



Ref: NDZO/CRM/2021-22/ 179

Date: 22.07.2021

UCO Bank
Head Office

Sub: Empanelment of Stock Auditors for the FY 2021-22

With reference to the above subject we enclose herewith Guidelines and Application format for empanelment of Stock Auditors duly approved by the Empanelment Committee of our Zonal Office on 20.07.2021. We request you to kindly publish the same for inviting applications from the interested candidates in this regard.

Sujoy Dutta
(DGM & Zonal Head)

Encl: As above



20.07.2021

Note to Zonal Manager for Empanelment of Stock Auditors for the FY 2021-22

As per Head Office Circular No-CHO/ADV/01/2021-22 dated 01.04.2021, Zonal Office Committee is authorized to empanel **Stock Auditors** for the Zone. In light of above mentioned Circular, we hereby represent a **draft of Policy for empanelment of Stock Auditors** for every year for our Zone along with a **common application form**, seeking details of the prospective Auditors.

This will not only stream line the process of Stock Auditor empanelment, but also bring about uniformity in the process of empanelment, hence forth.

We request your approval for the same for furthering the process of Stock Auditor empanelment and Stock Audit allotment accordingly.

Empanelment Committee (a) for the process may be as follows:

- Zonal Head (Chairman)
- Deputy Zonal Head (Member)
- Officer In-Charge of Credit Department (Convenor)
- Officer In-Charge of Recovery Department (Member)
- Officer In-Charge of Credit Monitoring Department


Senior Manager
(Credit Monitoring Department)

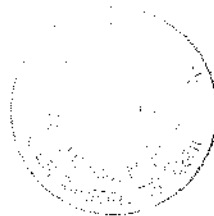

Senior Manager
(Recovery Department)


Chief Manager
(Credit Department)


Chief Manager
(Credit Monitoring Department)


Deputy Zonal Head


Zonal Head



EMPANELMENT OF STOCK AUDITORS (Policy)

GUIDELINES:

UCO Bank Zonal Office New Delhi, invites application for stock Auditors those having their place of business in the State of Delhi may apply as per the following:

The Auditors should be from companies/firms of Chartered/Cist Accountants with at least 3 years of experience. Companies/firms who have personnel with engineering background to assist in conducting the Stock Audit will be given preference.

Those who are already empanelled with us/ other banks / FIs and having good track record of handling the assignments will be given preference. However, the audit firms already empanelled with our Bank to apply afresh.

Experience / competency in handling stock audit, adherence to the specified time frame, reasonableness of the charges and locational advantage will be taken in consideration.

THOSE ALREADY SUBMITTED THEIR APPLICATIONS IN THIS FY 2018-19 FOR SUCH EMPANELMENT NEED TO APPLY DENOVO. All complete applications received shall be acknowledged through email to email ID provided in the application. However, applications, which are not duly filled up and / or lack required supportive documents, shall not be acknowledged and shall be treated as NOT RECEIVED. Any application received after the above mentioned cut-off date shall not be considered for the process of empanelment.

Bank reserves the right not to empanel any of the companies/firms, etc. without assigning any reasons.

The panel will be reviewed at yearly intervals & Bank reserves the right to depanel any of the company/firm in between on observance of unsatisfactory performance/report.

A handwritten signature in black ink is written over a circular stamp. The stamp is faint and appears to be a circular seal or logo, but its details are not clearly legible. The signature is written in a cursive style.

The Stock & receivable Auditors empanelled with the Bank FROM THE YEAR FY 2021-22 shall not require to apply and shall continue to remain on the panel till expiry of their 3 years tenor, unless delisted subsequent to their empanelment.

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

Eligibility criteria for empanelment:

1. 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.
2. The applicant should have post qualification practicing experience of atleast 5 years with atleast 3 years experience in stock audits in different types of industry/sector. In case of firms, the experience of the Managing/ Senior partner shall be considered as the experience of the firm.
3. 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 shall not exceed 75 years. For partnership firms at least one partner should be below 75 years of age at the time of empanelment.
4. The applicant individuals / firms as well as all partners must be income tax assesses.
5. 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



auditor / audit firm shall be eligible for empanelment after a cooling period of three (3) years from the date of retirement of that employee.

6. The applicant should be an Indian citizen.

Additional / Preferred Criteria:

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

Negative Criteria :

1. 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.
2. 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.
3. An undischarged insolvent shall not be eligible for empanelment.
4. 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 & receivable auditors:

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

Empanelment Procedure:

The empanelment under these guidelines will be done on the basis of applications received by the Credit Monitoring Department, Zonal Office, New Delhi upto a cutoff date (10.08.2021). No application received after cut off date shall be considered for empanelment. The process may be repeated annually by assessing the need and seeking applications from the Auditor, interested to be empanelled, within a cut off date, fixed internally and notified in public domain.

After publication of the approved list of Stock Auditors on the Bank's Corporate Website and Bank's Intranet and after issuing appointment letter by Credit Monitoring Department, Stock Auditor thus selected as above shall submit all the relevant original documents as per our empanelment criteria, to Credit Monitoring Department, Zonal Office.



Duration of Empanelment:

1. The duration of empanelment shall be for a period of three years. However the quality of service provided/ performance of the stock auditors shall be reviewed annually by the Bank.
2. Upon expiry of three years from the empanelment the stock auditor will require to apply afresh for renewal/ re- empanelment, which will be considered in the next meeting of *Empanelment Committee (a)*. In absence of any such representation, the sock auditor will automatically be delisted.
3. However, at any time during the 3 years period the Bank may at its discretion de-empanel / remove any stock auditor after serving due sow cause notices. Such stock auditors will remain debarred from the empanelment for next 5 years.

Performance review of stock auditors:


1. There shall be annual review of the performance of the empanelled stock & receivable auditors.
2. 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 yearly performance report.
3. 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.

Removal / de- empanelment of stock auditors:

1. Removal/ de-empanelment of Stock Auditor will also be done by the Competent Authority.
2. 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.
3. 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.



4. 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 the Institute of Chartered Accountants of India/ Institute of Cost Accountants of India immediately.

Appointment of Empanelled stock auditors:

1. 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.
2. 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.

Obligations of Bank:

1. All receipts of application are to be duly acknowledged as also the rejections are to be communicated giving due reasons.
2. 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.
3. All instructions to the stock auditors are to be given in writing.
4. No security deposits or any other indemnity money should be taken from the stock auditors.
5. 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 auditors 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:

1. The reports must be prepared and submitted in the Bank's approved format upon execution of the job as per terms of engagement/appointment.

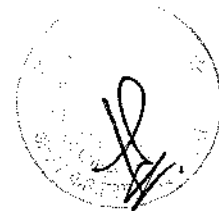
Independence and Objectivity:

1. 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.

Professional Fees:

Accounts with fund based exposure	Professional fee to be paid to Stock Auditor
Up to Rs. 5.00 Cr*	Rs. 4500/- only. For outstation travelling, actual Railway ticket upto first class and Rs. 200/- per day as diem may be reimbursed.
Above Rs. 5.00 Cr	After negotiation with the Auditors in each case and after making a reference to the borrower, fees may be determined.

*(Considering volume of work and intricacies involved in a particular account, Zonal Heads or Functional GMs may permit higher amount over and above the indicated fee structure as deemed reasonable by them.)



**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 (Attach separate sheet if required)				
	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					
	I/We do hereby undertake that <i>[strike out which is not applicable]</i> 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, EMP 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.					
	I/We do hereby declare that I/We am/are not central statutory auditor of your Bank I/We am/are not branch statutory/concurrent auditor of your Bank OR I/We are statutory/concurrent auditor of following branches					
	Branch	Assignment	From	to		
	I/We undertake to disclose any change in the above status as and when takes place during the empanelment period					
	I/We do hereby solemnly declare and affirm that I/We have not been removed/dismissed from service/employment earlier I/We have not been convicted of any offence and sentenced to a term of imprisonment I/We have not been found guilty of misconduct in professional capacity 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)</p> <p>There are no complaints against me/us, registered with CBI/SFIO/Police/Courts of law</p> <p>I/We have not been blacklisted/depanelled by any bank/FI/IBA/others in the past</p>
<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 & 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)

(Signature)	(Signature)	(Signature)
Name	Name	Name
Designation	Designation	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

