

## Notice inviting Financial Bids for conducting Forensic Audit

Financial Bids are invited from IBA Empanelled Forensic Audit Firms (Empanelled for the purpose of conducting Forensic Audit of frauds above Rs. 50.00 Crore) to conduct Forensic Audit in the account of M/s Kesar Enterprises limited for total financial exposure of Rs. 169.26 Crore.

The scope of your work of the Forensic Audit is as under:

### **1. End Use of Funds:**

- Identifying/ ascertaining the actual end use of funds disbursed by the Term Lenders and assets created.
- Tracing the source of contribution by promoters by analyzing equity/debt/ unsecured loans infused by promoters /partners and verifying that they were not subsequently withdrawn.
- Commenting on adherence to Escrow/ Trust and Retention Account (TRA) arrangements (if any) made with various banks. Details of all transactions with banks outside the consortium / other than nominated account.
- To examine the diversion/ siphoning of lenders' funds/ company's assets charged to lenders as Security (Primary/ Collateral) and to quantify that amount, if any.
- Establishing money trail of all major transactions of procurement of equipment, investments made, unsecured loans given and major collections from sales and debtors (1 Crore and above) etc.

### **2. Revenue & Receivables**

- Verification of Revenue from Operations including Sale Orders, Invoices and Controls in the Billing Process obtaining confirmation where-ever necessary and verifying the genuineness.
- Review of sales and debtors including review of sale transactions as may be found required. Analysis of vendor/customer relationships by analyzing sale transactions and verifications of genuineness of underlying documents.
- Review of receivables including age-wise analysis of debtors, identifications of major debtors, recoverability of the debtors and commenting on the genuineness.

### **3. Purchases & payables**

- Verification of the purchases for operations including purchase order, invoices and controls in the billing process obtaining confirmation wherever necessary and verifying the genuineness. Review of payables including age-wise analysis of creditors, identifications of major creditors and commenting on the genuineness.

### **4. Investments**

- Analysis of various investments made and their approvals. The documentation of investments is to be verified and commented upon.
- The commercial expediency and prudence of investments needs to be verified and commented upon.

### **5. Related Party Transactions**

- All related Party transactions are documented year wise and commented upon as a separate section in the report
- Group Transactions/ inter-company transactions/ related party transactions are to be examined with respect to commercial prudence, genuineness, documentation and various approvals under the Laws. Non-compliances have to be brought out clearly. Diversion of funds is to be brought out clearly.
- Related Party Transactions should cover all transactions including but not limited to purchase, sales, expenses, loans given and taken, investments made in subsidiary, joint ventures and associates etc.

## **6. Accounting and Falsification of accounts**

- The auditor is required to examine whether accounting standards have been observed and whether there has been falsification of accounts where there are fraudulent transactions which are mere book entry and not backed by any genuine documents.
  - Wherever frauds, if any are observed, the modus operandi, the motive of the suspect and opportunity to commit fraud are to be commented. Whether there is any collusion and also mention the physical and documentary evidences to substantiate it, whether there was any attempt to destroy the evidence, etc.
7. Movement of Loans & Advances and their documentations, approvals under companies act, confirmations and commenting on genuineness of these loans. The end use of loans should be verified and commented upon.
  8. Any other information considered relevant by you in the best interest of the Lender's / banks.
  9. The above scope of work is illustrative and not exhaustive in nature and the bank shall be free to add to the above list/ discontinuation of above forensic audit depending on the evolving situation.

Your report will cover for the year 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 (up to 31.03.2018).

Time Schedule for submission of Draft Forensic Audit Report: 45 days from the Date of Appointment as Forensic Audit.

The Quotes for the above assignment should be submitted in a sealed envelope latest by 5:00 PM 03.12.2018 at following address:

Allahabad Bank,  
 Industrial Finance Branch,  
 37, Mumbai Samachar Marg,  
 Fort, Mumbai- 400 023  
 Tel: 22702745/46/47 Fax: 22702733/35