

## General Instructions

1. The Firm of Chartered Accountants must download the application form, and fill up all the relevant information in the prescribed Application format Only - namely Form A, Form B and must submit the Declaration as well.
2. No additional fields must be added in the prescribed application form.
3. Also all the necessary documents and proofs required along with the application form must reach latest by **July 17, 2017 till 5:00 p.m.** to the undermentioned. The application form must be super scribed “Application for appointment of internal auditor in IFCI FACTORS LIMITED”.

MANAGING DIRECTOR IFCI FACTORS LIMITED 10 <sup>th</sup> Floor, IFCI TOWER, 61 NEHRU PLACE NEW DELHI-110019
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4. Please attach copies of each of the following:
  - i. PAN card.
  - ii. Service Tax Registration Number
  - iii. Registration Certificate
  - iv. Profile of the firm
5. **The scope of internal audit is attached as Annexure I.**  
IFCI FACTORS reserves the right to reject any/all application without assigning any reason.  
**Financial bid may please be sent in separate envelope.**
6. **Periodicity and time limit of audit:-**  
The Internal Audit of the Company shall be carried out on quarterly basis, by 15<sup>th</sup> day of the next month from the end of the quarter.
7. Minimum Fees:- Rs.100,000/- plus applicable taxes
8. **Minimum Eligibility Criteria:**

The Firm of Chartered Accountants should inter alia satisfy that:

- ✓ The firm shall have **Head office** in Delhi;

- ✓ The firm should be in existence for more than **20 years**;
  - ✓ The firm should be empaneled with Comptroller & Auditor General of India and Reserve Bank of India;
  - ✓ The firm shall have experience of conducting **internal audit of a NBFC-ND-SI which has minimum turnover of Rs. 75 crore** and asset size of **Rs. 500 crore and above**;
  - ✓ The firm shall have acted as **Branch Auditor of major Public Sector Bank(s) for 7 years** and must have conducted at least 3 Govt Companies & 1 NBFC assignments.
  - ✓ The firm shall have minimum **8 full time partners** out of which **4** should be **Fellow Chartered Accountants**;
  - ✓ The firm shall have **preferably** at least **1 CISA/ DISA** qualified partner/ staff.
  - ✓ The firm shall have professional **staff strength** of **minimum 12** including Audit and Articled Assistants;
  - ✓ The firm shall have **turnover of Rs. 2 Crore** or more in immediate 3 preceding year;
  - ✓ The firm should not be Statutory Auditors of the Company for last 3 years.
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## **IFCI Factors Ltd.**

### **Scope of Work for Internal Audit**

#### **I. Verification of Financial Accounts & procedures.**

- (a) To verify Income recognition & accrual of Expenses under various heads;
- (b) To review accrual of Income in the Memoranda accounts;
- (c) To check recoveries from settlement cases approved by the Competent authority and levy/ recovery of interest/ penal interest, etc. as per terms of approval;
- (d) To provide Comments on system of maintenance of Books of account, preparation of Trial Balance, passing of entries, writing of vouchers, etc.;
- (e) To verify equity investments held by IFCI Factors through matching balances of equity shares in De-mat/ Custodial accounts/ physical checking of shares,
- (f) To check deployment of surplus funds ensuring proper procedures & due authorizations.
- (g) Monitoring of accounts to avoid down-gradation and recovery of NPAs.

#### **II. Inspection of handling operational matters.**

- (a) To ensure compliance of terms & conditions of sanction & disbursement for equity and loan cases.
- (b) To review information flow on status of operations, Annual reports and Balance Confirmation Certificates from assisted companies at regular intervals;
- (c) To review on periodical basis the status of available security with regard to pledge of shares.
- (d) To review efforts for recovering/ optimizing recoveries of investments and specific suggestions in respect thereof;
- (e) To review compliance of terms & conditions by assisted companies;
- (f) In cases of joint financing by other institutions, to review the status of other lender's actions;
- (g) To check the adequacy of insurance of fixed assets of assisted concerns;
- (h) To check adequacy of monitoring mechanism for protecting IFCI Factors's interest;
- (i) To check expiry of limitation period of filing of suits;
- (j) To review suit filed cases and monitoring mechanism for early monetization, including decreed cases;
- (k) To review the functions and reporting by the Nominee Directors.

**III. Compliance of statutory requirements under various laws/ regulatory norms relating to following:-**

- (a) Income Tax;
- (b) Corporate Laws;
- (c) Companies Act, 2013;
- (d) Service Tax;
- (e) Provident Fund & other establishment laws;
- (f) Payment of Gratuity Act;
- (g) Reserve Bank of India's Guidelines;
- (h) Listing Agreement for Debt Securities;
- (i) Accounting Standards;
- (j) Any other law/ rules/ regulations as may be applicable to the Company.

**IV. Compliance of Corporate Governance.**

- (a) Assessment of reporting mechanism to the Board of Directors and various Sub-Committees of the Board as well as Executives of IFCI Factors.
- (b) Reporting of material developments/ deficiencies in operations to the Board.
- (c) Review of annual Corporate Governance Report.
- (d) Internal Reporting mechanism.

**V. Observations on Administrative matters.**

- (a) Checking of validity of Insurance policies & adequacy of risk coverage for assets of the company.
- (b) Checking of Administration matters including Salaries bills and other payments to staff, calculation of interest on loans to employees etc.,
- (c) Checking of timely payment of telephone, electricity & other bills.
- (d) Review of functioning of internal systems and to suggest measures for improvement.

**VI. Risk Management/ Internal Control System to be followed by IFCI Factors.**

- (a) To ensure risks are appropriately identified and managed.
- (b) To ensure Risk Management Processes are robust and cover all major risks applicable to the Company.
- (c) To evaluate and contribute to the improvement of risk management, control, and governance systems in an organization and achieving the organizational objectives.
- (d) To ensure organization's actions are in compliance with policies, standards, procedures, Code of Conduct and applicable laws and regulations.

- (e) To ensure quality and continuous improvement are fostered in the Organization's control process.
- (f) Significant regulatory and legislative issues impacting the Organization are recognized and addressed properly.
- (g) To help Statutory Auditors of IFCI Factors, in case of any need in respect of auditing of accounts of IFCI Factors and to furnish any certificates as may be desired by them.

**VII. Information System Audit**

To conduct Information System Audit in accordance with RBI Master Direction no. RBI/DNBS/2016-17-17/53 dated June 8, 2017