



**CENTRAL REGISTRY OF SECURITISATION ASSET  
RECONSTRUCTION AND SECURITY INTEREST OF INDIA  
(CERSAI)**

CERSAI/COO...../...../2014 - 414

May 20, 2014

Chartered Accountants based at New Delhi

Dear Sir,

**Sub : Quotation for conducting Internal Audit of CERSAI  
For FY 2014-2015 and FY 2015-2016**

You are aware that Government of India has established a Central Registry under provisions of SARFAESI Act 2002 ('Act') for registration of transactions of security interest over property, securitisation and asset reconstruction. Government has entrusted the operation of Central Registry to Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI), which is a not-for-profit company under Section 25 of the Companies Act, 1956. The company became operational on March 31, 2011 in accordance with the Union budget announcement by the Hon'ble Union Finance Minister. Institutions like Banks, FIs, and Securitization and Asset Reconstruction companies under the provision of this Act are required to register transactions of creation of security interest and securitization and reconstruction with CERSAI.

The objective of setting up the Central Registry is to provide a database of security interest over property rights to secure loans and advances granted by banks and financial institutions. The records maintained by the Central Registry are currently available for search by the lending agencies before they advance loans against such properties. This is aimed at preventing frauds involving multiple lending against the security of same property as well as fraudulent sale of property without disclosing the security interest over such property. The organization is being managed by officers [currently only five] from various banks. As a part of good corporate practice, we are now proposing to appoint an internal auditor; so as to ensure that the systems and procedures are being followed by CERSAI officials. In this context we are inviting quotations from chartered accountants based at New Delhi for the said assignment. The assignment (internal audit) would be for FY 2014-2015 and for FY 2015-2016. (Two years). Brief scope of work is mentioned in annexure. In case you require any further details you can contact the CERSAI officials (with prior appointment) at the following

भारतीय प्रतिभूतिकरण परिसंपत्ति पुनर्निर्माण  
और प्रतिभूति स्वत्व की केंद्रीय रजिस्ट्री  
(भारत सरकार का उपक्रम)  
5वां तल, एम.टी.एन.एल. टेलीफोन एक्सचेंज बिल्डिंग,  
8, भीकाजी कामा प्लेस, नई दिल्ली-110066  
दूरभाष : 011-26176857  
वेबसाइट : <http://www.cersai.org.in>  
ई-मेल : [contactus@cersai.org.in](mailto:contactus@cersai.org.in)

Central Registry of Securitisation Asset Reconstruction  
and Security Interest of India (CERSAI)  
(A Government of India Undertaking)  
5th Floor, MTNL Telephone Exchange Building,  
8, Bhikaji Cama Place, New Delhi - 110066  
Phone : 011-26176857  
Website : <http://www.cersai.org.in>  
E-mail : [contactus@cersai.org.in](mailto:contactus@cersai.org.in)

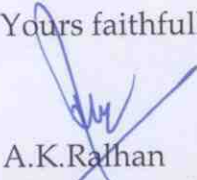
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address : CERSAI, 5th Floor, MTNL, Telephone Exchange Building, 8, Bhikaji Cama Place, New Delhi - 110 066:

Name	Designation	Email ID	Phone
Shri A.K.Ralhan	Chief Operating Officer	<a href="mailto:akralhan@gmail.com">akralhan@gmail.com</a>	08130335551
Shri A.K.Jain	Dy. General Manager.	<a href="mailto:akjain5857@gmail.com">akjain5857@gmail.com</a>	09717673456
Shri Sumesh Lohi	AGM (Legal)	<a href="mailto:sumeshlohi@gmail.com">sumeshlohi@gmail.com</a>	09911052629
Shri Deepak Sarda	C M (Operations)	<a href="mailto:cmoperations@cersai.org.in">cmoperations@cersai.org.in</a>	09953555015

If you are interested to take up this assignment, request you to furnish the sealed quotation by 31<sup>th</sup> May, 2014

Yours faithfully,

  
A.K.Ralhan  
Chief Operating Officer

Encl : As Above



### Broad Scope of Work for the Internal Audit of CERSAI

The scope and objective of Internal Audit on a continuous basis will be as follows :-

A. Examination of accounts (including resources & investments), expenditure audit, recoverable/ payable, fixed assets, scrutiny of suspense and sundry accounts and other related records and verification of assets and liabilities so as to ensure that transactions are promptly and accurately recorded and reconciliation thereof. For the said purpose, transactions accounted for in the books may have to be scrutinized with reference to the initial documents and wherever necessary statistical comparison be made. The objective is to ensure that -

(a) The policies and procedures laid down by the management including risk management and in the absence thereof, established policies and procedures are followed.

(b) The Statutory requirements of the Company under the (i) Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and rules framed there under (ii) Factoring Regulation Act, 2011 and the rules framed there under are adhered to.

(c) Financial propriety, especially the directions, guidelines, rules, regulations, circulars and orders having financial bearing issued by the competent authority of CERSAI from time to time are observed.

(d) Account keeping and the data flow are reliable and accurate.

B. Examination of system of internal control including internal check being followed at its office for both soundness in principle and effectiveness in operation and recommendation for improvement / additional safeguards that may be required for strengthening the same. One of the objectives will be to build preventive safeguards against frauds, misappropriations or other losses.

C. Observations and Suggestive Action for Improvement -

- (i) Furnishing observations after a factual review of the procedures relating to risks associated with basic features accounting, maintenance & custody of the documents.
- (ii) Observations on whether the registration of entity, the primary user and advance fee deposit by the Banks/ FIs are in accordance with the policy and procedure of CERSAI.
- (iii) Observations on submission and adequacy of filing of all statutory returns etc;
- (iv) Comments on preventive safeguards against frauds/ misappropriations, prudent practices and reliable / accurate flow of data;
- (v) Comments about compliance / rectification of the discrepancies observed in the statutory audit reports;
- (vi) Compliance with the various policies of the CERSAI; and
- (vii) Intensified audit of the risk based activities of the CERSAI.



- (viii) Specifically comment in the audit report about the Companies compliance in respect of various statutory filing requirements under the Companies Act, 1956/2013, Income Tax, Service Tax, Work Contract Tax etc.
- (ix) Feasible suggestions / remedies / key solutions offered for removing the legal risks/ legal lacunae in the documentation/ formulation of agreements/ collaboration.

#### General Terms and Conditions

- (i) During the assignment, the substitution of key staff identified for the assignment will not be allowed unless agreed to by the CERSAI
- (ii) The audit firm should provide professional and impartial advice at all times and hold the interest of CERSAI paramount and should observe the highest standard of ethics while executing the assignment
- (iii) CERSAI reserves the right to ascertain information from the clients to which the firm has rendered their services for execution of any projects
- (iv) The audit fees shall be paid on a quarterly basis based on invoices raised but the audit firm, subject to submission of the deliverables. Necessary TDS will be debited while making the payment.
- (v) The audit firm shall not subcontract or permit anyone other than its personnel to perform any of the work, service or other performance required of the audit firm.
- (vi) Quotes may be submitted in a sealed envelope addressing to Chief Operating Officer CERSAI. Consolidated professional charges may be indicated in the quote for FY 2014-2015 and 2015-2016. Service Tax and other similar statutory levies may be indicated separately. The amount of professional fee quoted shall be all inclusive of the expected and anticipated out of pocket expenses for the assignment in the nature of travelling etc.
- (vii) The consultant shall be in the panel of at least one public sector enterprise / public sector bank / regulator and has conducted internal audit during any of the last 5 years. Sufficient documentary proof may be furnished.
- (viii) The Audit firm shall acknowledges and agrees that in connection with their appointment as internal auditor, it may have access to certain trade-secrets, information regarding business strategies, business arrangements, business and operating processes, financial information, Customer related data and information and other non-public confidential information of the company during and in connection with the audit exercise ("Confidential Information"). The Audit firm shall agrees to not to disclose any Confidential Information to any third party and not to use any such Confidential Information for any purpose other than as strictly required for performance of the internal audit of the Company. The Audit firm may share any such Confidential Information with its employees, directors, authorised representatives, advisors or service providers on a "need to know basis" and shall issue suitable





instructions and/or get suitable written undertakings or agreements executed to bind its employees and / or the said person(s) to the same obligations of confidence and safeguarding as the audit firm has entered in to with the Company and to adhere to the confidentiality terms contained in the letter of engagement. All copies (soft or hard) of the Confidential Information shall be destroyed or handed over back to the Company once the internal audit exercise is completed.

