

**THE H.P. STATE CO-OPERATIVE AGRICULTURE AND RURAL DEVELOPMENT
BANK LTD.KASUMPATI SHIMLA-171009**

**EXPRESSION OF INTEREST FOT CONDUCTING STATUTORY AUDIT OF THE
BANK FOR THE FY 2024-2025**

The H.P. State Cooperative Agriculture & Rural Development Bank Ltd invites bids for engaging Chartered Accountant, Firm(s) listed under the category **I and II** out of the panel approved by the H.P. Government on competitive rates for conducting Statutory Audit of Bank branches of SARDB and KPARDB and their Head offices for the Financial Year 2024-2025.

The interested Chartered Accountant Firm (s) as approved by the State Govt. having either **I or II** category vide notification No. 3-19/2021-Coop (A) dated 7-09-2021 shall apply within a period of 10 days from the date of publication of their EOI quoting their rates to the Managing Director of the Bank in sealed envelope making it at the top as "**EOI for Statutory Audit of the Bank for the Financial Year 2024-2025.**" The Bank has fixed the minimum & maximum fee for the Statutory Audit of Head Office and Branches. The same can be downloaded from the official website of the Bank i.e.hpardb.in

This Bank reserves the right to decide and allocate the work to any firm based on its experience and capability as the lowest quoted rate will not be the sole criteria for allocation of work. For information regarding scope of work, requisite conditions and panel of CA's approved by the Registrar Cooperative Societies, HP., the interested party/firm may refer to Bank's website hpardb.in

Dated: 13-05-2025


Managing Director

**The H.P. STATE CO-OPERATIVE AGRICULTURE AND RURAL DEVELOPMENT
BANK LTD. KASUMPATI SHIMLA-171009**

The H.P. State Cooperative Agriculture & Rural Development Bank Ltd. Is looking for the engagement of services of Chartered Accountant Firm(s) listed under category I and II out of the panel approved by the H.P. State Government on cooperative rates for conducting the Statutory Audit of the Bank Branches and its Head Office for the Financial Year 2024-2025.

While conducting the audit the following conditions/instructions may be strictly complied:

1. Chartered Accountant, Firm(s) must be listed under category I and II out of the panel approved by the H.P. Government.
2. Audit should be completed on or before 31st July 2025.
3. Total Bank branches 81 and Head Office of SARDB and KPARDB.

Fee Structure

1. Head Office: The maximum Audit Fee for Head Office will be Rs. 132825/-(Rs. One Lakh Thirty Two Thousand Eight Hundred Twenty Five Only) and for branches the Audit fee will be paid as per letter dated 16th Oct.2017 of Govt. of India, Department of Financial services. For KPARDB the maximum Audit fee will be 75000/-(Seventy Five Thousand Only).
2. The TA/DA and Halting charges will be paid separately as per the fee structure approved vide Registrar Cooperative Societies, office order No. 3-995/78-A VIII dated 02-06-2018 (Copy attached).
3. Maximum Tax Audit Fee will be Rs. 50000/-(Rs. Fifty Thousand only).
4. Auditor shall submit the complete audit report on Long Form Audit Report (LAFAR) in duplicate supported by lists and detailed comments, where ever required filing along with security of ITR of concerned year and in future to plead the case of the Bank before the competent authority, if so required without additional fee.
5. The Tax Audit under the Income Tax Act, 1961 is also be conducted and all required statements is submitted on the prescribed format.

Additional Conditions

1. Detailed comments on each head of Balance sheet to be given in the Audit Report.

2. Comments upon composition of Management, BOD meetings held during the audit period and decisions taken in the BOD meetings, any decision in violation of provisions of HPSARDB Bank's Act, 1979 and Rules 1990 and HP Cooperative Societies Act, 1968 or guidelines issued by the RCS from time to time.
3. Review and detailed comments on each item of Long Form Audit Report(LAFAR) for Cooperative Bank's revised framework i.e. CAMELSC (Capital, Asset quality, Management Earning Appraisal, Liquidity Management, Systems and controls and compliance.
4. Audit Classification of Bank to be done as per directives of NABARD.
5. Adherence to relevant circulars of NABARD.
6. Review and comments of implementation of the Prudential Norms on Assets classification and Income recognition.
7. Review of Investment Policy of Bank and categorization of investment and its valuations.
8. Physical verification of investment instruments and scripts.
9. Assessment of Bank's operational Risk Management.
10. Assessment of Bank's Credit Risk Management(CRM) and Loan Mechanism.
11. Reviewing of position of Fraud cases in Bank and comments preventive measures and steps for early detection.
12. Maintenance of SLR as per NABARD Guidelines.
13. Comments on reconciliation of entries outstanding in the inter-branch, inter Bank accounts, Suspense Accounts, Sundry deposit accounts.
14. Verification of compliance by the Bank to the internal inspection, NABARD inspection previous year Audit Report and comments.
15. Classification of Assets under NPA is checked exhaustively and MOC's be highlighted and incorporated in the Balance Sheet.
16. To check the expenditure vouchers as per the limit or authorization from HO.
17. To check the cash retention by the branches as per the cash retention limit fixed by the Bank and excess/idle funds retained by the branches without justification.
18. To check the Demand Collection Balance(DCB) and its correctness.
19. To check the achievement of target fixed under Loans, Recovery and Deposits.
20. To check the correctness of Loan accounts during its transfer from LP accounts.
21. Physical verification of Stock articles.
22. Any other area which Statutory Auditor feel necessary for true and fair picture of the Bank/Branches.


Dr. Harish Gajju, HAS
Managing Director

F. No. 714/2015-RRB-Vol(II)
Government of India
Ministry of Finance
Department of Financial Services.

Jeevan Deep Building, 8th Floor
Sansad Marg, New Delhi
Dated the 16 October, 2017

To,

The Chief General Manager,
IDD, NABARD,
Head Office, Mumbai.

Subject: Revision of Remuneration payable to Statutory Auditors of RRBs.

Madam,

I am directed to refer to NABARD's letter NB/HO/IDD/260/RRB-322/2017-18 dated 2nd June 2017 and NB/HO/IDD/468/RRB-322/2017-18 dated 25th July 2017 on the above cited subject and to convey the approval of the Central Government in terms of provisions section 19(2) of the Regional Rural Bank Act, 1976, to the following revision in the remuneration of the Statutory Auditors of RRBs for audit to be conducted in financial year 2018-19 onwards until further revision.

2. Head Office Audit Fees:

S.N.	Business levels (Advances+Deposit) of the RRB as a whole	Audit Fee (Rs)
1	below Rs. 500 crore	26560
2	Rs. 500 crore to Rs.1500 crore	40626
3	Above Rs. 1500 crore to Rs. 3000 crore	53100
4	Above Rs. 3000 crore to Rs. 4500 crore	67200
5	Above Rs. 4500 crore to Rs. 15000 crore	78150
6	Above Rs. 15000 crore to Rs. 25000 crore	80660
7	Above Rs. 25000 crore	105150

3. Branch Audit Fees:

S.N.	Quantum of Loans and Advances of the concerned Branch(excluding Inter- Branch Advances)	Audit Fee (Rs)
1	Up to Rs. 2.5 crore	5000
2	Above Rs. 2.5 crore to Rs. 5.0 crore .	6300
3	Above Rs. 5.0 crore to Rs. 8.0 crore .	7900
4	Above Rs. 8.0 crore to Rs. 15.0 crore .	9300
5	Above Rs. 15.0 crore to Rs. 25.0 crore	11000
6	Above Rs. 25.0 crore to Rs. 40 crore	13000
7	Above Rs. 40 crore	15350

Daily conveyance allowance:

S.N.	Particulars	Partners/Proprietors (in Rs.)	Qualified Assistants (in Rs.)	Unqualified Assistants (in Rs.)
1	Auditors while working away from their Headquarters for conducting the bank's Audit (self declaration basis)	240 *	120 *	100 *
2	Local auditors, if the distance between the auditors' Office and banks Office/Branch is beyond 100 km (self declaration basis)	240 *	120 *	100 *

5. The Travelling and Helling Allowance (TA/HA)/Boarding charges/Loading charges payable to the Statutory Auditors will be as per the norms specified by IBA norms. The category of Officers linked for the purpose of deciding the ceiling limits of such expenses will be as under:

Category of audit officials	Scale and designation of Bank officials (as per IBA), proposed for RRB audit
Partners / Proprietors of audit firms (Central and Branch audit firms) & CAs	Scale V / VI - AGM / Dy. Gen. Manager
Qualified Assistants / Associates	Scale III - Senior Manager
Article ship / Assistant	Scale I - Officers

* However, the reimbursement of daily conveyance charges shall not exceed 10% of the audit fees payable to the respective auditors. There will be no distinction between statutory Central auditors and Branch auditors regarding payment of branch audit fees and reimbursement of travelling, helling allowance and daily conveyance charge.

6. With regard to the reimbursement of travelling, helling allowance and daily conveyance charges, the following norms as hitherto may also be continued:

- Wherever banks have Guest House or Visiting Officers flats, the same may be utilized to cater to the needs of auditors.
- Banks should call for such details as are necessary for verification of bills in this regard and the statutory central auditors as well as branch auditors shall furnish such details for verification of the actual expenses.
- Where the statutory central auditors have their headquarters at a place different from the where the Head / Central Office of the bank is situated, the TA/HA, if any, should be nominal for the central audit.
- However, to ensure the quality of audit, there should be no restriction on the partners of the firm visiting the Head/Central Office of the Bank as and when they deem it necessary.

v. Where the statutory central auditors or branch auditors have an office at the place where the branches/offices of the bank to be audited are situated, they will not be reimbursed TA/HA. However, daily conveyance may be reimbursed as suggested above.

vi. The TA/HA should be kept to the minimum.

vii. In case of dispute between the auditors and the bank regarding settlement of their bills, the Chairman of the RRB shall be the final authority to decide the claims. The Chairman has to satisfy himself that the actual expenses have been incurred by a particular auditor and the claims are settled keeping in view the aforesaid guidelines.

7. This issues with the approval of Competent Authority.

8. The receipt of this letter may kindly be acknowledged.

Yours faithfully,

[Signature]
H 15 ndy

(M. Mukherjee)

Deputy Director (RRB)

Tel No- 011-23748764

(25)

No. Coop-3-995/78-A-VIII
Directorate of Cooperation
Himachal Pradesh, Shimla-9

To

CA Yogesh Verma, Chairman,
H.P. Branch of NIRC of ICAI,
1st Floor, Sidhi Vinayak Apartments,
Near Petrol Pump, Vikas Nagar, Shimla-171009.

Dated : Shimla-9, the 02nd June, 2018

Subject : Regarding revision in reimbursement of TA/DA and halting charges.

Sir,

This is with reference to your office letter dated 26th April, 2018, the criteria/norms fixed for reimbursement of TA/DA and halting charges earlier vide this office letter of even no. dated 18/05/2010 are revised as under :

1) For branches within 20 KMs from the auditor's registered office

- i) No TA/DA and no halting charges shall be paid
- ii) Travelling charges will be paid @ Rs. 7/- per KM.

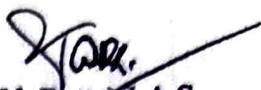
2) For branches beyond 20 KMs and upto 40 KMs from the auditor's registered office

- i) Daily allowance shall be paid @ Rs. 300/- for the Chartered Accountant and Rs. 200/- per head for the audit staff.
- ii) Travelling charges will be paid @ Rs. 7/- per KM provided that entire audit team shall travel by single vehicle. No individual mileage shall be paid.
- iii) No halting charges shall be paid.

3) For branches beyond 40 KMs and upto 100 KMs from the auditor's registered office

- i) Daily allowance shall be paid @ Rs. 300/- for the Chartered Accountant and Rs. 200/- per head for the audit staff.
- ii) Travelling charges will be paid @ Rs. 7/- per KM provided that entire audit team shall travel by single vehicle. No individual mileage shall be paid.

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- iii) Lodging charges shall be paid equivalent to the room rent charges for private stay in PWD/Govt. Guest House subject to the production of actual receipt. In case of non-availability of accommodation in Govt. Guest Houses, the lodging charges shall be paid in lump sum @ of Rs. 500/- per day.



(Dr. R.N. Batta) I.A.S.
Registrar Cooperative Societies,
Himachal Pradesh Shimla-9

Endst. No. As above

Dated: Shimla-9, the 22th June 2018

Copy to :

1. The Managing Director, the H.P. State Cooperative Bank Ltd; the Mall Shimla for information and necessary action.
2. The Managing Director, the Kangra Central Cooperative Bank Ltd; Dharamshala for information and necessary action.
3. The Managing Director, the Jogindra Central Cooperative Bank Ltd; Solan for information and necessary action.


(Dr. R.N. Batta) I.A.S.
Registrar Cooperative Societies,
Himachal Pradesh Shimla-9