.D (Forensic Audit and Fraud Detection) Certificate from Indian Institute of Chartered Accountants of India (ICAI).

2.1.3 Preference shall be given to CA firms who have conducted Forensic Audit in the past or Information System Audit in the past.

2.1.4 Minimum one D.I.S.A (Diploma in Information System audit) qualified partner must be there in such firm.

2.1.5 The firm must have office set up in the Union Territory preferably at Daman and shall have adequate personnel to ensure proper deployment and timely completion of task.

2.1.6 The firm must not have been blacklisted /De-empanelled /Delisted by any PSU/government organization and any Criminal case not is registered against the firm/agency or its owners/partners anywhere in India. A Self-declaration undertaking to this effect needs to be EOI for selection & Empanelment of Chartered Accountant Firms for conducting Forensic Audit of FDRs and Bank Accounts of DDStCBL provided by the bidder along with bid Documents.

2.1.7 The firm must have an average annual turnover of Rs.2.00Crore (Rupees Two Crore) during the last three financial years (i.e. 2021-22, 2022-23 and 2023-2024), relevant supporting documents must be presented.

2.1.8 The firm must have on their rolls, on permanent employment basis a minimum of 10 employees at least for last three financial years. Relevant supporting documents must be presented.

2.1.9 The firm should have experience of Audit of Government Autonomous Body/ Banks/Central/State Government premier institution in last 5 years. Relevant supporting documents must be presented.

2.1.10 The firm should submit a self attested copy of partnership deed, Address proof, PAN, TAN, GST registration certificate, audited financial statements.

2.1.11 The firms are required to provide professional, objective, and impartial advice and strictly avoid conflicts with other assignments or their own corporate interest and act without any consideration for future work.

3. Fee structure

Fee structure shall be decided subsequently as per norms once empanelment procedure is done.

4. Terms & conditions

4.1 The applications received by the organization shall be screened by a committee constituted for this purpose under the chairmanship of the Administrator of DDStCBL.. The committee will consider empanelment of CA firms/Forensic audit firms based on their experience, Certificate course of F.A.D.F (Forensic EOI for selection & Empanelment of Chartered Accountant Firms for conducting Forensic Audit of FDRs and Bank Accounts of branches of DDStCBL Audit and Fraud Detection) from ICAI, D.I.S.A qualification, staff strength, number of partners, seniority etc.

4.2 Usual KYC norms like identity and address proof of Firm/Company are mandatory.

4.3 The DDStCBL reserves the right to reject any or all applications for empanelment without any liability and assigning any reasons thereof. Further,

Forensic Audit process and its observations shall be reviewed at regular intervals by the Bank's Administration.

4.4 In case any serious act of omission or commission is noticed in the working of the forensic auditors, DDStCBL may consider terminating their contract/empanelment. If felt necessary, it may be reported to Indian Institute of Chartered Accountants of India (ICAI) for further action.

4.5 On empanelment the firm/company will have to give an undertaking with Non-Disclosure Agreement clause.

4.6 All the documents/information provided by the firms should be on the letter head of the firm, properly page numbered, signed/authenticated by the bidders or by a person authorized by the bidders, and stamped.

4.7 An earnest money of Rupees 50,000/- (Rupees Fifty Thousand only) should be paid online at **www.3dcoopbank.in**. EOI not accompanied with the requisite earnest money will be rejected outrightly without assigning any reasons/entertaining any correspondence. The earnest money of unsuccessful applicant will be refunded without accrual of any interest, on finalization of empanelment of CA firms. The EMD of the successful bidder will be returned after the requisite performance security is deposited with DDStCBL

4.8 The Earnest Money Deposit/Security Deposit will be forfeited if:

4.8.1 Applicant withdraws his bid or backs out after acceptance.

4.8.2 Applicant does not accept assignment after he is selected and appointment letter is issued.

4.8.3 Applicant violates any of the conditions prescribed in the EOI Document.

4.8.4 Applicant changes any of the terms, during validity period or to comply with any of the conditions of the EOI, the earnest money deposit already paid will be forfeited.

4.9 If the work of the firm is found unsatisfactory or dishonors as per the contract, the job will be entrusted to any other firm at the cost of the defaulting firms.

4.10 The DDStCBL reserves the right to reject any or all the bids/quotations without assigning any reasons.

4.11 Any dispute regarding the contract shall be resolved through arbitrator to be nominated by DDStCBL. The contract shall be subject to the Indian law and the jurisdiction of the courts located in Daman only.

4.12 Performance security to the tune of 5% of the contract value (to be decided after empanelment of the firms for forensic audit) shall be submitted by the successful firm in the form of Demand Draft in favour of The DDStCBL, Nani Daman along with the acceptance of contract, valid up to the contract period irrespective of its registration status etc. The performance security deposit will be forfeited, if any deviation by the CA firm is found from the instructions given by the DDStCBL. After expiring of the contract, the same will be returned after deduction of dues, if any, without any interest.

5. Submission of Application Interested firms may submit their proposal online through <https://3dcoopbank.in>. However, hard copy of complete application in the prescribed format should also be sent at the following address in a sealed cover on or before 31st May 2025 by 3.00PM. The General Manager (Accounts), The Daman & Diu State Co-operative Bank Ltd., Head Office, H.No.14/54 First Floor, Dilip Nagar, Nani Daman-396 210 (Union Territory). The envelope should be super scribed with “APPLICATION FOR FORENSIC AUDIT” in DDStCBL.

6. SCOPE OF WORK

The scope of work of the forensic/ transactional audit of the branches in Diu District of DDStCBL FDRs/ Accounts is as under:

6.1 Identification and listing of all accounts linked with PAN of the DDStCBL.

6.2 Verification of FDR records pertaining to DDStCBL in various branches of the bank from 2015- 16 to 2024-25.

6.3 Verification of FDRs will include entire details from its opening, maturity and transfer of interest accrued in each FDR at various bank branches.

6.4 Verification of interest earned/paid on FDRs and to ascertain whether interest income have been duly recorded by DDStCBL branches or not.

6.5 Verification of genuineness of various credit and debit transactions from all accounts maintained by branches of DDStCBL.

6.6 Verification of pending advance amounts given to staff of DDStCBL and its present status.

6.7 Examination of whether all transactions done by account section of DDStCB branches during 2015-16 to 2024-25 whether they are genuine or not?.

6.8 Verification of transfer of funds and fraudulent documentation including misinterpretation/falsification of financial institutions.

6.9 To ascertain the modus operandi and actual amount for which fraud has been done and subsequent loss, if any.

6.10 The scrutiny of all university accounts could be taken from the date of opening of accounts.

6.11 Any other information considered relevant by the audit firm in the best interest of the DDStCBL.

6.12 The above scope of work is illustrative and not exhaustive in nature and DDStCBL shall be free to add to the above list.

6.13 Preparation of documentation for referral to appropriate law enforcement agencies.

6.14 To provide DDStCBL with a proposed plan of action to prevent and address causes of fraud and corruption as identified during investigation and fraud risk assessment.

6.15 To collect, analyze and synthesize evidence in multiple formats to establish pattern of suspected fraud or corruption.

6.16 Review and Analysis of available Bank statements and Books of Accounts, records etc. and/or to verify whether proper accounting was done for funds received, funds disbursed and income earned including expenses etc.

6.17 Review of the outstanding balances/liabilities of the DDStCB.

6.18 Any other relevant task as and when identified.

Note: The forensic audit of DDStCBL shall be carried out from the branches records in Core Banking Solution (CBS) platform related to the financial data for the period of over 10 years (i.e. from FY 2015-16 to FY 2024-25). The Branches records to include

few audit reports, payments vouchers, banking transactions vouchers, investment; capital Expenditure vouchers etc.

7. Timing of Assignment

The service provider shall resume work from the date of appointment after the recommendation of the selection committee. Total contract period will be of 1-2 months from the date of signing of the contract. The period is liable to be extended if need arises in the best interest of the DDStCBL by competent authority.

8. Reporting Requirement It will be expected of the service provider to meet bi-weekly with Managing Director/General Manager (Accounts) in Head Office of DDStCB to report on the progress of the assignment against the agreed project plan on management support and operational matters on contractual compliances and urgent interventions required. All reports should be made available in both hard and soft copy to the Managing Director, DDStCBL, Nani Daman.

9. Forensic Audit Team Key Personnel cannot be withdrawn /replaced from project during the contract period without the written consent of the Managing Director, DDStCBL, Nani Daman.

10. Terms of Payment

The payment to the selected firm shall be paid in Indian rupees as under: 10% upon the commencement of the work against 10% bank guarantee. 40% upon submission of draft report (T+60 days) 50% upon acceptance of final report (T+90 days) T –Letter of allotment.

11. NO OBLIGATION CLAUSE:

During the course of the activities and any discussions, exchange of terms, clarifications etc., the bidder shall have no authority to obligate DDStCBL in any manner, save and except as directed by the DDStCBL in writing. The Bidder shall not in any manner give any commitments on behalf of the DDStCBL.

12. AGREEMENT: The selected Firm/Agency shall be required to enter into a Contract Agreement with DDStCBL on Non-Judicial Stamp Paper.

13. RESERVATIONS: The DDStCBL reserves the right:

I. To discharge all Bids received and to re-invite offers, and

II. To modify marginally and not substantially the recitals; conditions and covenants of the EoI/Contract Agreement at any time before its execution.

14. FORCE MAJEURE: DDStCBL shall not be liable for any failure or delay in execution of contract due to any cause beyond their control including fire, floods, strikes, go-slow, lock-out closure, pestilence dissilience, dispute with staff dislocation of normal working conditions, war riots, epidemics political upheavals, Government actions, commotion breakdown of machinery, shortage of labour demands or otherwise or any other cause or conditions beyond the control or aforesaid causes or not and the existence of such cause or consequence.

15. CONFIDENTIALITY: It is agreed that not any time or times, disclose or make public any technical, marketing, financial and commercial information with which you become acquainted or of which you become aware during the course of this agreement. In the event that the Firm or its representatives are requested pursuant to, or required by, applicable law or regulation or by legal or administrative process to disclose any Confidential Information, or where the Firm wishes to disclose to its professional indemnity insurers or to its advisors, the Firm agrees that it will, as far as is legally and practically possible, provide the DDStCBL with prompt notice of such request or requirement in order to enable the DDStCBL to seek an appropriate protective order or other remedy. In the event that such protective order or other remedy is not obtained, the Firm or its representatives, as the case may be, shall disclose only the portion of the Confidential Information which is legally or professionally required to be disclosed with the prior permission of the DDStCBL

The Firm shall be permitted to retain copies of such Confidential Information as it is required to retain for legal or professional regulatory purposes with the prior permission of the university. The Firm's confidentiality obligations shall continue indefinitely whilst such confidential information is retained.

16. LIQUIDATED DAMAGES: The Firm/ Agency will be engaged for a period of 3 months to deliver the scope of work outlined in this EOI. The Firm shall be liable to pay by way of liquidated damages @1% per week of the total contract price or part thereof subject to a maximum of 5% of the contract price from the professional fee for any delay submission of final report within 3 months as per terms of Contract Agreement. However, extension beyond 3 months period may be granted at the sole

discretion the DDStCBL depending upon the exigencies and circumstances beyond the control of the Firm. It may be noted that no additional payment will be made whatsoever for the period of grace extension.

17. DISPUTE RESOLUTION: If any dispute(s) arises between parties then these would be resolved in following ways:

17.1 AMICABLE SETTLEMENT: Performance of the Contract is governed by the terms and conditions of the Contract, however at times dispute may arise about any interpretation of any terms or conditions of Contract including the scope of work, the clauses of payments etc. in such a situation either party of the contract may send a written notice of dispute to the other party. The party receiving the notice of dispute will consider the Notice and respond to it in writing within 30 days after receipt. If that party fails to respond within 30 days, or the dispute cannot be amicably settled within 45 days following the response of that party, then the 'Dispute Resolution' shall be settled through arbitration.

17.2 ARBITRATION: In case dispute arises between the DDStCBL and the Firm, which cannot be settled amicably, the said dispute shall be referred for arbitration. Such disputes shall be referred to the Administrator, DDStCBL who shall appoint an arbitrator for deciding the dispute(s). The Indian Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof, shall apply to these arbitration proceedings. Arbitration proceedings will be held at Daman. The decision of the arbitrator shall be final and binding upon both the parties. All arbitration awards shall be in writing and shall state the reason for the award. The expenses of the arbitration as determined by the arbitrator shall be borne by the Firm.

18. GOVERNING LAW AND JURISDICTION: This Contract shall be governed by Indian Law and shall be subject to the jurisdiction of Courts in Daman only.

19. CLARIFICATION: For any queries, clarifications or details, the bidders are advised to contact the undersigned: The General Manager (Accounts), The Daman & Diu State Co-operative Bank Ltd., Head Office, H.No.14/54, First Floor, Dilip Nagar, Nani Daman-396 210 (Union Territory).

20. DISCLAIMER: Though adequate care has been taken in the preparation of this EOI Document, the Bidder should satisfy himself / themselves that the Document is complete in all respects. Intimation of discrepancy, observed if any, should be given to

the General Manager (Accounts) office at email: Email: **finact@3dcoopbank.in**. If this office receives no intimation by the date, which is 7 days prior to the end date of bid submission, it shall be presumed that the Bidder is satisfied that this EOI Document is complete in all respects. Neither DDStCBL nor their employees make any representation or warranty as to the accuracy, reliability or completeness of the information in this EOI Document nor it is possible for DDStCBL to consider the investment objectives, financial situation and particular needs of each party who reads or uses this EOI Document. DDStCBL recognizes the fact that certain prospective Bidders may have a better knowledge of the subject matter than others and thus encourages all prospective Bidders to conduct their own investigations and analysis and check the accuracy. Reliability and completeness of the information in this EOI Document and obtain independent advice from appropriate sources. Neither DDStCBL nor their employees will have any liability to any prospective Bidder or any other person under the law of contract, the principles of restitution or unjust enrichment or otherwise for any loss, expense or damage which may arise from or be incurred or suffered in connection with anything contained in this Bid Document, any matter deemed to form part of this Bid Document and any other information supplied by or on behalf of DDStCBL or their employees or otherwise arising in any way from the selection process. DDStCBL reserves the sole right to accept or reject any or all proposals thus received without assigning any reason thereof. DDStCBL reserves to itself the right to change any or all of the provisions of this EOI Document. Such changes will be intimated to all parties procuring this EOI Document prior to the end date of EOI submission.

Annexure - I

APPLICATION FOR UNDERTAKING THE FORENSIC AUDIT IN THE DAMAN & DIU STATE CO-OPERATIVE BANK LTD., NANI DAMAN

1. Name of the firm/Company –
2. Date of Establishment
3. Registration No. of firm with ICAI
4. Certificate course of F.A.D.F (Forensic Audit & Fraud Detection) (Self attested certificate to be enclosed)
5. Experience in dealing with audit of Educational /Government Institutions (Self attested certificate to be enclosed)
6. Constitution of the firm- (Individual/Proprietorship/Partnership)
7. Details of Technical/ Professional Qualified Staff_____
8. Detail of CISA/DISA qualified person
9. Postal Address (Full Address with Pin Code to be given)-
10. Number of Partners:-
11. Total Staff strength:-
12. Contact Details : i) Landline(s)-
- ii) Mobile No.(s)-
- iii) Fax No.-
- iv) E-mail ID(s)-
13. GST Registration No.-
14. PAN No. of the Firm-
15. Annual turnover of the firm in the last three years S.No. FY Annual turnover in Crores
1 2021-22 2 2022-23 3 2023-24
16. Details of experiences in conducting Forensic Audit
17. Any other relevant information, the firm tends to give - (Attach relevant documents in support of above details)

I/We confirm that:

A. The information furnished above is correct to the best of my/our knowledge and belief. In case any information or a part thereof is found incorrect, my/our application may be rejected forthwith.

B. I/We undertake to furnish necessary evidence/proof thereof, if any as and when required by the DDSTCBL.

Place:

Signature of the applicant with seal Date:

Annexure-II
(On the Letter Head of the Firm)

I/We the proprietor/main partner of M/s_____ at _____ Situated _____ at (Complete address) hereby accept the terms and conditions as conveyed to us through www.3dcoopbank.in and DDStCB and Union Territory Administration website while calling for the applications.

I/we further declare that:-

- i) I/we, jointly and severally, shall faithfully, truly and to the best of my/our skill and ability execute and perform the duties required from us in connection with the above audit. I/We further undertake that I/we shall not communicate or allow to be communicated to any person not legally entitled thereto, any information relating to the affairs of DDStCBL, Nani Daman, nor shall I/we allow any such person to inspect or have access to any books, or documents belonging to or in the possession of DDStCBL, Nani Daman, or to the business of any person dealing with DDStCBL, Nani Daman.
- ii) None of the partners/proprietor of the audit firm or their spouse, dependent children and wholly or mainly dependent parents, brothers, sisters or any of them, or the firm/company in which they are partners/directors have been declared as willful defaulters by any bank/financial institutions and further declare that there are no adverse remarks/disciplinary actions taken in respect of professional conduct etc. in the records of Institute of Chartered Accountants of India (ICAI) against me/our firm.
- iii) In case the above declaration or any part thereof is proved to be incorrect, the DDStCBL, Nani Daman is free to advise the details thereof to Institute of Chartered Accountants of India for initiating necessary action against me/ our firm.
- iv) I/We do hereby accept the assignment of Forensic Audit of DDStCBL, Nani Daman from FY 2015-16 onwards till FY 2024-25.

Date:

Seal of the firm:

Place: